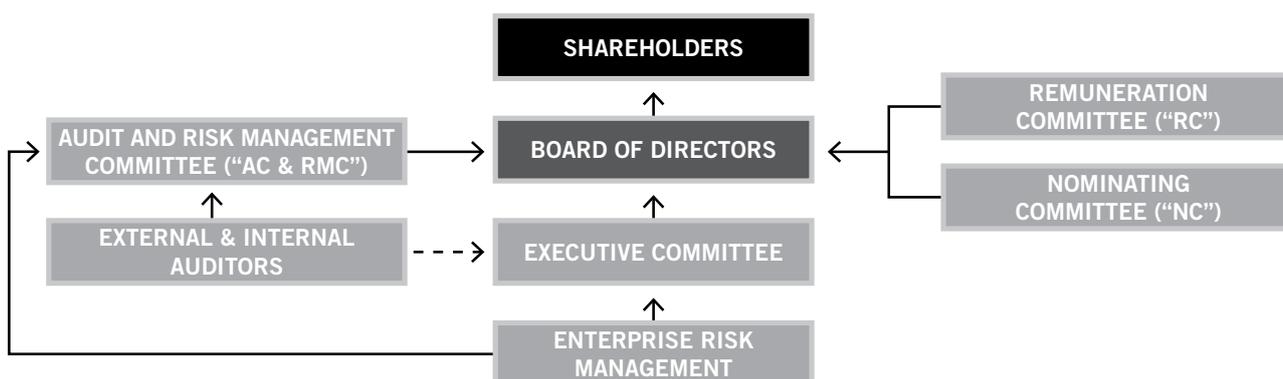


# CORPORATE GOVERNANCE

The Board of Directors (“**Board**”) and Management of Indofood Agri Resources Ltd. (the “**Company**”) and together with its subsidiaries (collectively, the “**Group**”) firmly believe that good corporate governance is a reflection of the Group’s commitment towards long-term sustainable business performance.

This report sets out the key aspects of the Group’s corporate governance framework and practices, with reference to the principles and provisions of the Code of Corporate Governance 2018 (“**2018 Code**”). The Company has complied with the principles of all material aspects of the 2018 Code, and where there are deviations to the 2018 Code, the explanations are provided in the respective sections of this report.

## CORPORATE GOVERNANCE FRAMEWORK



## BOARD MATTERS

### PRINCIPLE 1: The Board’s Conduct of Affairs

The Company is headed by a Board of Directors that oversees the conduct of the Group’s business affairs and performance by working closely with the Management to achieve strategic goals and enhance shareholder value.

**Roles and Responsibilities:** The primary function of the Board is to provide entrepreneurial leadership so as to protect and enhance long-term value and returns for its shareholders. During 2024, besides carrying out its statutory responsibilities, the Board’s roles and responsibilities were as follows:

- Guide the formulation of the Group’s long-term strategic plans, performance objectives and operational initiatives;
- Establish and oversee the processes for evaluating the adequacy and effectiveness of the Group’s risk management and internal controls framework, financial reporting and compliance with legislative and regulatory requirements;
- Review and approve the Group’s business plans, including annual budgets, and major funding, investment and divestment proposals;
- Manage and monitor the Group’s sustainability initiatives, and consider the material environmental, social and governance (“**ESG**”) factors as part of its strategic formulation;
- Oversee the Group’s business affairs, including its financial performance and condition, and monitor the performance of the Management;
- Approve matters as specified under the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) interested person transaction policy and assume responsibility for good corporate governance, including the establishment of an enabling culture, exemplary values and ethical standards of conduct across the Group;
- Ensure that the Group’s obligations to shareholders and other stakeholders are understood and duly met; and
- Ensure that the Group’s communication with its stakeholder groups is transparent and accountable.

# CORPORATE GOVERNANCE

**Directors' Duties and Obligations:** The Board of Directors shall exercise due care and independent judgement, and objectively discharge their duties and responsibilities in the best interest of the Company. This is one of the performance criteria for self and peer assessments in the NC annual evaluation of the effectiveness of the Directors.

The Board comprises Executive, Non-Executive and Independent Directors, whose duties and obligations are as follows:

- **Executive Directors ("EDs")** are members of the Management who are involved in the day-to-day running of the business. They work closely with the NEDs on the long-term sustainability and success of the businesses. They provide insights and recommendations on the Group's operations at the Board and Board Committee meetings.
- **Non-Executive Directors ("NEDs")** do not participate in the business operations. They constructively challenge the Management on its decisions and contribute to the development of the Group's strategic goals and policies. They participate in the review of the Management's performance in achieving the strategic objectives as well as the appointment, assessment and remuneration of the EDs and key personnel.
- **Independent Directors ("IDs")** are NEDs who are unrelated to any of the EDs and deemed to be impartial by the Board. IDs have similar duties as the NEDs, with the additional responsibility of providing independent and objective advice and insights to the Board and Management.

Each Director is required to promptly disclose any conflict or potential conflict of interest, whether direct or indirect, in relation to a transaction or proposed transaction with the Group as soon as is practicable after the relevant facts have come to his knowledge. The Company has in place appropriate procedures where, on an annual basis, each Director will also submit details of his associates for the purpose of monitoring interested person transactions. Where a Director has a conflict or potential conflict of interest in relation to any matter, he will immediately declare his interest either at the meeting of the Directors or by written notification to the Company. Unless the Board is of the opinion that his presence and participation are necessary to enhance the efficacy of such discussion when the conflict-related matter is discussed, the Director will refrain from participating in the discussion and abstain from voting in relation to the conflict-related matters.

**Director Orientation and Training:** The Board recognises the importance of professional development for the Directors for them to contribute effectively during the Board and Board Committee meetings. All newly appointed Directors are briefed by the Chairman of the Board and any Board Committees they are appointed to regarding their roles, duties and responsibilities. They also attend an orientation programme conducted by the Management to familiarise themselves with the Group's organisation structure, business operations, strategic directions, industry trends, corporate developments and corporate governance practices, as well as their statutory duties and other responsibilities as Directors.

Succession planning and board renewal are critical to the business continuity, development and growth momentum of the Company. Messrs Lee Kwong Foo Edward and Lim Hock San retired from the Board at the AGM held on 30 April 2024, while Mr Goh Kian Chee was reappointed as a non-independent and NED to ensure continuity. In addition, the following new Directors were appointed on 1 May 2024:

- Mr Philip Yeo Liat Kok as the Lead ID and Chairman of the Board, NC and RC;
- Mr David Sungkoro as an ID, Chairman of the AC & RMC and member of the NC; and
- Mr Andreas Tan as an ID and member of the AC & RMC, NC and RC.

The changes in the Board Committees on 1 May 2024 were:

- Mr Goh Kian Chee, a non-independent and NED of the Company, stepped down as the AC & RMC Chairman and member of the RC. He was reconstituted as a member of the AC & RMC;
- Mr Tjhie Tje Fie stepped down as a member of the AC & RMC, NC and RC; and
- Mr Axton Salim was appointed as a member of the RC.

# CORPORATE GOVERNANCE

As Messrs David Sungkoro and Andreas Tan were first-time Directors of a listed company on the SGX, they completed the ISCA-SAC Board of Directors Masterclass Programme on the roles and responsibilities of a director of a listed company, as required under Rule 210(5)(a) of the SGX-ST Listing Manual. The new IDs also received orientation conducted by Management to familiarise themselves with the Group's operations. In addition, Messrs David Sungkoro and Andreas Tan participated in site visits to a refinery and oil palm plantation.

The Directors receive continuing education and training in areas pertaining to their duties and responsibilities. This includes seminars and workshops on corporate governance, financial reporting standards, and relevant laws and regulations, such as the SGX-ST Listing Manual, the Code of Corporate Governance and the Companies Act. The Directors also attend seminars and training organised by the Singapore Institute of Directors ("SID") and other professional organisations to stay abreast of recent developments and approaches in financial, legal, corporate governance and regulatory practices.

Seminars and training programmes attended by the Board in 2024
Investment Forum 2024 –Indonesia outlook by Mandiri
Accounting, Financial & Tax Aspects of Investing, Divesting and Merger by Indonesia Institute of Public Accountants
ISCA-SAC Board Of Directors Masterclass Programme by ISCA
SID Directors Conference 2024 – Directorship in Transition: Redefining Roles, Risks and Results by SID
SID Listed Entity Director (LED) 5 – Audit Committee Essentials
SID LED 6 – Board Risk Committee Essentials
Mandatory Accreditation Programme Part II – Leading for Impact by Institute of Corporate Directors Malaysia
Asia Forum 2024 by Barclays
11th Annual Hong Leong-CDL Group Sustainability Forum – Forward Faster towards Business Sustainability by CDL
ASPAC Board Leadership Centre Webinar 2024 – Geopolitical Risks and the Strategic Imperatives for Board and C-Suite by KPMG
Global Economic Outlook 2025 by Dr Muhammad Chatib Basri
Between Ease of Service & Supervising of Tax Compliance by the Indonesia Institute of Public Accountants
Sustainability Reporting Standards & Implementation by the Indonesia Institute of Public Accountants
Deep Dive into the Climate Change & Carbon Market: Regulations, Incentives & Carbon Tax Strategies in Indonesia by the Indonesia Institute of Public Accountants

**Board Delegation and Support:** To discharge its fiduciary duties and responsibilities more effectively, the Board is supported by the Executive Committee ("**Exco**"), the AC & RMC, the NC and the RC. These Board Committees play a key role in enhancing corporate governance, improving internal controls and driving the Group's performance. Each Board Committee has clearly defined terms of reference that set out its compositions, duties, authority and accountability to the Board. The terms of reference are reviewed annually.

The Exco is chaired by Mr Mark Julian Wakeford, with Messrs Tjhie Tje Fie, Moleonoto Tjang and Suaimi Suriady as members. The Board delegates the Exco certain discretionary limits and authority for business development, investment, divestment, capital expenditure, finance, treasury, budgeting, human resource ("**HR**") and business planning. The Exco is entrusted to execute the business strategies approved in the annual budget and business plan, implement the appropriate accounting systems and other financial controls, put in place a robust risk management framework, monitor compliance to laws and regulations, adopt competitive HR practices and compensation policies, and ensure that the Group operates within the approved budget.

The Board and Board Committees are supported by the Company Secretaries who are competent in company laws and company secretariat practices, including taking minutes of meetings, ensuring compliance with Board procedures and regulatory requirements, and assisting the Board to implement and strengthen corporate governance policies and processes.

# CORPORATE GOVERNANCE

The Company Secretaries attend all the Board meetings and are directly accountable to the Chairman on all matters relating to the proper functioning of the Board. The Company Secretaries act as the primary point of contact between the Company and the SGX. The appointment and removal of the Company Secretaries are subject to the approval of the Board.

**Board Processes:** All Board and Board Committee meetings, as well as the Annual General Meeting (“AGM”), are scheduled at the start of the year in consultation with the Directors. The Board and Board Committees meet regularly to discuss the Group’s business results and performance, strategic decisions and policies, operational matters and governance issues. The Board meets three to four times a year, the AC & RMC at least six times a year, and both the RC and the NC at least once a year.

The Company Secretaries circulate the schedules of the meetings to the Directors at the beginning of the calendar year. Board papers, financial results, project updates, budgets and forecasts are circulated to the Directors with sufficient time for them to consider the issues before engaging in productive discussions during the meetings.

The Board is regularly updated on significant developments and events regarding the Group. All the Directors have direct and independent access to the Company Secretaries as well as the Management for additional information. They may seek professional advice, either individually or as a group, in executing their duties, and invite external consultants to present or advise on specific matters at Board or Board Committee meetings. The cost of engaging external advice shall be borne by the Company.

The Company’s Constitution allows for the Board and Board Committee meetings to be conducted remotely via telephone or any other available communication channels, and for decisions to be made by way of written resolutions. Directors who are unable to attend the Board or Board Committee meetings are provided with the meeting minutes and materials to facilitate subsequent discussions or follow-up actions after the meetings. The Board and Board Committees can also make decisions by way of circulating the resolutions.

The attendance at the Board and Board Committee meetings and AGM in 2024 was as follows:

Description	Board	AC & RMC	NC	RC	AGM
<b>Number of meetings held in 2024</b>	<b>4</b>	<b>6</b>	<b>2</b>	<b>1</b>	<b>1</b>
Name of Directors	Number of meetings attended				
Philip Yeo Liat Kok <sup>(2)</sup>	2	–	–	–	–
Mark Julian Wakeford	4	–	–	–	1
Moleonoto Tjang	4	–	–	–	1
Suaimi Suriady	4	–	–	–	1
Tjhie Tje Fie <sup>(2)</sup>	4	2	2	1	1
Axton Salim <sup>(2)</sup>	3	–	–	–	–
Goh Kian Chee <sup>(1) (2)</sup>	4	6	–	1	1
David Sungkoro <sup>(2)</sup>	2	4	–	–	–
Andreas Tan <sup>(2)</sup>	2	4	–	–	–
Lee Kwong Foo Edward <sup>(1)</sup>	2	–	2	–	1
Lim Hock San <sup>(1)</sup>	2	2	2	1	1

 Chairman

“–” Not Applicable

<sup>(1)</sup> Messrs Lee Kwong Foo Edward and Lim Hock San retired at the AGM held on 30 April 2024, while Mr Goh Kian Chee was reappointed as a non-independent and NED.

<sup>(2)</sup> Messrs Philip Yeo Liat Kok, David Sungkoro and Andreas Tan were appointed to the Board on 1 May 2024. At the same time, Mr Tjhie Tje Fie stepped down as a member of AC & RMC, RC and NC, Mr Axton Salim was appointed as a member of RC, while Mr Goh Kian Chee stepped down as the AC & RMC Chairman and member of the RC, and was re-constituted as a member of the AC & RMC.

# CORPORATE GOVERNANCE

**Board Approval:** The Company has internal guidelines governing the key matters requiring the Board's approval as specified by the SGX-ST Listing Manual. Some of the issues requiring the Board's approval include the Company's strategic and operating plans, half-year and full-year financial results, dividend matters, issuance of shares, succession plan for the Board and Management namely the Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO") and Chief Operating Officer ("COO"), acquisition and divestment of businesses exceeding certain material limits, and all material commitments to term loans, lines of credit and credit support from banks and financial institutions.

## PRINCIPLE 2: Board Composition and Guidance

**Board Composition and Size:** The Company recognises and values the diversity of backgrounds and perspectives of the Board as a critical asset in making objective and comprehensive decisions that are in the best interest of the Company. The NC ensures a balanced representation at the Board by considering factors such as the diversity of skills, knowledge, experience, gender, background and age of the Directors. The NC is also responsible for examining the composition and size of the Board and Board Committees.

As at 20 March 2025, the Board was made up of nine Directors, comprising three EDs, three NEDs and three IDs. All the Directors are male. They age between 46 and 78 years old, and have each served on the Board between 1 and 18 years. Four of the Directors are Singaporeans and the other five Directors are either Singapore permanent resident or foreigners.

Name	Board of Directors		Exco	AC & RMC	NC	RC
	Status	Position				
Philip Yeo Liat Kok	Lead Independent	Chairman			Chairman	Chairman
Mark Julian Wakeford	Executive	Member	Chairman			
Moleonoto Tjang	Executive	Member	Member			
Suaimi Suriady	Executive	Member	Member			
Tjhie Tje Fie	Non-Executive	Member	Member			
Axton Salim	Non-Executive	Member				Member
Goh Kian Chee	Non-Executive	Member		Member		
David Sungkoro	Independent	Member		Chairman	Member	
Andreas Tan	Independent	Member		Member	Member	Member

The current Board composition reflects the Company's commitment to Board diversity, with members representing different geographical backgrounds (Singapore and Indonesia), experiences, professions and age groups. The Directors possess a wide range of skills, qualifications and competencies in operations management, banking, finance, accounting, risk management, technology and industry knowledge that meets the requirements of the Group. Three of the Directors, namely the CEO, Mr Mark Julian Wakeford, and the EDs, Messrs Moleonoto Tjang and Suaimi Suriady, have extensive experience in plantation management and downstream refinery operations in Indonesia. The biographies and key information of the Directors are provided on pages 28 to 31 of this Annual Report.

Having considered the scope and nature of the Group's businesses, the requirements of the business and the need to avoid undue disruptions from changes to the composition of the Board and Board Committees, the Board, in concurrence with the NC, considers that the Board size of nine is appropriate. The Board also believes that the current composition of the Board and Board Committees effectively serves the Group. The current Directors bring a variety of professional experiences and backgrounds, and allow for informed and constructive discussion and effective decision-making at the Board meetings. The Board will, however, continue to review opportunities to expand the skills, experience and diversity of the Board as a whole.

# CORPORATE GOVERNANCE

The Company endorses the principle that its Board should have a balance of skills, knowledge and experience appropriate to its business so as to mitigate against groupthink and to ensure that the Group can benefit from all available talents. In reviewing the Board's composition and succession planning, the NC considers the benefits of all aspects of diversity.

The NC reviews the composition and size of the Board every year to ensure that the size of the Board is conducive for effective discussions and there is sufficient diversity without interfering with efficient decision-making. It is satisfied that the Board has the appropriate mix of expertise and experience, and collectively possesses the necessary core competencies to lead and govern the Group effectively. Each Director has been appointed on the strength of his calibre, experience, stature and ability to contribute to the development of the Group strategy and business performance.

**Board Independence:** The NC conducts an annual review to determine the independence of the Directors according to the guidelines of the 2018 Code and the SGX-ST Listing Manual. The NC also considers the nature of relationships and circumstances that could influence the judgement and decisions of the Directors and deliberates the independence of the Directors based on their conduct and judgement before tabling its findings and recommendations to the Board for approval.

## Annual Review of Directors' Independence

In February 2025, the NC conducted an annual review of the independence of the Directors based on the definitions set out in the SGX-ST Listing Manual and the guidelines of independence in the 2018 Code and its accompanying Practice Guidance. All the IDs have served on the Board for less than nine years. They also completed an independence declaration form, declaring their independence from any affiliations with the Company, its related corporations, substantial shareholders or officers that could interfere or be reasonably perceived to interfere with the exercise of their independent judgement.

The NC provides its views to the Board for the Board's consideration. The Board (excluding the incumbents who recused themselves from their respective Directors' Independence Checklist) unanimously agreed that Messrs Philip Yeo Liat Kok, David Sungkoro and Andreas Tan have at all times exercised independent judgment on the corporate affairs of the Group, independently of the Management, objectively deliberated any decisions on the Board or in their respective Board Committees, and discharged their Directors' duties in the best interests of the Company. Furthermore, the process of decision making by the Board is based on collective decisions without any individual or small group of individuals dominating the Board's decision-making. As at 31 December 2024, the Board meets the independence composition requirements of at least one-third of the issuer's board.

**Proportion of NEDs:** To ensure proper check and balance between the Board and the Management, six out of the nine Directors are NEDs. The NEDs shall attend the Board meetings, participate actively in discussions on the Company's strategic plan and issues, monitor the Company's performance and review the Management's performance against the agreed targets. The NEDs may convene meetings in the absence of the Management to deliberate on Company matters, such as Board processes and practices, corporate governance initiatives, succession planning, leadership development and remuneration.

**Role of the Lead ID:** The Board has appointed Mr Philip Yeo Liat Kok, who is the Chairman of the Board, as the Lead ID. Pursuant to Rule 1207(10A) of the SGX-ST Listing Manual, Mr Philip Yeo Liat Kok is not related to the CEO or members of the Management. He coordinates and leads the IDs to provide a non-executive perspective and contribute to a balance of viewpoints on the Board. He facilitates and chairs the meetings with the NEDs as and when such meetings are deemed necessary.

The Lead ID is also available to shareholders should they have concerns that cannot be resolved or are inappropriate or inadequate to raise through the normal communication channels. There was no shareholder query or request on any matter requiring the Lead ID's attention in 2024.

**Board Guidance:** The Directors, especially the NEDs, are kept informed of the Company's business and affairs and the industry in which the Company operates. This knowledge is essential for the Directors to engage in informed and constructive discussions.

# CORPORATE GOVERNANCE

All Directors have unrestricted access to the Company's records and information. The Company has put in place processes to ensure that the Directors are furnished with complete, accurate and adequate information in a timely manner to enable them to be fully cognisant of the decisions and actions of the Management and to perform their duties effectively. Besides receiving regular Board briefings on key business initiatives, information papers, and industry and market reports, the Directors are also informed by the Management as and when there are any significant developments, major decisions, business deals or events relating to the Group's business operations. A tentative schedule of meetings for the year is given to the Board a year in advance.

The Board papers prepared for each meeting are normally circulated prior to the meeting. This is to give the Directors sufficient time to review and consider the matters to be discussed so that discussions can be more meaningful and productive. However, sensitive matters may be tabled at the meeting itself or discussed without papers being distributed. The Board papers provide sufficient background and explanatory information from the Management on financial impact, mitigation strategies, risk analysis, expected outcome, regulatory implications and corporate issues to enable the Directors to be properly briefed on the issues to be considered at Board and Board Committees meetings. Such explanatory information may also be in the form of briefings or formal presentations made by the Management in attendance at the meetings, or by external consultants engaged on specific projects, to provide additional insights to the Directors.

Where required or requested by Board members, site visits to plantations, mills and factories, and meetings with personnel from the Group's business divisions are also arranged to provide Directors with a better understanding of the business operations in each division. The NEDs have free access to the Management to consult on any matters regarding the Company and its operations. They can also engage external professional advice, either individually or as a group, to support their roles and duties.

In 2024, the Directors were briefed by Management on the requirements for implementing the Task Force on Climate-related Financial Disclosures ("TCFD") framework. The Directors were also updated on the steps taken to align the Group's business activities with the TCFD recommendations. The discussions covered detailed briefings on the climate scenario analysis exercise, adjustments to the ERM framework for identifying the physical and transitional risks associated with climate change, as well as the key mitigative and adaptive actions.

## Board Diversity Policy

The Company recognises and advocates Board diversity to draw on the diversity of skills, experiences, backgrounds, gender and age among its members, as stated under the 2018 Code and SGX-ST Listing Manual. The Board formally adopted a Board Diversity Policy in 2023 that takes into account a spectrum of attributes, including skills, experiences, backgrounds, nationalities, age and other relevant factors. The Board recognises the significance of these factors in determining the optimal composition of the Board, as limiting the diversity focus to gender alone would be too narrow in scope.

In reviewing the Board's composition and succession planning, the NC will consider the benefits of Board diversity, including knowledge of the Company and the industry. The NC will also consider the suitability of Board candidates based on individual merit, and whether their skills, experience, independence and knowledge would contribute to an effective Board.

Aside from gender, the Board noted that its current composition aligns with its Board Diversity Policy, reflecting a diversity of age, demographics, backgrounds and experiences, with an appropriate balance of skillsets and knowledge suited to the nature and scope of the Group's operations. The current Directors bring with them a wide range of core competencies, from accounting and finance to business and management, industry knowledge, strategic planning and deep customer knowledge. The diversity of their backgrounds and perspectives has allowed for richer discussions and useful exchange of ideas and views. In considering new candidate(s) for Board appointments, the NC will look for suitable individuals with skills and experiences that can complement the Board's current profile.

# CORPORATE GOVERNANCE

The Company will endeavour to improve gender diversity within the next three years by appointing one female director to the Board. The NC believes that achieving a mix of gender representation on the Board would provide different approaches and perspectives. The NC typically identifies and searches for candidates through various contacts and recommendations, such as external search consultants, proposals and recommendations from substantial shareholders and Board members. The NC will review the Board Diversity Policy annually to ensure its appropriateness.

In 2024, other than gender diversity, the NC and the Board were of the view that the Directors met the criteria outlined in the Company's Board Diversity Policy in terms of age, skills, expertise, experience, nationality and background.

## **PRINCIPLE 3: The Chairman and The Chief Executive Officer**

**Separation of Roles:** The roles of the Chairman and the CEO must be held by different persons, each with a clear set of roles and responsibilities, to ensure the proper balance of power and independence.

Mr Philip Yeo Liat Kok is the Chairman of the Board as well as the Lead ID. Pursuant to Rule 1207(10A) of the SGX-ST Listing Manual, he is not related to the CEO or members of the Management. As the Chairman, he bears the responsibility for the proper functioning of the Board and the effectiveness of its governance processes. The Chairman works closely with the CEO to develop the agenda for the Board meetings and to ensure that the Company Secretaries disseminate the Board papers and materials to the Directors on time to prepare them for the Board meetings. During the Board meetings, the Chairman shall facilitate open and objective discussions among the Directors to encourage active participation, and to ensure that all issues on the agenda are carefully deliberated before arriving at a decision. The Chairman also plays an important role to facilitate smooth and constructive communications among shareholders, Directors and the Management at the AGM and shareholder meetings.

Mr Mark Julian Wakeford is the CEO, whose responsibilities include charting the corporate directions and business strategies, ensuring smooth day-to-day operations and management, establishing marketing and strategic alliances, and providing strong leadership and clear vision for the Company. He is supported by the Exco and is accountable to the Board for all decisions, actions and performance of the Company.

## **PRINCIPLE 4: Board Membership**

The Board has a formal and transparent process for the appointment and re-appointment of Directors.

**Nominating Committee:** The NC is chaired by Mr Philip Yeo Liat Kok (Lead ID), with Messrs David Sungkoro (ID) and Andreas Tan (ID) as members. The NC meets at least once a year to carry out the following duties and functions:

- Review the succession plans for the Board and the Management;
- Nominate new Directors to the Board;
- Recommend the re-appointment of Directors to the Board with consideration of their respective contributions, conduct and performance;
- Ensure the Directors submit themselves for re-appointment at least once every three years;
- Conduct an annual review of the independence of the Directors according to the 2018 Code;
- Assess the attitude and abilities of the Directors to adequately carry out their respective duties and responsibilities, especially for those with other board commitments;
- Establish the evaluation criteria for the Directors' performance; and
- Review the professional training and development programmes for the Directors.

**Nomination of New Directors and Re-appointment of Incumbent Directors:** The NC adopts the following process to select and nominate new Directors as well as re-appoint incumbent Directors for another term on the Board:

- Conduct an annual review on the size and composition of the Board to ensure there are sufficient IDs represented;
- Leverage external resources, such as recruitment firms, to search and shortlist potential candidates;
- Review the suitability of each candidate, including factors like experience, competencies, drive and commitment, in consultation with the Board and the Management, to ensure diversity and effectiveness of the Board; and
- Recommend the best candidates to the Board for approval.

# CORPORATE GOVERNANCE

In recommending the Directors for re-appointment, the NC considers factors such as the needs of the Group, the requirements of the Group's business, the need to avoid undue disruptions from changes to the Board and Board Committees, the Board members' attendance record and level of participation and contribution at the Board and Board Committee meetings. Pursuant to the Company's Constitution, at least one-third of the Board shall retire from office by rotation at each AGM. Unless they are disqualified from holding office, all the incumbent Directors shall submit themselves for re-appointment at least once every three years.

**Retirement by Rotation and Re-appointment at the 2025 AGM:** Messrs Moleonoto Tjang, Axton Salim and Suaimi Suriady will retire by rotation at the 2025 AGM pursuant to Regulation 111 of the Company's Constitution. For new Directors appointed to fill casual vacancies last year, Messrs Philip Yeo Liat Kok, David Sungkoro and Andreas Tan will be due for retirement at the 2025 AGM pursuant to Regulation 115 of the Company's Constitution. Each member of the NC shall abstain from voting, approving or making a recommendation on any NC resolution in which he has a conflict of interest in the subject matter under consideration.

Details on Messrs Moleonoto Tjang, Axton Salim, Suaimi Suriady, Philip Yeo Liat Kok, David Sungkoro and Andreas Tan (including information set out in Appendix 7.4.1 of the SGX-ST Listing Manual) can be found under "Board of Directors" and "Supplemental Information on Directors Seeking Re-election at the 2025 AGM" of this Annual Report.

**Directors' Commitment:** For Directors serving on the board of other public-listed companies, the NC adopts a holistic assessment instead of prescribing a maximum number of directorships and/or other principal commitments that each Director may have.

All Directors are required to declare their board representations. To ensure that the Directors with multiple board representations can devote sufficient time and attention to the Company's affairs, all Directors submit an annual affirmation to allocate sufficient time and effort to carry out their Board duties and responsibilities.

The NC will review the nature and complexity of their other commitments, including the number of board representations, against their attendance, participation and contributions at the Company's Board and Board Committee meetings, in assessing whether they have effectively carried out their fiduciary duties as Directors of the Company.

The NC was satisfied that all the Directors were able to participate in a substantial number of the Board and Board Committee meetings and had devoted sufficient time and attention to the affairs of the Company in 2024, taking into account, inter alia, the attendance records of the Directors at the respective Board and Board Committee meetings and their contributions towards the decision making of the Board and Board Committees. They had adequately discharged their duties as Directors and provided objective views to the Board and the Management. The Board does not see a need at present to limit the number of board representations for the Directors.

**Alternate Directors:** The Company has no Alternate Directors on the Board.

**Nominee Directors:** The NC does not see a need at present for Nominee Directors and has not formulated a policy for such appointments.

## PRINCIPLE 5: Board Performance

**Evaluation of the Board, Board Committees and Directors:** The NC has established a formal process to review the performance and effectiveness of the Board and Board Committees, as well as the contributions by the Chairman of the Board and each individual Director to the effectiveness of the Board, using key criteria set out in the "Nominating Committee Guide" issued by the SID. Where appropriate, the Board will recommend changes to the evaluation forms to align with prevailing regulations.

The NC assesses the performance of the Board and its Board Committees, using objective and appropriate criteria recommended by the NC and approved by the Board. The following forms will be used to assess the performance:

- Board Performance Evaluation Form
- Board Committees Performance Evaluation Form for the AC & RMC, the NC and the RC
- Chairman Performance Evaluation Form
- Director Peer Performance Evaluation Form

# CORPORATE GOVERNANCE

The evaluation forms are designed to seek the Directors' views on various aspects of the Board and Board Committees' performance and competencies to assess their overall effectiveness. The Chairman is assessed by his fellow Board members on his ability to lead the Board, establish proper procedures to ensure the effective functioning of the Board, and facilitate meaningful participation and open communication during Board meetings.

The NC evaluates the contributions and performance of the Directors and recommends key areas for improvement in its report to the Board. The Board, through the NC, will use its best effort to ensure that all the Directors appointed to the Board and the Board Committees, whether individually or collectively, possess the background, experience, business knowledge, competencies in finance and management skills critical to the Group's operations. The Board will also ensure that each Director is able to offer an independent and objective perspective to enable sound, balanced and well-considered Board decisions to be made.

To ensure confidentiality, the completed evaluation forms will be submitted to the Company Secretary for collation. The consolidated responses will be presented to the NC for review and discussion, before the findings and suggestions for improving the effectiveness of the Board and Board Committees are presented to the Board.

No external facilitator was used during the performance evaluation of the Board for the financial year ended 31 December 2024. Considering the Board transition with three new IDs in May 2024, the Board will be conducting its annual review using the evaluation forms in 2025.

## REMUNERATION MATTERS

### PRINCIPLE 6: Procedures in Developing Remuneration Policies

**Remuneration Committee:** The RC is chaired by Mr Philip Yeo Liat Kok (ID), with Messrs Axton Salim (NED) and Andreas Tan (ID) as members. The RC meets at least once a year to review and approve the remuneration package and terms of employment for the Directors and key management personnel ("**KMP**").

The RC shall review and recommend to the Board on all aspects of remuneration for the Directors and KMP, including the Directors' fees, as well as salaries, allowances, bonuses and benefits-in-kind for the KMP. The RC will ensure that the termination pay-out, retirement payment, gratuity, ex-gratia payment, severance payment and other such compensations in the employment contracts of the KMP are reasonable and not overly generous.

The RC shall submit its recommendations on the remuneration package for the KMP as well as present the Directors' fees as a total sum to the Board for endorsement before tabling its proposal at the AGM for the shareholders' approval.

The RC is empowered to review the HR management policies of the Group and may seek external professional advice on remuneration and HR matters.

### PRINCIPLE 7: Level and Mix of Remuneration

The Company's remuneration policy aims to reward the EDs and the Management based on their performance and contributions to the Group and to ensure the remuneration is commercially competitive to attract and retain the right talent. The remuneration package is carefully structured to deliver sustained performance and value for the Group and to strengthen the accountability and commitment of the Management in today's highly globalised and competitive environment.

**Remuneration for the IDs and NEDs:** The RC adopts a Base Fee Remuneration model for the IDs. The Director's fee is benchmarked against various factors, including prevailing market practices and industry norms as well as the roles and responsibilities of the IDs and NEDs in the Board and Board Committees. IDs who chair the Board or Board Committees are paid higher fees given their greater responsibilities. Those who join the Board Committees are paid additional fees for their services.

# CORPORATE GOVERNANCE

Non-independent NEDs, other than Mr Goh Kian Chee, do not receive any Director's fees or any other forms of remuneration. When a NED is required to travel for Company business, the Company will reimburse all the travel-related expenses and provide a prescribed daily allowance.

**Remuneration for the EDs and KMP:** The RC establishes the remuneration framework for EDs and KMP in consultation with the controlling shareholders, taking into account the performance of the Group, the business unit and the individual along with the relevant benchmarks in the respective markets and industries. The RC shall exercise full discretion and independent judgment to determine the right level and mix of compensations for the long-term success of the Group while upholding shareholders' interest.

The remuneration of the EDs and KMP comprises both fixed and variable components.

## Fixed component:

The fixed components comprise mainly the annual base salary, fixed benefits and other defined contributions. In determining the fixed components, the RC will consider the individual responsibilities, performances, qualification and experience, as well as regulatory guidelines on wages, economic inflation and market surveys on executive compensations.

The base salary is recommended by the RC and approved by the Board. The base salary is reviewed annually in accordance with the performance of the Group and the business unit, as well as the individual contributions of the Directors.

The Group also provides benefits and contributions in line with local market practices and legislative requirements. The Group participates in national pension schemes as defined by the laws of the countries in which it has operations. The Singapore companies in the Group make contributions to the Central Provident Fund, a defined pension scheme in Singapore. In Indonesia, the Group makes contributions to defined retirement plans covering all of its qualified permanent employees. The Group also provides for employee service entitlements in line with the minimum benefits payable to qualified employees, as required under the Indonesian labour law.

## Variable component:

The variable components, including bonuses and incentives, are designed to support the Group's business strategy and to drive shareholder value through annual financial, strategic and operational objectives. They are linked to the Group's financial and non-financial performance as well as the individual performance through a Balanced Scorecard that covers the six key areas of crop, cost, condition, people, processes and products underlying the Group's strategic objectives. Weightings are assigned to the targets to encourage a balanced performance and to avoid over-emphasis on any one measure. To encourage sustainable practices, the EDs' compensation is also linked to the achievement of specific sustainability targets and performance indicators that are relevant to their areas of responsibility.

The Company does not offer a share option scheme. The RC may consider other forms of long-term incentive schemes for the KMP when necessary. The RC is empowered to withhold or reclaim the variable incentives from the EDs and KMP in exceptional circumstances involving material misstatement of financial results or misconduct resulting in financial losses to the Company.

The RC was satisfied that the remuneration awarded to the EDs and KMP in 2024 was aligned with their respective performances.

## **PRINCIPLE 8: Disclosure on Remuneration**

The 2018 Code requires the disclosure of the policy and criteria for setting remuneration, as well as the names, amounts and breakdown of remuneration of (a) each Director and the CEO; and (b) at least the top five KMP (who are not Directors or the CEO) in bands no wider than S\$250,000 and in aggregate the total remuneration paid to these KMP.

# CORPORATE GOVERNANCE

**Remuneration for the Directors and the CEO:** The remuneration for the Directors and the CEO together with a breakdown in percentage terms, that were paid by the Company and its subsidiaries for the financial year ended 31 December 2024 were as follows:

Name of Directors	Fixed Salary (%)	Variable Bonus (%) *	Directors' Fees (%)	Total remuneration (S\$)
Philip Yeo Liat Kok <sup>(1)/(3)</sup>	–	–	100%	73,333
Mark Julian Wakeford <sup>(1)</sup>	84%	16%	–	1,437,985
Moleonoto Tjang <sup>(2)</sup>	–	–	–	–
Suaimi Suriady <sup>(2)</sup>	–	–	–	–
Tjhie Tje Fie <sup>(2)</sup>	–	–	–	–
Axton Salim <sup>(2)</sup>	–	–	–	–
Goh Kian Chee <sup>(1)/(3)</sup>	–	–	100%	81,667
David Sungkoro <sup>(1)/(3)</sup>	–	–	100%	63,333
Andreas Tan <sup>(1)/(3)</sup>	–	–	100%	63,333
Lee Kwong Foo Edward <sup>(1)/(3)</sup>	–	–	100%	31,667
Lim Hock San <sup>(1)/(3)</sup>	–	–	100%	33,333

<sup>(1)</sup> Remuneration paid by the Company.

<sup>(2)</sup> Remuneration paid by the parent company, PT ISM, or by other companies in the PT ISM Group.

<sup>(3)</sup> Messrs Lee Kwong Foo Edward and Lim Hock San retired at the AGM held on 30 April 2024, and Mr Goh Kian Chee was reappointed as a non-independent and NED. Messrs Philip Yeo Liat Kok, David Sungkoro and Andreas Tan were appointed as new IDs on 1 May 2024. Directors' fees will be pro-rated according to their tenure of service and paid after shareholders' approval at the upcoming AGM to be held in end April 2025.

\* None of the EDs received any other benefits besides the variable bonus

**Remuneration for the IDs:** The fees structure for IDs and a NED in 2024 were as follows. Please refer to the "Remuneration for the Directors and the CEO" section for the amount of Directors' fees to be paid to each Director.

Role	Fees Framework (S\$)			
	Board	AC & RMC	NC	RC
Chairman	80,000	30,000	15,000	15,000
Member	55,000	20,000	10,000	10,000

# CORPORATE GOVERNANCE

**Remuneration of the KMP:** The remuneration of the top five KMP, who were not Directors or the CEO of the Company, in percentage terms, were as follows:

Name	Job Position	Fixed Salary	Variable Bonus
<b>S\$250,000 – S\$500,000</b>			
Mak Mei Yook <sup>(1)</sup>	CFO	81%	19%
Johnny Ponto <sup>(2)</sup>	Director of PT SIMP	38%	62%
Tan Agustinus Dermawan <sup>(2)</sup>	Director of PT SIMP	36%	64%
Rogers H. Wirawan <sup>(2)</sup>	Head of Internal Audit	51%	49%
<b>S\$1,000,000 – S\$1,250,000</b>			
Benny Tjoeng <sup>(3)</sup>	President Director of Lonsum	37%	63%

<sup>(1)</sup> Remuneration paid by the Company.

<sup>(2)</sup> Remuneration paid by the subsidiary, PT SIMP.

<sup>(3)</sup> Remuneration paid by the subsidiary, Lonsum.

The total aggregate remuneration paid to the KMP for the financial year ended 31 December 2024 was S\$2,831,797.

There was no pay-out for termination, retirement or post-employment benefit granted to any of the Directors or KMP in 2024.

**Remuneration for employees who are immediate family members of a Director, the CEO or a substantial shareholder:** There was no employee of the Company or its subsidiaries who was an immediate family member of a Director, the CEO or a substantial shareholder and whose remuneration exceeded S\$100,000 for the financial year ended 31 December 2024.

## ACCOUNTABILITY AND AUDIT

### PRINCIPLE 9: Risk Management and Internal Controls

The Board is solely accountable to the shareholders. It is required to furnish timely information and ensure the appropriate disclosure of material information to the shareholders in compliance with the SGX-ST Listing Manual and other regulatory requirements.

The Board has overall responsibility for the governance and oversight of material risks for the Group. It is supported by the AC & RMC which maintains oversight of the Group's risk in financial reporting and reviews the adequacy and effectiveness of the Group's internal controls and risk management system.

Following the amendments to Rule 705 of the SGX-ST Listing Manual effective 7 February 2020, the Company will not be required to announce its financial statements on a quarterly basis. The Board has, after due deliberation, decided that the financial statements will be announced on a half-yearly basis. In line with this, the AC & RMC will meet with the external auditor at least two times a year with effect from 2020, and at least one of these meetings is conducted without the Management present. The external auditor was present at these meetings to discuss the feedback on the competency and adequacy of the finance function, assess the assistance given by the Company's Management, and ascertain if there are any material weaknesses or control deficiencies in the Group's financial reporting and operational systems.

# CORPORATE GOVERNANCE

The AC & RMC also meets with the Internal Audit Department (“**IAD**”) and the Enterprise Risk Management (“**ERM**”) team four times a year and reports to the Board every quarter on its findings on the material impacts and recommendations on risk mitigation measures. At one of these meetings, the AC & RMC met the Head of IA and ERM separately without the Management present.

For the financial year ended 31 December 2024, the AC & RMC reviewed the Group’s half-year and full-year financial statements together with the external auditor before these reports were tabled to the Board for approval. It also conducted quarterly reviews of key findings by the IAD and the ERM team, as well as actions recommended by the Management to rectify the discrepancies. The AC & RMC was kept abreast of changes to accounting standards and the impacts on financial reporting by the external auditor.

Both the IAD and the ERM team work closely to manage high-risk areas, ensure the accuracy of the risk assessment reports, and enforce risk mitigation controls and strategies. The IAD also performs independent reviews of the risks and controls identified by the ERM team to ensure adequate monitoring and resolution. In 2024, the AC & RMC was satisfied that effective internal controls were put in place and supported by a sound internal audit process and a comprehensive ERM framework to identify, monitor, manage and report material risks in key areas, including strategy, operations, governance and finance.

The Board made its assessments based on quarterly updates and discussions with the AC & RMC on the adequacy and effectiveness of the Group’s internal controls and risk management systems. The Board was assured by the CEO and CFO of the proper keeping of financial records and financial statements to give a true and fair view of the Group’s operations and finances. The Board was also assured by the CEO and KMP that adequate and effective risk management and internal control systems were implemented to safeguard the stakeholders’ interests.

Noting that no internal control system or ERM framework could completely guarantee against material judgements or human errors, frauds and other irregularities, the Board was of the view that the Group’s internal control system, including financial, operational, compliance and information technology controls, and ERM framework were adequate and effective in addressing the identified risks. The AC & RMC concurred with the Board’s assessment.

In compliance with Rule 720(1) of the SGX-ST Listing Manual, the Company and all its Directors and executive officers have committed to comply with the relevant provisions of the SGX-ST Listing Manual.

In 2024, the key audit matters listed below were discussed between the Management and the external auditor, and subsequently reviewed by the AC & RMC. The AC & RMC was satisfied that the key audit matters were appropriately addressed and disclosed in the financial statements.

# CORPORATE GOVERNANCE

Key Audit Matters	Key Considerations and Decisions made by the AC & RMC
Impairment assessment of goodwill	The AC & RMC considered the methodology applied by (i) the independent valuer engaged by the Management to determine the recoverable amount of the goodwill from the acquisition of Lonsum and the underlying assets associated with it using the income approach, and (ii) the management's internal assessment of the recoverable amount of the other goodwill from other acquisitions. They also reviewed the appropriateness and reasonableness of the underlying assumptions applied in determining the recoverable amount of the goodwill, as well as the audit findings report presented by the external auditor during the year-end meeting. The AC & RMC concurred with the Management's assessment of goodwill impairment for the financial year ended 31 December 2024.
Impairment assessment of property, plant and equipment	The AC & RMC reviewed the methodology and key assumptions used by the Management in determining the recoverable amount of rubber bearer plants, and the underlying fixed assets associated with these rubber plantations with impairment indicators using the income approach. They also considered the appropriateness and reasonableness of the underlying assumptions in determining the recoverable amount of the rubber bearer plants and its related assets, as well as the audit findings report presented by the external auditor during the year-end meeting. The AC & RMC concurred with the Management's impairment assessment of the rubber bearer plants and its related assets for the financial year ended 31 December 2024.
Recoverability of plasma receivables	The AC & RMC reviewed the methodology and key assumptions used by the Management in determining the recoverability of plasma receivables by estimating the allowance for expected credit loss ("ECL") using the general approach as these receivables contain a significant financing component. They also considered the appropriateness and reasonableness of the underlying assumptions in determining the allowance for ECL, as well as the audit findings report presented by the external auditor during the year-end meeting. The AC & RMC concurred with the Management's assessment of the recoverability of plasma receivables for the financial year ended 31 December 2024.

The key audit matters listed in the external auditor's report for the financial year ended 31 December 2024, together with a detailed description of the audit procedures adopted, can be found on pages 58 to 61 of this Annual Report.

## PRINCIPLE 10: Audit Committee

**Composition of the AC & RMC:** The AC & RMC is chaired by Mr David Sungkoro (ID), with Messrs Goh Kian Chee (NED) and Andreas Tan (ID) as members. The AC & RMC possesses sound expertise in financial management and is fully qualified to discharge its powers and duties. None of the AC & RMC members were previous partners, employees or Directors of the Company's external auditor, Messrs Ernst & Young LLP, within the last 24 months or hold any financial interest in Messrs Ernst & Young LLP. The Board considers Mr David Sungkoro, who has extensive and practical accounting and financial management knowledge and experience, well qualified to chair the AC & RMC.

**Powers and Duties of the AC & RMC:** The key responsibility of the AC & RMC is to support the Board in risk management, internal controls and governance processes as well as to conduct an independent review of the effectiveness of the ERM framework and the adequacy of internal control measures in addressing the financial, operational, compliance and information technology risks. The AC & RMC is empowered to review and investigate any matters under its terms of reference listed below, with full access to the Directors, the Management, employees, internal auditors and the external auditor.

The members of the AC & RMC collectively have strong accounting and related financial management expertise and experience. They keep abreast of relevant changes to accounting standards and issues which have a direct impact on the financial statements.

# CORPORATE GOVERNANCE

The terms of reference for the AC & RMC are as follows:

- Review the audit plan, internal accounting controls, audit report, management letter and the Management's response to the external auditor;
- Review the half-year and annual financial statements, paying special attention to changes in accounting policies and practices, major risk areas, and rectifications arising from the audit, before submitting the financial reports to the Board for approval;
- Review the going concern statement, compliance with applicable accounting standards, and requirements by the SGX, statutes and laws;
- Review the effectiveness and adequacy of the Group's internal controls, including financial, operational, compliance and information technology, and the ERM framework;
- Review the assurance from the CEO and the CFO on the financial records and financial statements;
- Review, together with the external auditor, any suspected frauds, irregularities and infringements of Singapore laws, regulations and the SGX-ST Listing Manual that would likely have a material impact on the Group's operating results or financial position, and the mitigating measures recommended by the Management;
- Review, without the presence of the Management, on the level of assistance the Management has provided to the external auditor, and the adequacy of the resolutions to issues arising from the audits;
- Review Interested Person Transactions ("IPT");
- Review the effectiveness of the whistle-blowing system as a confidential channel for employees to report potential improprieties in financial management and other areas;
- Review the ERM reports;
- Review the adequacy, effectiveness, independence, scope and results of the external and internal audits;
- Undertake additional reviews and projects as required by the Board, and to report the findings and recommendations to the Board in a timely manner; and
- Undertake additional functions and duties as required by the Singapore laws and the SGX-ST Listing Manual.

## Audit Activities Performed in 2024

The AC & RMC met six times during the year and carried out its duties according to the terms of reference. It also met with the internal auditors and the external auditor separately, without the Management present.

The AC & RMC reviewed the financial statements before they were submitted to the Board for approval. It also monitored and reviewed the Company's financial status, internal and external audit findings, effectiveness of the accounting and internal control systems, and findings of all the whistle-blowing cases investigated and followed-up by the IAD.

The Company obtained the shareholders' approval in the Addendum dated 8 April 2024 to enter into IPTs with individuals within the approved categories of Interested Persons, according to the review procedures set out in the Addendum. The IPT Mandate was last approved by the shareholders at the 2024 AGM. The list of IPTs is disclosed on page 167 of this Annual Report.

Except for the disclosure of the IPT on page 167 and in the financial statements for 2024, the Company and its subsidiaries did not enter into any material contracts involving the interests of any Director, the CEO, or controlling shareholder during or at the end of 2024.

The AC & RMC did not engage an independent financial adviser for the renewal of the IPT Mandate as the guidelines, methods and review procedures to determine the transaction prices of IPTs had remained unchanged since the last shareholders' approval of the IPT Mandate at the 2024 AGM, and the review procedures were deemed sufficient to ensure the IPTs were carried out on fair commercial terms and without prejudice to the interest of the Company or minority shareholders. The AC & RMC also reviewed the list of IPTs based on the works performed by the IAD and was satisfied the IPTs were carried out on fair commercial terms. Additionally, the AC & RMC members visited the oil palm plantations and mills, and refinery plants in East Kalimantan and North Sumatra during the year.

## External Audit

The Board will recommend the appointment of a new external auditor or the re-appointment of the incumbent external auditor to the shareholders for approval at the AGM. In the case of the re-appointment of the incumbent external auditor, the AC & RMC will assess the performance of the external auditor based on a combination of inputs, including ACRA's Audit Quality Indicators Disclosure Framework, feedback from the Management, and the objectivity and conduct of the external auditor during the audit process. If the performance of the external auditor is found to be satisfactory, the AC & RMC will recommend to the Board for the external auditor to be reappointed.

# CORPORATE GOVERNANCE

Messrs Ernst & Young LLP was the external auditor appointed by the Company in 2024. In accordance with Rule 1207(6)(a) of the SGX-ST Listing Manual, the audit and non-audit fees paid to the external auditor for the financial year ended 31 December 2024 are disclosed on page 103 of this Annual Report.

The AC & RMC evaluated the independence and objectivity of the external auditor through a review of the audit and non-audit fees awarded to the auditors during the financial year. The AC & RMC was satisfied that the independence and objectivity of the external auditor were not impaired by their provision of non-audit services. The external auditor has also declared its independence to the AC & RMC.

The AC & RMC has also reviewed and approved the external auditor's audit plan for the year. The Committee was satisfied with the quality of the work carried out by the external auditor, which was in accordance with the Audit Quality Indicators Disclosure Framework issued by the ACRA. In view of the consistent performance by the external auditor, the AC & RMC recommended for Messrs Ernst & Young LLP to be reappointed for another term, subject to the shareholders' approval at the next AGM.

The Company complied with Rule 712 and Rule 715 (read along with Rule 716) of the SGX-ST Listing Manual in relation to its external auditors. These external auditors are disclosed on pages 125, 129 and 131 of this Annual Report.

## Internal Audit

The IAD is an independent unit that operates separately from the business and corporate activities and its primary reporting line is to the AC & RMC. With unfettered access to all the Company's documents, records, properties and personnel, the IAD possesses the appropriate standing within the Company to perform its functions effectively. Its operations are governed by the framework set out in the Internal Audit Charter and Code of Ethics approved by the AC & RMC and the Management. The IAD is adequately resourced, with 92 staff as at 31 December 2024.

The Head of IAD reports directly to the AC & RMC Chairman on all internal audit matters. Mr Rogers H. Wirawan has served as the Group's Head of IAD since 1 February 2011. Mr Wirawan started his career in 1993 with the public accounting firm, KAP Hans Tuanakotta & Mustofa, a member of Deloitte Touche Tohmatsu. He was an auditor with the public accounting firm, KAP Prasetio Utomo & Co., a member of Arthur Andersen & Co., from 1994 to 2002. Subsequently, he joined the public accounting firm, KAP Purwantono, Sarwoko & Sandjaja, a member of Ernst & Young's global organisation, from 2002 to 2009. He graduated from Trisakti University, Jakarta, with a major in Accounting. Over the course of his career, Mr Wirawan has acquired sound expertise and experience in financial and operational audits, as well as extensive knowledge in plantation and refinery operations in Indonesia.

The IAD is responsible for the internal audits of the Company's operations in accordance with the guidelines and standards set out in the Professional Practice of Internal Auditing by the Institute of Internal Auditors. It prepares the internal audit schedules in consultation with the Management before submitting the audit plan to the AC & RMC for approval. As part of the audit plan, the IAD also performs independent reviews of the risk control measures identified by the ERM team to provide added assurance on the robustness of the ERM framework. The duties and responsibilities of the IAD in the area of risk management and internal controls are as follows:

- Review the risk profile of the Group;
- Identify new risks and exposures in the Group's operations;
- Evaluate the effectiveness and cost of the risk control measures in eliminating or mitigating risks and exposures to the Company; and
- Establish and maintain the risk reporting and monitoring framework.

In 2024, the IAD adopted a risk-based auditing approach that focused on material internal controls to identify and audit the high-risk areas of the strategic business units. The mitigation measures were subsequently proposed by the Management in consultation with the IAD. The findings and recommendations of the IAD, as well as the quarterly updates on the progress of the rectification measures, were presented to the AC & RMC. The AC & RMC was satisfied that the IAD had adequately monitored and managed the key risks and internal controls for the Company.

In 2024, the AC & RMC also reviewed the adequacy of the internal audit function, including the IAD's organisational structure, work scope and audit plans, and was satisfied that Mr Wirawan and the IAD have discharged their respective duties effectively.

# CORPORATE GOVERNANCE

Additionally, the AC & RMC conducted an annual self-assessment to reflect its adequacy in fulfilling its duties as set out in the terms of reference. The Board conducted a separate review of the performance of the AC & RMC and was satisfied that the AC & RMC was well-qualified to discharge its duties and responsibilities in managing the risks and internal controls of the Company.

## Whistle-Blowing Policy

The Company has established a whistle-blowing policy and system that provides clearly defined channels and procedures for employees, or other interested parties in the Company, to report any misconduct, including suspected frauds, corruption and unethical practices relating to the Company or its officers.

The reports will be reviewed and acted upon by either the AC & RMC or the Exco and kept strictly confidential to protect the identities of the whistle-blowers. Complaints and feedback can be sent via a dedicated email at [info.wb@simp.co.id](mailto:info.wb@simp.co.id). All correspondences are documented, followed up and treated with strict confidentiality by the IAD.

All whistle-blowing complaints are independently investigated by the IAD and the result of each investigation is reported to the AC & RMC quarterly. In 2024, the Company received 11 whistleblowing reports. Six of these reports were fully investigated, with four cases related to misconduct while the other two reports were closed as unproven cases. The remaining five reports are still under investigation. The AC & RMC is responsible for the oversight and monitoring of the whistle-blowing channels and processes and ensuring that appropriate follow-up actions are carried out.

## Enterprise Risk Management

As an agribusiness, the Company operates in a VUCA (volatile, uncertain, complex and ambiguous) environment. Its performance is constantly influenced by external variables, such as unpredictable weather conditions, volatile commodity prices, fluctuating exchange rates, shifting consumer needs, economic uncertainties, security threats, international competition, disruptive technologies, geopolitical conflicts and market dynamics.

To mitigate the uncertainties of the external environment, the Company has established an integrated ERM framework to proactively manage risks and uncertainties across its operations through a system of “three lines of defence”. The ERM framework enables the Company to stay vigilant and actively monitor its operations for the timely and accurate identification, assessment, mitigation, and reporting of risks and exposures that could have adverse impacts on business operations and results. In so doing, the ERM framework enhances the competitiveness and sustainability of the Company’s operations.

At the start of each financial year, the Board and Management set out both the long-term and annual business strategies to address industry issues and market cycles. The corresponding risks and exposures are identified, along with mitigation measures across the value chain. These are documented in the ERM Report that is managed at different levels by the Board, the Management, the AC and various ERM Steering Committees. The process is also audited to ensure compliance and transparency.

The Company has put in place a Business Continuity Management (“**BCM**”) framework to assure all stakeholders of the availability of products and services during periods of emergency. The BCM focuses on minimising the impacts of emergencies on the operations and establishing a high level of resilience within the organisation to carry on its business as usual during times of distress.

Under the BCM, several potential emergency scenarios have been identified, with the appropriate control measures put in place to mitigate and minimise foreseeable operational impacts. Besides the routine control and monitoring of floods, daily tracking of hotspots using satellite data and observations of fire incidents by fire patrol teams, the Company conducts regular fire prevention training and fire drills in high-risk estates. This is in addition to the proper upkeep of fire-fighting equipment, construction of fire-monitoring towers, mapping of water sources, and regular communication with key stakeholders on the Company’s Zero Burn and Fire Safety policies. To further improve fire control and monitoring, a new hotspot mobile application for our estates was implemented. This application promptly alerts field workers whenever a hotspot is detected, thereby expediting the response time for ground checking and appropriate action.

# CORPORATE GOVERNANCE

A risk governance structure outlines the roles and responsibilities of the Directors, Management, Heads of Department and Operating Units in supporting the ERM policy and programmes and mitigating risks in business strategies and operations. Regular communications and close collaboration with employees on the ERM framework have also helped to heighten awareness of risks and exposures and foster a resilient corporate culture.

The ERM framework and system are maintained by the ERM team, who works closely with the risk owners and the managers to conduct quarterly risk assessments on the overall effectiveness of risk control measures. The ERM team monitors the progress of the ERM Action Plan, which contains the risk mitigation measures, and reports significant risks and exposures to the AC & RMC and the Board for action.

In 2024, the following risks were identified, managed and monitored:

- Strategic Risks – Strategic Planning, Communication and Investor Relations
- Operational Risks – Productivity and Product Quality, Pests and Plant Diseases, Occupational Health and Safety, Resource Availability, Social Conflicts, Natural Disasters, Information Technology
- Compliance Risks – Land Ownership, Tax Compliance and Environmental Compliance
- Financial Risks – Credit Defaults, Liquidity and Capital Adequacy, Economic Uncertainty

## SHAREHOLDER RIGHTS AND ENGAGEMENT

### PRINCIPLE 11: Shareholder Rights and Conduct of General Meetings

### PRINCIPLE 12: Engagement with Shareholders

The Company is fully committed to treat all shareholders fairly and equitably. All shareholders enjoy specific rights under the Company's Constitution, relevant laws and regulations. Additionally, the Company ensures that all material information is disclosed on a comprehensive, accurate and timely basis via SGXNet, and where appropriate, through mainstream news media via press releases. Such information is also posted on the Company's Investor Relations ("IR") website at <https://investor.indofoodagri.com/> and disseminated by email to subscribers who sign up on the website for news alerts. The IR website is a key source of investor related information, including presentation slides of financial results, annual and sustainability reports, shares and dividend information and factsheets. The Company recognises that the release of timely, regular and relevant information regarding the Group's performance, progress and prospects aids shareholders in their investment decisions.

The Company regularly communicates important corporate developments and announcements, such as mergers and acquisitions, to analysts and shareholders through meetings and conference calls. The Management also engages the investing community either individually or as a group in dialogues, roadshows and investment forums to facilitate their understanding of the Company's business model and strategies.

The Company is committed to communicating regularly with its shareholders. It also conducts meetings and conference calls to engage with analysts and shareholders, and to share its business strategies, operational and financial results and business outlook with them. These engagements were attended by Board and Management representatives.

The Group publishes an annual Sustainability Report, which describes in detail its engagement and relationship with material stakeholders. The Company also communicates regularly with stakeholders through its corporate website.

### Dividend Policy

The Company is committed to rewarding shareholders fairly and sustainably. The Board aims to maintain a balance between meeting the shareholders' expectation for dividend returns and capital management. While it does not have a formal dividend policy, the frequency and amount of dividends, if any, will depend on the Group's financial performance, liquidity and cash flow generation, projected capital requirements for business growth, business prospects, economic outlook and other factors deemed appropriate by the Board, in ensuring that the Company's best interests are served. The Board endeavors to maintain a balance between meeting shareholders' expectations and prudent capital management.

For the financial year ended 31 December 2024, the Board has proposed a first and final dividend of S\$0.01 per ordinary share, subject to shareholders' approval at the forthcoming AGM.

# CORPORATE GOVERNANCE

## Conduct of the AGMs

The shareholders are encouraged to actively participate at the AGM. Notice of the AGM and related information are provided to the shareholders within the prescribed timeline under the SGX-ST Listing Manual. The Company provides separate resolutions for every item in the AGM agenda, and where necessary, additional explanatory notes for each agenda item.

The Company's forthcoming AGM will be held in person in April 2025. During the AGM, the CEO will present the Company's performance and strategies, and the Board members and Management will be present to address queries from the shareholders. The external auditor will also attend the AGM to take questions on the audit report.

All shareholders are entitled to attend and vote at the AGM either in person or through a proxy. Each shareholder may appoint up to two proxies by submitting the proxy forms to the Company in advance. Intermediaries, such as banks and capital markets services licence holders providing custodial services, may appoint more than two proxies. This allows indirect investors, such as CPF investors, to attend the AGM as proxies. While Provision 11.4 of the 2018 Code enables a company's constitution to allow for absentia voting at general meetings of shareholders, the Company's constitution currently does not include provisions for voting in absentia (such as voting via mail, email or fax). This is due to concerns related to the authentication of shareholder identity and other security and integrity issues. As such, the Company has decided not to implement voting in absentia for the time being.

All resolutions at the AGM will be passed by poll voting in support of greater transparency and to allow for a more efficient voting process. An electronic poll voting system will be used to register the number of votes by the shareholders present at the AGM. An external party will be engaged as scrutineer to ensure the integrity of the poll voting process. The result of each poll, including the number and percentage of votes cast in favour or against the resolution, will be immediately computed and presented to the shareholders. The poll voting and proxy voting results will be announced on SGXNet on the same day as the AGM.

The Company provides for separate resolutions at AGMs on each distinct issue. In the event that resolutions are to be bundled, the Company will explain the reasons and material complications in the notice of general meeting. Detailed information on each resolution in the AGM agenda is in the explanatory notes to the AGM Notice in the Annual Report.

The Company Secretary prepares the minutes of the AGM, which capture the substantial and relevant comments or queries (if any) from the meeting attendees relating to the agendas of the AGM and responses from the Board and Management. These minutes will be made available on the Company's IR website and SGXNet, within one month from the date of the AGM.

## Dealings in The Company's Securities

In compliance with Rule 1207(19) of the SGX-ST Listing Manual, the Group has adopted an Internal Code with regards to dealings in the securities of the Company by its officers. Among other restrictions, the Company's officers are prohibited from dealing in the Company's securities on short-term considerations when they have possession of any unpublished, price-sensitive information about the Company's securities and during the period commencing one month before the announcement of the Group's half-year and full-year financial results. The Group issues reminders to its Directors, officers and relevant employees on the restrictions in dealing in the listed securities of the Group during the period commencing one month before the announcement of the Group's half-year and full-year financial results. Apart from foregoing, the Directors and employees are reminded and expected to observe the insider trading laws at all times, even when dealing in securities outside the prohibited trading periods, and to refrain from short-term dealings in the Company's securities.

# CORPORATE GOVERNANCE

## MANAGING STAKEHOLDER RELATIONSHIP

### PRINCIPLE 13: Engagement with Stakeholders

The Company's agribusiness operations are constantly exposed to rapidly changing opportunities and risks related to the environment, communities and stakeholders. These opportunities and risks are addressed through formal management processes, an open and responsible work culture, and partnerships with key stakeholders, which includes local communities, customers, suppliers and civil society organisations. Steps are taken to improve operational efficiencies and innovations as part of the Company's pledge towards sustainable agriculture, community development and workplace safety.

In line with the Board's commitment to maintaining high ethical standards, the Company has established the following corporate policies:

#### (1) Code of Conduct and Company Culture

The Company adopts Indofood's Code of Conduct and core values. The Code of Conduct includes two policies on Company Business Ethics and Work Ethics of Employees. The core values of Indofood are Discipline, Integrity, Respect, Unity, Excellence and Innovation. Sharing the same company culture as PT ISM allows the Company to engage with stakeholders and conduct its businesses in a manner that is consistent with its parent company.

The Code of Conduct and core values are regularly communicated and reinforced at staff engagement platforms. They are also easily accessible by all employees on the Company's website. Any violations of the Code of Conduct are deemed to be a breach of the employment contract and could lead to disciplinary actions or dismissal.

#### (2) Sustainable Agriculture Policy

The Sustainable Agriculture Policy applies to all the Company's operating units, plasma smallholders and third-party CPO suppliers. It sets out how the Company achieves responsible and traceable supplies, taking into consideration the risks and opportunities arising from the ESG factors, as well as interactions with different stakeholder groups.

The key commitments under this policy are as follows:

- No Deforestation;
- No Planting on Peat, Regardless of Depth;
- No Burning;
- Preservation of High Conservation Value and High Carbon Stock Areas;
- Respect for Labour and Human Rights, including Freedom of Association and Non-Discrimination; and
- Free, Prior and Informed Consent (FPIC).