

CORPORATE GOVERNANCE

The Board of Directors (“**Board**”) and Management of Indofood Agri Resources Ltd. (the “**Company**” and together with its subsidiaries, 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 Board’s principal functions are as follows.

- Review the financial performance and condition of the Group;
- Review and approve the Group’s strategic plans, key operational initiatives, major investment, divestment, corporate restructuring and major funding decisions;
- Establish and maintain an effective risk management framework to identify, manage and monitor risks and exposures, and to achieve an appropriate balance between risks and the Group’s performance;
- Manage and monitor the Group’s sustainability initiatives, including the validation of material environment, social and governance (“**ESG**”) factors;
- Oversee the Group’s corporate governance, including the establishment of an enabling culture, exemplary values and ethical standards of conduct across the Group; and
- Ensure transparency and accountability in the communication with key stakeholder groups.

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 Nominating Committee’s (“**NC**”) annual evaluation on the effectiveness of the Directors. Directors who are in a conflict-of-interest position on certain issues shall recuse themselves from discussions and decisions involving those issues. Based on the assessments for 2020, all the Directors have satisfactorily discharged their duties.

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- **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.

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 as well as any Board Committees they are appointed to regarding their roles, duties and responsibilities. They will also attend an orientation programme conducted by the Management to familiarise them 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. In 2020, there was no new Director appointed to the Board.

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.

In 2020, some of the Directors participated in the following seminars and training programmes:

Description

- ACRA-SGX-SID Audit Committee Seminar 2020 - Looking Beyond the Veneer of Numbers by SID
- Singapore Governance and Transparency Index by SID
- SID Directors Conference 2020: Living in a Covid-19 World: A Singapore Perspective by SID
- Indonesia’s Economic Outlook 2021 by Institute for Development of Economics and Finance (INDEF)
- Update on Indonesia’s Economic Outlook 2021 by Dr Muhammad Chatib Basri
- Singapore Board Diversity by SID
- Climate Change and Indonesia’s Sustainable Palm Oil Production by ISEAS Yusuf Ishak Institute
- Corporate Governance Roundup by SID

Board Delegation and Support: To discharge its fiduciary duties and responsibilities more effectively, the Board is supported by the Executive Committee (“Exco”), the Audit and Risk Management Committee (“AC & RMC”), the NC and the Remuneration Committee (“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.

All the 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 affairs of the Company, all the Directors submit an annual affirmation to allocate sufficient time and efforts to carry out their Board duties and responsibilities.

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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.

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 at least 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 and other reading materials, such as 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 2020 is as follows:

Description	Board	AC & RMC	NC	RC	AGM
Number of meetings held in 2020	6	7	1	1	1
Name of directors	Number of meetings attended				
Lee Kwong Foo, Edward	6	–	1	–	1
Lim Hock San	5	5	1	1	1
Mark Julian Wakeford	6	–	–	–	1
Moleonoto Tjang	5	–	–	–	1
Suaimi Suriady	6	–	–	–	1
Tjhie Tje Fie	5	–	1	1	1
Axton Salim	5	–	–	–	1
Goh Kian Chee	6	7	–	1	1
Hendra Susanto	6	7	1	–	1

■ Chairman

“–” Not Applicable

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Board Approval: The Company has internal guidelines governing the key matters requiring the Board's approval as specified by the Singapore Exchange Securities Trading Limited's ("SGX-ST") listing rules and regulations. Some of the issues requiring the Board's approval include the Company's strategic and operating plans, quarterly 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 background and thinking 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 reviews the Board's composition and succession plans annually to ensure the Directors possess the relevant skillsets, experience and diversity to guide the management and expansion of the wide range of businesses and operations under the Group.

As at 31 March 2021, the Board was made up of nine Directors, comprising three EDs, two NEDs and four IDs. All the Directors are male, between 42 and 74 years old, and have each served on the Board for around 14 years. Three of the Directors are Singaporeans and the other six are either Singapore permanent residents or foreigners.

Board of Directors						
Name	Status	Position	Exco	AC & RMC	NC	RC
Lee Kwong Foo, Edward	Lead Independent	Chairman			Chairman	
Lim Hock San	Independent	Vice-Chairman		Member	Member	Chairman
Mark Julian Wakeford	Executive	Member	Chairman			
Moleonoto Tjang	Executive	Member	Member			
Suaimi Suriady	Executive	Member	Member			
Tjhie Tje Fie	Non-Executive	Member	Member		Member	Member
Axton Salim	Non-Executive	Member				
Goh Kian Chee	Independent	Member		Chairman		Member
Hendra Susanto	Independent	Member		Member	Member	

The Directors possess a wide range of skills and experience in operations management, banking, finance, accounting, risk management and industry knowledge. Three of the Directors, namely the CEO, Mr Mark Julian Wakeford, and the EDs, Messrs Moleonoto Tjang and Suaimi Suriady, are deemed to have extensive experience in plantation management and downstream refinery operations in Indonesia. The biographies of the Directors are provided on pages 29 to 31 of this Annual Report.

In 2020, the Board was satisfied that given the scope and nature of the Group's operations, the current composition and size of the Board were adequate in facilitating constructive discussions and effective governance of the Company.

Board Independence: The NC conducts an annual review to determine the independence of the Directors according to the guidelines of the 2018 Code and Rule 210(5)(d) of the SGX-ST Listing Manual. The NC also considers all nature of relationships and circumstances that could influence the judgement and decisions of the Directors before tabling its findings and recommendations to the Board for approval.

Annual Review of Directors' Independence

The NC was satisfied that the Company had complied with Rules 210(5)(c), 210(5)(d)(i) and (ii) of the SGX-ST Listing Manual, which required at least one-third of the Board to be made up of IDs.

The NC conducted an annual review of the independence of the Directors based on their self-declaration in the Directors' Independence Checklist, as well as their respective performance in the Board and Board Committee meetings. The review was carried out in February 2021, taking into account the listing rules and 2018 CG Code on circumstances in which a director would not be deemed independent. For non-executive IDs who have served beyond 9 years, they will be subjected to a more rigorous review.

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The NC noted Mr Edward Lee had served on the Board for more than nine years. Taking into consideration how Mr Edward Lee had diligently carried out his role as the Chairman of the Board, his invaluable contributions to the Board and Board Committees, his good rating in respect to his performance as the Board Chairman and peer individual director performance assessment, and the absence of other circumstances that would deem him to be non-independent, the NC (except Mr Lee who recused himself on this matter) agreed unanimously that Mr Lee had at all times exercised independent judgment in the best interest of the Company in discharging his director's duties and was able to continue in his role as an ID.

The NC also noted that Messrs Lim Hock San, Goh Kian Chee and Hendra Susanto had served on the Board for more than nine years. After taking into consideration, among other things, their invaluable contributions to the Board and Board Committees and the outcome of their peer individual director performance assessments, the NC (except the incumbents who recused themselves from their respective director independence assessments) unanimously agreed that Messrs Lim Hock San, Goh Kian Chee and Hendra Susanto had at all times exercised independent judgment in the best interests of the Company and in discharging their director's duties and was able to continue in their roles as IDs.

All four IDs who had served on the Board for more than nine years declared they did not have any relationships that could interfere with their independence of judgement that would be in the best interest of the Company.

Taking all the above into consideration, including the need to refresh the Board composition under the Corporate Governance for tenures beyond nine years, the NC was of the view that Messrs Edward Lee, Lim Hock San, Goh Kian Chee and Hendra Susanto had discharged their duties professionally and exercised independence in their judgements. The NC deemed them to be independent, notwithstanding having served on the Board for more than nine years. The Board reviewed the basis of the NC's recommendation and concurred with the assessment of independence in respect to these four directors.

With effect from 1 January 2022, all Directors who have served on the Board for more than nine years will have to seek the approval of (a) all shareholders; and (b) shareholders, excluding the Directors and CEO of the Company and their associates; in order to comply with Rule 210(5)(d)(iii) of the SGX-ST Listing Manual pertaining to Directors' independence. In anticipation of this new rule requirements, Messrs Edward Lee, Lim Hock San, Goh Kian Chee and Hendra Susanto will seek the approval (a) all shareholders; and (b) shareholders, excluding the Directors and CEO of the Company and their associates, at the 2021 AGM for their continued appointment as ID of the Company.

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: Mr Edward Lee, who chairs the Board and the NC, is the Lead ID. The role of the Lead ID is to facilitate and chair the meetings with the NEDs as and when such meetings are deemed necessary. He is also accessible to the shareholders and other stakeholders on any issues that cannot be resolved in their communications with the CEO or the CFO.

Board Guidance: The Directors, especially the NEDs, are kept informed of the Company's business and affairs as well as about the industry in which the Company operates. This knowledge is essential for the Directors to engage in informed and constructive discussions. The Company has put in place processes to ensure that the Directors receive relevant and timely information to perform their duties effectively. Besides receiving regular Board briefings on key business initiatives, information papers, and industry and market reports, the NEDs are regularly briefed by the Management on major decisions and prospective business deals. Site visits to the Company's plantations, mills and factories are regularly conducted to familiarise the Directors with the business and operations. 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 2020, no site visit was planned for the Directors due to the travel restrictions arising from the COVID-19 situation.

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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 Edward Lee is the Chairman of the Board as well as the Lead ID. Pursuant to Rule 1207(10A) of the SGX Listing Manual, Mr Edward Lee is not related to the CEO or members of the Management. As the Chairman, Mr Edward Lee 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, including marketing and strategic alliances, and providing strong leadership and clear vision for the Company. The CEO is responsible for the day-to-day operations and management of 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 Edward Lee (Lead ID), with Messrs Lim Hock San (ID), Hendra Susanto (ID) and Tjhie Tje Fie (NED) 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.

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 the 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 at the 2021 AGM: Messrs Tjhie Tje Fie, Mark Julian Wakeford, Hendra Susanto, Edward Lee, Lim Hock San and Goh Kian Chee are Directors seeking re-election at the AGM of the Company on 28 April 2021. They will retire by rotation at the 2021 AGM pursuant to Regulation 111 of the Constitution of the Company and will continue to serve as members of the Board if they are successfully re-elected.

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Detailed information on these six directors seeking re-election (including information as set out in Appendix 7.4.1 of the Listing Manual of the SGX-ST can be found under “Board of Directors” and “Supplemental Information on Directors Seeking Re-election at the 2021 AGM” of the Company’s Annual Report 2020.

Directors’ Commitment: For Directors serving on the board of other public-listed companies, the NC adopt a holistic assessment instead of prescribing a maximum number of directorship and/or other principal commitments that each director may have. The NC will review the nature and complexity of their other commitments, 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 2020. 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 Company conducts an annual assessment of the overall performance and effectiveness of the Board and Board Committees, and the contributions of the Chairman and Directors using key criteria set out in the “Nominating Committee Guide” issued by the SID. Where appropriate, the Board will recommend changes to the assessment forms to align with prevailing regulations and requirements.

All the Directors are required to complete the following appraisal forms annually:

- Board Assessment
- Board Committee Assessment for the AC & RMC, the NC and the RC
- Board Chairman Assessment
- Director Peer Assessment

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 reviewed and endorsed the NC’s report which had found the Directors to be effective and competent in meeting the performance objectives in 2020.

REMUNERATION MATTERS

PRINCIPLE 6: Procedures in Developing Remuneration Policies

Remuneration Committee: The RC is chaired by Mr Lim Hock San (ID), with Messrs Tjhie Tje Fie (NED) and Goh Kian Chee (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 the key management personnel (“KMP”).

The RC shall review and recommend to the Board on all aspects of remuneration for the Directors and the 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.

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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 or NEDs who chair the Board or Board Committees are paid higher fees given their greater responsibilities. Those who joined Board Committees are paid additional fees for their services.

Non-independent NEDs 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 EDs and the KMP: The RC establishes the remuneration framework for EDs and the 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 Company while upholding shareholders' interest.

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

Fixed components

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 based salary is reviewed annually based on 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 components

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.

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 the 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 remunerations awarded to the EDs and the KMP in 2020 were aligned with their respective performances.

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PRINCIPLE 8: Disclosure on Remunerations

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.

Remunerations for the Directors and the CEO: The remunerations for the Directors and the CEO that were paid by the Company and its subsidiaries for the financial year ended 31 December 2020 were as follows:

Name of Directors	Fixed Salary	Variable Bonus*	Directors' Fees
Above S\$1,000,000			
Mark Julian Wakeford ⁽¹⁾	80%	20%	–
Moleonoto Tjang ⁽²⁾	60%	40%	–
Below S\$250,000			
Lee Kwong Foo, Edward ⁽¹⁾	–	–	100%
Lim Hock San ⁽¹⁾	–	–	100%
Goh Kian Chee ⁽¹⁾	–	–	100%
Hendra Susanto ⁽¹⁾	–	–	100%
Suaimi Suriady ⁽³⁾	–	–	–
Tjhie Tje Fie ⁽³⁾	–	–	–
Axton Salim ⁽³⁾	–	–	–

⁽¹⁾ Remuneration paid by the Company.

⁽²⁾ Remuneration paid by the subsidiary, PT SIMP.

⁽³⁾ Remuneration paid by the parent company, PT ISM, or by other companies in the PT ISM Group.

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

Considering the competitive nature of the industry and the steep competition for talent, the Company has decided not to disclose the upper band of the remuneration of its Directors.

The Board understands that the remuneration continues to be a sensitive issue. The EDs sitting on the Board also hold executive positions in the Group's other business units or subsidiaries in Indonesia. The detailed remuneration of individual directors if disclosed in Singapore would affect the confidentiality of their remuneration and put them into an unfair position due to unequal treatment in dealing with the confidentiality of remuneration compared with their colleagues in Indonesia, who are not disclosing their remuneration. Considering the highly competitive nature of the industry and the steep competition for talent, especially those with deep expertise and experience in similar operations as the Group, it is not in the interest of the Company to disclose the exact remuneration of EDs. The Company has thus not provided the remuneration in bands or to the nearest dollar of its EDs, but provided the mix of the fixed and variable components instead. None of the EDs received any other benefits besides the variable bonus.

In view of the above, the Company believes that its current disclosure provided in the above table is consistent with the intent of Principle 8 of the Code as the disclosures provided are sufficiently transparent in giving an understanding of the remuneration of its EDs.

Remunerations for the IDs: The Director's fees paid to the IDs were as follows:

Role	Fees Framework (in S\$)			
	Board	AC & RMC	NC	RC
Chairman	75,000	30,000	15,000	15,000
Member	50,000	15,000	10,000	10,000

Name of ID	Board	AC & RMC	NC	RC	Total (S\$)
Lee Kwong Foo, Edward	Chairman	–	Chairman	–	90,000
Lim Hock San	Member	Member	Member	Chairman	90,000
Goh Kian Chee	Member	Chairman	–	Member	90,000
Hendra Susanto	Member	Member	Member	–	75,000
Total Fees paid to IDs					345,000

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Remunerations of the KMP: The remunerations of the top five KMP, who were not Directors or the CEO of the Company, were as follows:

Name	Job Position	Fixed Salary	Variable Bonus/ Benefits
S\$250,000 – S\$500,000			
Mak Mei Yook ⁽¹⁾	CFO	77%	23%
Johnny Ponto ⁽²⁾	Director of PT SIMP	60%	40%
Tan Agustinus Dermawan ⁽²⁾	Director of PT SIMP	62%	38%
Rogers H. Wirawan ⁽²⁾	Head of Internal Audit	62%	38%
S\$500,000 – S\$750,000			
Benny Tjoeng ⁽³⁾	President Director of Lonsum	60%	40%

⁽¹⁾ Remuneration paid by the Company.

⁽²⁾ Remuneration paid by the subsidiary, PT SIMP.

⁽³⁾ Remuneration paid by the subsidiary, Lonsum.

The total aggregate remuneration paid to the KMP for the financial year ended 31 December 2020 was S\$1,765,097.

There was no pay-out for termination, retirement or post-employment benefit granted to any of the Directors or KMP in 2020.

Remunerations 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 2020.

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 meet with the external auditors at least two times a year with effect from 2020, and at least one of these meetings is conducted without the Management present. Feedback on the competency and adequacy of the finance function, the assistance given by the Company's management and to ascertain if there are any material weaknesses or control deficiencies in the Group's financial reporting and operational systems were discussed with the external auditors during these meetings.

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.

For the financial year ended 31 December 2020, the AC & RMC reviewed the Group's half-year and full-year financial statements together with the external auditors 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.

CORPORATE GOVERNANCE

Both the IAD and the ERM team work closely to manage high-risk areas, ensure 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 2020, 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 the CFO on 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 the KMP that adequate and effective risk management and internal control systems were implemented to safeguard the stakeholders’ interest.

Noting that no internal control system or ERM framework could completely guarantee against material judgement 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 2020, 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.

Key Audit Matters	Key Considerations and Decisions made by the AC & RMC
Impairment assessment of goodwill	The AC & RMC considered and evaluated the methodology applied by the independent valuer engaged by the Management to determine the recoverable amount for the assessment of goodwill impairment using the income approach. The AC & RMC reviewed the appropriateness and reasonableness of the underlying assumptions applied in determining the recoverable amount of the goodwill impairment 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 on goodwill impairment for the financial year ended 31 December 2020.
Recoverability of deferred tax assets arising from tax losses carried forward	The AC & RMC considered and reviewed the methodology and key assumptions used by the Management to determine the amount of future taxable profits for the next five years for deferred tax assets recognition. The AC & RMC reviewed the financial projections to assess the appropriateness of the methodology and reasonableness of the assumptions made as well as the audit findings report presented by the external auditor during the year-end meeting. The AC & RMC concurred with the Management on the assessment of the recoverability of deferred tax assets arising from tax losses carried forward for the financial year ended 31 December 2020.

The key audit matters were listed in the external auditor’s report for the financial year ended 31 December 2020, together with a detailed description of the audit procedures adopted on pages 52-53 of this Annual Report.

PRINCIPLE 10: Audit Committee

Composition of the AC & RMC: The AC & RMC is chaired by Mr Goh Kian Chee (ID), with Messrs Lim Hock San (ID) and Hendra Susanto (ID) as members. The AC & RMC possess sound expertise in financial management and is fully qualified to discharge its powers and duties. None of the AC & RMC members is a partner, employee or director, present or former, of the Company’s appointed audit firm.

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.

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 quarterly, half-yearly 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 on-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 2020

The AC & RMC met seven times during the year and carried out its duties according to the terms of reference. It also met 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 financial status, internal and external audit findings, and the effectiveness of the accounting and internal control systems.

The Company obtained the shareholders' approval in the Addendum dated 26 May 2020 to enter into IPT with individuals who fall within the approved categories of Interested Persons, provided such transactions were entered into according to the review procedures set out in the Addendum. The IPT Mandate was last approved by the shareholders at the 2020 AGM. The list of IPTs is disclosed on page 149 of this Annual Report.

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 2020 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.

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, 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 re-appointed.

Ernst & Young LLP was the external auditor appointed by the Company in 2020. 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 2020 are disclosed on page 90 of this Annual Report.

CORPORATE GOVERNANCE

The Board and the AC & RMC reviewed the audit services provided by the external auditor and were satisfied with the quality, objectivity and independence of the audit. They recommended for Ernst & Young LLP to be re-appointed for another term, subject to the shareholders' approval at the next AGM.

The Board and the AC & RMC were also satisfied with the performance of the external auditors engaged by the Company's subsidiaries, associated companies and joint ventures and were of the opinion that the Company had complied with Rules 712 and 716 of the SGX-ST Listing Manual. These external auditors are disclosed on pages 112, 115 and 117 of this Annual Report.

Internal Audit

The IAD is an independent unit that operates separately from the business and corporate activities. 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 had 54 staff as at 31 December 2020.

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 will prepare 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 will perform 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 Company;
- Identify new risks and exposures in the Company'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 2020, the IAD adopted a risk-based auditing approach that focused on material internal controls to identify and audit high-risk areas of strategic business units. The mitigation measures were subsequently proposed by the Management in consultation with the IAD. The findings and recommendations of the internal audit 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 2020, the AC & RMC reviewed the adequacy of the internal audit function, including the IAD's organisational structure, work scope and audit plans, and was satisfied that the IAD had remained independent, adequately resourced and maintained a good standing within the Group to carry out its roles and responsibilities effectively.

The IAD is headed by Mr Rogers H. Wirawan who reports directly to the AC & RMC Chairman on all internal audit matters. He has been appointed Head of IAD of the Group since 1 February 2011. Mr Wirawan started his career in 1993 with Public Accounting Firm Hans Tuanakotta & Mustofa, a member of Deloitte Touche Tohmatsu. He was an auditor with Public Accounting Firm Prasetio Utomo & Co., a member of Arthur Andersen & Co. from 1994 to 2002. Subsequently, he joined Public Accounting Firm Purwantono, Sarwoko & Sandjaja, a member firm of Ernst & Young global organization until 2011. He graduated from Trisakti University, Jakarta majoring in Accounting. He possesses sound expertise and experience in financial and operational audits, as well as extensive knowledge in plantation and refinery operations in Indonesia. The AC & RMC was of the view that Mr Wirawan was well-qualified to discharge his duties and responsibilities in managing the risks and internal audit function of the Group.

The AC & RMC also conducted an annual self-assessment that reflected it had adequately fulfilled 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 to report any misconduct, including suspected frauds, corruptions and unethical practices. 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. The IAD will also conduct an independent investigation of each case and report these investigations to the AC & RMC on a quarterly basis.

CORPORATE GOVERNANCE

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 and market dynamics. This was illustrated in 2020 with disruptions caused by the pandemic that no one could have anticipated. 2020 was an extremely challenging year with the COVID-19 pandemic affecting businesses and supply chains worldwide and drastically changing the way companies operate. As the pandemic situation evolved over time and presented us with new challenges, we took steps to adapt to the new normal by staying agile and achieve the best possible outcomes for our stakeholders.

To mitigate the vagaries 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 “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 the Management sets 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 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. In the ‘plantation fire’ scenario, for instance, the control measures include the daily monitoring of hotspots based on satellite data, observations of fire incidents by the Company’s fire patrol teams, regular fire prevention training, fire drills in high-risk estates, 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. These efforts have led to a significant reduction in fire incidents over time.

A new scenario in 2020 was related to the adverse effects of the COVID-19 pandemic that posed significant risks and disruptions to the Company’s operations, employees’ health, supply chain and distribution network. The ERM works together with relevant departments through the new COVID-19 Task Force to mitigate, if not eliminate the impact of pandemic risks. The task force closely monitored the health conditions of all employees across all operations, managed the implementation of preventive protocols, reminded employees regularly to strictly follow safety measures, updated relevant policies regarding new health protocols, and worked closely with vendors to ensure the availability of supplies for our operations.

A risk governance structure outlines the roles and responsibilities of the Directors, the Management and Heads of Department and Operating Units in supporting the ERM policy and programmes and mitigating risks in business strategies and operations. Regular communications with the employees on the ERM framework have helped to raise 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 risk owners and 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 2020, the following risks were identified, managed and monitored:

- Strategic Risks – Strategic Planning, Sustainable Palm Oil, and Land Expansion
- Operational Risks – Pests and Plant Diseases, Pandemic Risk, Occupational Health and Safety, Resource Availability, Social Conflicts, Natural Disasters, and Secured Communications
- Compliance Risks – Land Ownership, Tax Compliance, and Environmental Compliance
- Financial Risks – Credit Defaults, Capital Liquidity, and Economic Uncertainty

CORPORATE GOVERNANCE

Shareholder Rights and Engagement

PRINCIPLE 11: Shareholder Rights and Conduct of General Meetings

PRINCIPLE 12: Engagement with Shareholders

The Company believes that prompt disclosure of information is key to raising the level of corporate governance and is committed to regular and timely disclosure of information pertinent to the shareholders. Announcements are made within the prescribed periods through the SGXNet, and where necessary, through mainstream news media via press releases. All announcements are posted on the Company's Investor Relations ("IR") website and disseminated by email to subscribers as news alerts. The IR website is a key source of investor-related information, including presentation slides on financial results, annual and sustainability reports, shares and dividend information, and factsheets.

The Group regularly communicate important corporate developments and announcements, such as merger and acquisition of companies, 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 Group is committed to providing regular communication with its shareholders. In 2020, around 116 meetings and conference calls were made to engage the analysts and shareholders and to share the Group's business strategies, operational and financial results and business outlook with them. These engagements were attended by selected members of the Board and the Management. No site visit was planned for key analysts and major shareholders due to travel restrictions arising from the COVID-19 situation.

To provide further engagement to the shareholders, the Group website allows shareholders to sign up for email alerts on the latest announcements from the Company.

Dividend Policy

Dividend payments are made with due consideration of the Company's financial performance, liquidity, capital commitments, business prospects, economic outlook and regulatory factors. The Board aims to maintain a balance between meeting the shareholders' expectation for dividend returns and prudent capital management.

Conduct of the Annual General Meetings

This section describes IndoAgri's usual practice for the conduct of AGM prior to the onset of the COVID-19 pandemic in early 2020.

The shareholders are encouraged to actively participate at the AGM. All the Directors, the Management and the external auditor will attend the AGM to address any shareholders' queries. Notice of the AGM and related information are provided to the shareholders within the prescribed timeline under the listing rules. The Company provides separate resolutions for every item in the AGM agenda, and where necessary, additional explanatory notes for each agenda item.

All shareholders are entitled to vote at the AGM. Each shareholder may appoint up to two proxies to vote at the AGM by submitting a proxy form to the Company 72 hours before the commencement of the AGM. Intermediaries, such as banks and capital markets services license holders, providing custodial services may appoint more than two proxies to allow their indirect investors to attend the AGM. Voting in absentia by mail or other electronic means is currently not supported.

All resolutions at the AGM are passed by poll voting. An electronic poll voting system is used to register the number of votes by the shareholders present at the AGM. An external party is engaged as a 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, is immediately computed and presented to the shareholders. The poll voting and proxy voting results are filed with SGX-ST on the same day as the AGM.

CORPORATE GOVERNANCE

Given the current COVID-19 situation in Singapore, the AGM held in June 2020 was convened by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trust, Unit Trusts, and Debenture Holders) Order 2020. Alternative arrangements were put in place to allow shareholders and investors to attend the AGM via different electronic means, submit questions to the Chairman prior to the AGM, view the responses to these questions, and vote by proxy. The CEO presented the Company's performance and strategies to the shareholders in a live webcast. All Board members and the Management attended the meeting either physically or via live webcast. The external auditor attended the AGM by live webcast. The minutes of the 2020 AGM were approved by the Board and subsequently published on our corporate website.

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, during the two weeks before the announcement of the Group's half-yearly financial results or one month before the announcement of the Group's 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 either 2 weeks or 1 month before the announcement and ending on the date of such announcement. 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.

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 include 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 the same Code of Conduct and core values as its parent company, PT ISM. These include two policies on the Company Business Ethics and the Work Ethics of Employees, and the core values of Discipline, Integrity, Respect, Unity, Leadership 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 Group's Sustainable Agriculture Policy applies to all of IndoAgri's operating units, plasma smallholders and third-party CPO suppliers. The Policy sets out how the Group 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; conservation of High Conservation Value (HCV) and High Carbon Stock (HCS) areas
- No planting on peat regardless of depth
- No burning
- Respect for Labour and Human Rights, including Freedom of Association and non-discrimination
- Free Prior and Informed Consent