

## A. BOARD MATTERS

### **Principle 1: The Board's Conduct of Affairs**

---

*Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with Management to achieve this objective and Management remains accountable to the Board.*

#### 1.1 The Board's Role

The primary function of the Board of Directors of the Company ("Board") is to provide effective leadership and direction to enhance the long-term value of the Group to its shareholders and other stakeholders. The Board has the responsibility to fulfil its role which includes the following:

- (a) ensuring that the long-term interests of the shareholders are being served and safeguarding the Company's assets;
- (b) assessing major risk factors relating to the Company and its performance, and reviewing measures, including internal controls, to address and mitigate such risks;
- (c) reviewing and approving Management's strategic and business plans, including developing a depth of knowledge of the business being served, understanding and questioning the assumptions upon which plans are based, and reaching an independent judgement as to the probability that the plans can be realised;
- (d) monitoring the performance of Management against plans and goals;
- (e) reviewing and approving significant corporate actions and major transactions;
- (f) assessing the effectiveness of the Board;
- (g) ensuring ethical behaviour (including ethical standards) and compliance with laws and regulations, auditing and accounting principles and the Company's own governing documents;
- (h) identifying key stakeholder groups and recognize that their perceptions affect the Company's reputation;
- (i) considering sustainability issues, e.g. environmental and social factors, as part of its strategic formulation; and
- (j) performing such other functions as are prescribed by law, or assigned to the Board in the Company's governing documents.

## 1.2 Independent Judgement

The Board currently consists of 8 members, as shown below together with their membership on the Board committees of the Company ("Board Committee"):

Name	Board Appointment	Board Committee Appointment
Franky Oesman Widjaja, <i>Chairman &amp; CEO</i>	Executive, Non-independent Director	Member of NC and RC
Muktar Widjaja <sup>1</sup> , <i>President</i>	Executive, Non-independent Director	-
Frankle (Djafar) Widjaja <sup>2</sup>	Non-executive, Non-independent Director	-
Rafael Buhay Concepcion, Jr., <i>CFO</i>	Executive, Non-independent Director	-
Lew Syn Pau <sup>3</sup>	Non-executive, Lead Independent Director	Chairman of AC, Member of NC and RC
Foo Meng Kee <sup>4</sup>	Non-executive, Independent Director	Chairman of NC and RC, Member of AC
Kaneyalall Hawabhay	Non-executive, Independent Director	Member of AC
William Chung Nien Chin <sup>5</sup>	Non-executive, Independent Director	-

### Notes:

1. Mr. Muktar Widjaja was re-designated as Executive Director on 1 March 2018.
2. Mr. Frankle (Djafar) Widjaja will not be seeking re-election at the 2018 AM, and will retire at the meeting conclusion.
3. Mr. Lew Syn Pau was appointed as AC Chairman and Lead Independent Director on 1 May 2017. He stepped down as RC Chairman on 1 May 2017.
4. Mr. Foo Meng Kee was appointed as a Non-executive Independent Director on 25 April 2017, and a member of AC, NC and RC on 1 May 2017. He was appointed as NC Chairman and RC Chairman on 1 May 2017.
5. Mr. William Chung Nien Chin was appointed as a Non-executive Independent Director on 25 April 2017.

### Abbreviation:

AC: Audit Committee  
CEO: Chief Executive Officer  
CFO: Chief Financial Officer  
NC: Nominating Committee  
RC: Remuneration Committee  
AM: Annual Meeting

Save for the Chairman/CEO, President and CFO, the other 5 Board members are non-executive. Half of the composition of the Board are Independent Directors, thereby providing a strong and independent element on the Board. This is fundamental to good corporate governance as it facilitates the exercise of independent and objective judgement on corporate affairs. It also ensures discussion and review of key issues and strategies in a critical yet constructive manner.

## 1.3 Delegation of Duties by the Board

To assist the Board in the execution of its duties, the Board has delegated certain functions to the 3 Board Committees, namely, the AC, the NC and the RC. Each of these Board Committees has its own written terms of reference approved by the Board. All Board Committees are chaired by a Non-executive Independent Director. Please refer to pages 34 to 43 of this report for further information on these Board Committees.

While the Board Committees have been delegated power to make decisions within the authority delegated to the respective committees, the ultimate responsibility for the decisions and actions rests with the Board as a whole.

#### 1.4 Key Features of Board Processes

To assist Directors in planning their attendance at meetings, the dates of Board meetings, Board Committee meetings and shareholders' meetings together with agenda items, for each new calendar year are notified to all Board members before the start of that calendar year. In addition to regularly scheduled meetings, ad-hoc meetings are convened, if requested or if warranted by circumstances deemed appropriate by the Board. In between regularly scheduled meetings, matters that require the Board's approval and/or approval of the Board Committees are circulated to all Directors and/or respective Board Committee members, as the case may be, for their consideration and decision by way of circular resolutions, as provided in the Company's Constitution and the terms of reference of the respective Board Committees.

Board meetings are chaired in Mauritius where participation by Board members by means of teleconference or similar communication equipment is permitted under the Company's Constitution. In 2017, the Board met 5 times, with the year-end meeting focusing on annual budget and strategic issues; the Board Committees met a total of 9 times; and 2 shareholders' meetings were held.

#### 1.5 Attendance at Meetings in 2017

The attendance of the Directors at Board and Board Committee meetings and shareholders' meetings, as well as the frequency of such meetings in 2017, is disclosed below:

Name	No. of Meetings Attended by Members					Total Attendance at Meetings
	Board Meetings	AC Meetings	NC Meetings	RC Meetings	AM & SM	
<b>EXECUTIVE DIRECTORS</b>						
Franky Oesman Widjaja, <i>Chairman &amp; CEO</i>	5/5	-	2/2	2/2	2/2	11/11
Muktar Widjaja, <i>President</i>	5/5	-	-	-	2/2	7/7
Rafael Buhay Concepcion, Jr., <i>CFO</i>	5/5	-	-	-	2/2	7/7
<b>NON-EXECUTIVE DIRECTOR</b>						
Frankle (Djafar) Widjaja	5/5	-	-	-	2/2	7/7
<b>NON-EXECUTIVE INDEPENDENT DIRECTORS</b>						
Lew Syn Pau, <i>Lead Independent Director</i>	5/5	5/5	2/2	2/2	2/2	16/16
Foo Meng Kee	4/4	3/3	1/1	1/1	-	9/9
Kaneyalall Hawabhay	5/5	5/5	-	-	0/2	10/12
William Chung Nien Chin	4/4	-	-	-	-	4/4
Hong Pian Tee <sup>6</sup>	1/1	2/2	1/1	1/1	1/1	6/6
Jacques Desire Laval Elliah <sup>7</sup>	1/1	-	-	-	0/1	1/2
<b>NUMBER OF MEETINGS HELD</b>	<b>5</b>	<b>5</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>16</b>

Notes:

6. Mr. Hong Pian Tee did not seek re-appointment and retired at the conclusion of the AM held on 25 April 2017.

7. Mr. Jacques Desire Laval Elliah did not seek re-election and retired at the conclusion of the AM held on 25 April 2017.

Abbreviation:

SM: Special Meeting

#### 1.6 Matters Requiring Board Approval

Matters specifically requiring the Board's approval are set out in the Company's Internal Guidelines, which include the following corporate events and actions:

- approval of results announcements
- approval of the annual report and financial statements

- dividend declaration/proposal
- convening of members' meetings
- shares issuance
- material acquisitions and disposal of assets
- annual budgets
- interested person transactions
- corporate governance

All Directors are expected to objectively discharge their duties and responsibilities, in the interests of the Company. Directors are required to refrain from discussion and decision-making on any agenda item in which they have conflict of interest.

#### 1.7 Board Orientation and Training for New Directors

Procedures are in place whereby newly appointed Directors will be provided with a formal appointment letter setting out the terms of appointment, general duties and obligations of a Director pursuant to the relevant legislations and regulations. They will also be given the relevant governing documents of the Company and contact particulars of senior Management. Those who do not have prior experience as a director of a Singapore listed company, will be required to attend externally conducted training on the roles and responsibilities as a director of a listed company in Singapore.

Newly appointed Non-executive Directors who are not familiar with the Group's business may, upon recommendation of the Chairman or the NC, be provided with orientation through overseas trips to familiarise them with the Group's operations. Management will brief new Directors on the Group's business as well as governance practices.

Each of Mr. Foo Meng Kee and Mr. William Chung Nien Chin, who were both appointed as Non-executive Independent Directors of the Company during 2017, has been furnished with a director's kit comprising, among others, a letter of appointment, meeting schedules of Board and Board Committee meetings and relevant governing documents of the Company. Management also briefed Mr. Foo on the Group's business and operations.

#### 1.8 2017 Director Training Programme

The NC reviews and makes recommendations on Directors' training which are arranged and funded by the Company. The Company has an annual training budget to fund any Director's participation/attendance at seminars and training programmes that are relevant to his duties as a Director.

In conformity with the framework for Directors' Training as approved by the Board, the 2017 Director Training Programme provided a 3-step approach to training as follows, through:

- (1) Externally conducted courses on audit / financial reporting matters, risk management / sustainability reporting and other relevant topics subject to course availability
- (2) Quarterly management updates on operations and industry-specific trends and development
- (3) Quarterly continuing education on regulatory changes and updates, including extraction of case studies on corporate governance, and External Auditors briefings to AC members on changes to accounting standards and issues

Directors having attended external courses/seminars, in turn shared their take-aways and knowledge with fellow Directors at the next Board meeting. Seminars attended in 2017 include the following:

- Audit Committee Seminar 2017: Rising Above Complexities – What Audit Committees Should Consider
- Executive & Directors Remuneration
- Singapore Board of Directors Survey 2017

## **Principle 2: Board Composition and Guidance**

---

*There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from Management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.*

### **2.1 Board Size and Composition**

Each year, the Board examines its size, composition, skills and core competencies of its members to ensure an appropriate balance and diversity of skills, experience and knowledge. The Board comprises Directors from different industries and background, with business and management experience, knowledge and expertise who, collectively as a group provides the core competencies for the leadership of the Company. The Company has no alternate Directors on its Board.

Taking into account the scope and nature of operations of the Group, the Board considers that the current composition mix and board size is appropriate to facilitate effective decision making at meetings of the Board and Board committees.

Please refer to pages 10 to 13 of this Annual Report for key information, including qualifications, on the Directors of the Company.

### **2.2 Directors' Independence Review**

The ensuing paragraphs set out the criteria and processes to determine a Director's independence.

The Board has adopted guidelines set out in the 2012 Code on relationships, the existence of which, would deem a Director not to be independent. A Director who has no relationship with the Company, its related corporations, officers or its shareholders with shareholdings of 10% or more in the voting shares of the Company, that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement in the best interests of the Company, is considered to be independent.

The NC is tasked to determine on an annual basis and, as and when the circumstances require, whether or not a Director is independent, bearing in mind the 2012 Code and any other salient factors which would render a Director to be deemed not independent. In addition, consideration is given to Guideline 2.4 of the 2012 Code which requires that the independence of any Director who has served on the Board beyond 9 years, be subject to particularly rigorous review. For the purpose of determining independence, each Director is required to complete a self-declaration checklist at the time of appointment, and annually, based on these guidelines.

Having conducted the relevant reviews, the NC/Board has considered that the following Directors are regarded as independent Directors of the Company:

	<u>Length of Service as Independent Director</u>
Mr. Lew Syn Pau	> 9 years
Mr. Kaneyalall Hawabhay	> 9 years
Mr. Foo Meng Kee	1 year
Mr. William Chung Nien Chin	1 year

During the year, an independent Director, Mr. Hong Pian Tee, who had served for over 15 years, did not seek re-appointment at the 2017 AM and retired at the meeting's conclusion.

The Board recognises that Independent Directors may over time develop significant insights into the Group's business and operations, and can continue to objectively provide significant and valuable contribution to the Board as a whole. Where there are such Directors serving as an Independent Director for more than 9 years, the Board will do a rigorous review of their continuing contribution and independence.

The NC takes the view that a Director's independence cannot be determined solely and arbitrarily on the basis of the length of time. A Director's contribution in terms of experience, expertise, professionalism, integrity, objectivity and independent judgement in engaging and challenging the Management in the interests of the Group as he performs his duties in good faith, are more critical measures in ascertaining a Director's independence than the number of years served on the Board.

During its review, the NC considered that Mr. Kaneyalall Hawabhay who is resident in Mauritius, has continued to demonstrate a strong spirit of professionalism and independence in character and judgement in the discharge of his duties as a Director of the Company which did not diminish with time.

In reviewing the independence of Mr. Lew Syn Pau, the NC considered that although Mr. Lew has served more than 9 years, he has demonstrated independence in character and judgment in the discharge of his responsibilities as a Director of the Company, and has been forthcoming in expressing his independent views at Board and Board committee meetings.

After taking into account these factors, the NC's views and having weighed the need for Board refreshment against tenure, the Board has considered and determined that Mr. Kaneyalall Hawabhay and Mr. Lew Syn Pau continue to be regarded as Independent Directors of the Company, notwithstanding having served more than 9 years.

Each Independent Director duly abstained from the NC/Board's determination of his independence.

### 2.3 Non-executive Directors

Non-executive Directors are encouraged, in line with corporate governance practice, to participate actively at Board meetings and constructively challenge and help develop proposals on strategy; to review the performance of Management in meeting agreed goals and objectives; to monitor the reporting of performance; and to meet regularly without the presence of Management.

The Non-executive independent Directors, including the Lead Independent Director, meet and/or hold discussions at least annually without the presence of other Executive Directors, Non-independent Directors and Management.

## **Principle 3: Chairman and Chief Executive Officer**

---

*There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.*

### 3.1 Chairman and Chief Executive Officer

Our Chairman and CEO is Mr. Franky Oesman Widjaja. We believe that the Independent Directors have demonstrated a high commitment in their roles as Directors and have ensured that there is a good balance of power and authority within the Company.

The Chairman is responsible for:

- (a) leading the Board to ensure its effectiveness on all aspects of its role;
- (b) setting the agenda and ensuring that adequate time is available for discussion of all agenda items, in particular strategic issues;
- (c) ensuring that the Directors receive complete, adequate and timely information;
- (d) ensuring effective communication with shareholders;
- (e) encouraging constructive relations within the Board and between the Board and Management;
- (f) facilitating the effective contribution of non-executive Directors in particular; and
- (g) promoting high standards of corporate governance.

The Board notes that the Chairman plays an instrumental role in developing the business of the Group and provides the Group with strong leadership and vision.

### 3.2 Lead Independent Director

To address the issue of the Chairman and CEO positions being held by the same person, the AC Chairman, Mr. Lew Syn Pau, acts as the Lead Independent Director. Shareholders with issues and concerns which cannot be resolved with Management can raise them with him. In addition, half of the Board are independent Directors, in accordance with the corporate governance guidelines.

## **Principle 4: Board Membership**

---

*There should be a formal and transparent process for the appointment and re-appointment of directors to the Board.*

### 4.1 Nominating Committee Composition and Role

The NC comprises the following 3 Directors, 2 of whom, including the NC Chairman, are Non-executive Independent Directors:

Foo Meng Kee	(appointed as NC member and NC Chairman on 1 May 2017)
Lew Syn Pau	
Franky Oesman Widjaja	
Hong Pian Tee	(ceased as NC member and NC Chairman on 25 April 2017)

The NC's terms of reference sets out its roles and responsibilities. The NC is primarily responsible for:

- (a) identifying and nominating for the approval of the Board, all Board appointments including candidates to fill Board vacancies as and when they arise;
- (b) reviewing the independence element on the Board annually; and
- (c) deciding how the Board's performance may be evaluated.

The NC is also responsible for making recommendations to the Board:

- (a) as regards the re-appointment, re-election and re-nomination of any Director;
- (b) concerning the Board having a strong and independent element;
- (c) concerning the re-appointment of any Director having multiple board representations;
- (d) concerning the Board's performance criteria;
- (e) regarding training and professional development programmes for Board members; and
- (f) concerning any matters relating to the continuation in office of any Director at any time.

### 4.2 Process for Selection and Appointment, Re-appointment of Directors

All new Board appointments are considered, reviewed and recommended by the NC first, before being brought up to the Board for approval. Potential candidates to fill casual vacancies are sourced with recommendations from Directors, Management or external consultants. The NC then evaluates the suitability of potential candidates for the position taking into account, inter alia, the candidate's age, gender, knowledge, skills, experience and ability to contribute to the Board's effectiveness. Upon the NC's recommendation, the Board approves the new appointment. In the event that the membership of the NC falls below the minimum number of 3 members, the NC shall be dissolved, and any new nominations are channeled directly to the Board for approval after which the NC is reconstituted with the requisite number of members.

During 2017, Mr. Foo Meng Kee and Mr. William Chung Nien Chin were appointed as Non-executive Independent Directors of the Company. After due consideration of the relevant factors, including depth of experience, qualifications, independence, level of commitment and contribution in the role, the Board satisfied itself that each of Mr. Foo and Mr. Chung is suitably qualified to be appointed, and approved the

appointments of Mr. Foo and Mr. Chung, who were approached by Management to consider directorship in the Company.

Pursuant to the Constitution of the Company, save for the position of CEO, all Directors are to submit themselves for re-election at regular intervals. The Board is satisfied with the current practice. In particular, pursuant to Article 90 of the Constitution, one-third of the Directors retire from office by rotation at the AM. The Directors retiring under Article 90 at the upcoming 2018 AM are Mr. Muktar Widjaja and Mr. Frankle (Djafar) Widjaja.

Mr. Muktar Widjaja, being eligible, has offered himself for re-election as a Director at the 2018 AM, and the NC has recommended his re-election.

Mr. Frankle (Djafar) Widjaja will not be seeking re-election as a Director at the 2018 AM, and the NC has accepted his decision. Accordingly, pursuant to Article 92 of the Constitution, he shall retire as a Director at the conclusion of the 2018 AM.

Newly appointed Directors must submit themselves for re-election at the AM immediately following their appointment, pursuant to Article 96 of the Constitution. Mr. Foo Meng Kee and Mr. William Chung Nien Chin, being Directors appointed by the Board during 2017, will retire under Article 96, and, being eligible, have each offered himself for election at the 2018 AM. The NC has recommended each of their re-election.

Under Section 138 of the Companies Act 2001 of Mauritius, the office of a Director shall become vacant at the conclusion of the AM commencing next after the Director attains the age of 70 years, and he shall be subject to yearly re-appointment.

Mr. Kaneyalall Hawabhay retires at the 2018 AM under Section 138 and, being eligible, has offered himself for re-appointment at the 2018 AM. The NC has recommended his re-appointment.

In its deliberation on the re-election/re-appointment of retiring Directors who, being eligible, have offered themselves for re-election/re-appointment, the NC takes into consideration the Director's attendance, participation, contribution and performance during the past year.

Each member of the NC has abstained from participating in deliberations and voting on any resolutions in respect of his re-election/re-appointment as Director.

#### 4.3 Directors' Time Commitments and Multiple Directorships

It is recommended under the 2012 Code that the Directors consider providing guidance on the maximum number of listed company board representations which each Director of the Company may hold in order to address competing time commitments faced by Directors serving on multiple boards. The Board believes that each Director, when accepting new appointments or who already sit on multiple boards, has the individual responsibility to personally determine the demands of his competing directorships and obligations, and ensure that he can allocate sufficient time and attention to the affairs of each company. The Board is of the view that setting a numerical limit on the number of listed company directorships that a Director may hold is arbitrary, given that time requirements for each person vary, and therefore prefers not to be prescriptive, currently. As a safeguard, the NC reviews each Director's ability to devote sufficient time and attention to the affairs of the Company during the NC's annual assessment process. The NC is satisfied with the time committed by each Director to attend meetings.

Currently, the maximum number of directorships in other Singapore listed company(ies) held by an Independent Director is 4, and of that held by an Executive Director is 2 (excluding the Company).

### **Principle 5: Board performance**

---

*There should be a formal annual assessment of the effectiveness of the Board as a whole and its board committees and the contribution by each director to the effectiveness of the Board.*



## 5.1 Board Evaluation Process

The NC is tasked to carry out the processes as implemented by the Board for assessing the effectiveness of the Board as a whole, and the contribution by each individual Director to the effectiveness of the Board on an annual basis.

The Company has in place a system to assess the effectiveness/performance of the Board and acts, where appropriate, on feedback from Board members, on improvements.

During the annual evaluation process, each Director is required to complete the respective forms for self-assessment as well as for assessment of the performance of the Board, based on pre-determined approved performance criteria.

The Board considers the current assessment of the Board and individual Director as being sufficient for the Company, and to be excessive if additional assessments of 3 Board Committees and Chairman are introduced.

## **Principle 6: Access to Information**

---

*In order to fulfil their responsibilities, Directors should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.*

### 6.1 Complete, Adequate and Timely Information

In order to ensure that the Board is able to fulfil its responsibilities, Management provides the Board with complete and adequate information in a timely manner. Such information extends to documents on matters to be brought up at Board and Board Committee meetings which, as a standard procedure, are circulated and posted on a Board portal for Board and Board Committee members, as the case may be, in advance for their review and consideration. Senior Management, the Company's auditors and other professionals who can provide additional insights into the matters to be discussed at Board and/or Board Committee meetings are also invited to be present at these meetings, where necessary. As Directors may have further queries on the information provided, they have separate and independent access to the Company's senior Management who accordingly addresses individual Directors' request for additional information/documents.

Management provides the Board with financial statements and management reports of the Group on a quarterly basis, and upon request as and when required. Explanations are given by Management for material variance (if any) between any projections in the budget and actual results.

### 6.2 Company Secretary

The Directors may separately and independently contact the company secretary or its nominee who attends and prepares minutes for all Board meetings. The company secretary's role is defined which includes responsibility for ensuring that board procedures are followed and that applicable rules and regulations are complied with.

The appointment and removal of the company secretary are matters requiring Board approval.

### 6.3 Independent Professional Advice

The process is in place whereby Directors, either individually or as a group, in the furtherance of their duties, require professional advice, the company secretary or its nominee can assist them in obtaining independent professional advice, at the Company's expense.

## B. REMUNERATION MATTERS

### **Principle 7: Procedures for Developing Remuneration Policies**

---

*There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.*

### **Principle 8: Level and Mix of Remuneration**

---

*The level and structure of remuneration should be aligned with the long-term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.*

#### 7.1 Remuneration Committee Composition and Role

The RC comprises the following 3 Directors, 2 of whom, including the RC Chairman, are Non-executive Independent Directors:

Foo Meng Kee	(appointed as RC member and RC Chairman on 1 May 2017)
Lew Syn Pau	(resigned as RC Chairman on 1 May 2017)
Franky Oesman Widjaja	
Hong Pian Tee	(ceased as RC member on 25 April 2017)

The Board views that the current RC composition is adequate as a majority of its members are independent, and the RC Chairman is non-executive and independent.

The RC's roles and responsibilities are described in its terms of reference. The duties of the RC include reviewing and recommending to the Board for approval, the following:

- (a) a general framework of remuneration for the Board and key management personnel;
- (b) the specific remuneration packages for each Director and key management personnel; and
- (c) the Company's obligations arising in the event of termination of Executive Directors and key management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous.

The RC may, during its annual review of remuneration of Directors and key management personnel, seek advice from external remuneration consultants as and when it deems necessary.

None of the members of the RC is involved in deliberations in respect of any remuneration, fee, compensation, incentives or any form of benefits to be granted to him.

#### 7.2 Share Scheme

The GAR Restricted Share Plan ("RSP") was approved by shareholders at the Special Meeting of the Company held on 24 October 2008.

The RSP is intended to align the interests of key management and executives with the interests of shareholders. It is also expected to enhance the Company's competitiveness in attracting and retaining talented key senior management and executives. The RSP contemplates the award of fully paid shares of the Company free of charge, upon meeting prescribed performance target(s) and/or service condition(s).

Non-executive Directors and controlling shareholders and their associates are not eligible to participate in the RSP.

Awards granted under the RSP will vest upon the satisfactory achievement of pre-determined operational and financial performance targets.

The selection of participants and determination of the number of shares to be awarded under the RSP shall be undertaken by a committee (comprising Directors of the Company) ("RSP Committee") to be established by the Board at the appropriate time for administration of the RSP. In the selection process, the RSP Committee shall take into account criteria such as, inter alia, the participant's capability, scope of responsibility, skill, vulnerability to leaving the employment of the Company, job performance, years of service, potential for future development, contribution to the success and development of the Company and the extent of effort and resourcefulness required to achieve the service conditions and/or performance targets within the performance and/or service periods (as the case may be).

The total number of new shares which may be issued pursuant to awards granted under the RSP shall not exceed 15% of the total number of issued shares of the Company (excluding treasury shares) on the day preceding the relevant date of an award. Subject to prevailing rules and legislation, the Company may deliver shares to participants upon vesting of their awards by way of issue of new shares; and/or transfer of existing shares (by way of purchase of existing shares) for delivery to participants.

As at 31 December 2017, the RSP Committee has not been formed and no award has been granted by the Company under the RSP.

The RSP has a maximum tenure of 10 years and will discontinue in 2018 unless shareholders and other relevant authority approval is obtained for its continuance beyond the time frame. GAR has no plan to renew it.

#### 8.1 Remuneration of Executive Directors and Key Management Personnel

In designing the compensation structure, the Company seeks to ensure that the level and mix of remuneration is competitive, relevant and appropriate.

The remuneration structure for Executive Directors and key management personnel consists of (a) fixed remuneration, (b) variable bonus and/or (c) other benefits. Executive Directors do not receive Directors' Fees.

The level of remuneration is determined by various factors including performance of the group, industry practices and the individual's performance and contributions towards achievement of corporate objectives and targets.

Payments are made based on the extent of the individual's achievement of performance conditions for the year under review.

8.1.1 The use and application of clawback provisions in remuneration contracts of Executive Directors and key management personnel is subject to further consideration by the Company.

#### 8.2 Remuneration of Non-Executive Directors

##### 8.2.1 Non-Executive Independent Directors

Non-executive Independent Directors receive Directors' fees, which are subject to shareholders' approval at AMs ("Directors' Fees").

Directors' Fees are based on appointment to the Board Committee(s) and determined on a scale of fees comprising a base fee, and fee as AC Chairman, AC member, RC Chairman, RC member, NC Chairman and NC member.

The level of Directors' Fees is reviewed annually by the RC and/or the Board, during which factors such as contributions, regulatory changes and responsibilities and market benchmarks are taken into consideration.

The RC, with the concurrence of the Board, has recommended that an aggregate amount of S\$370,033 as Directors' Fees be paid to the Non-executive Independent Directors for the financial year ended 31 December 2017. These fees will be tabled for shareholders' approval at the 2018 AM.

### 8.2.2 Non-Executive Directors

During his tenure as a Non-executive Director in 2017 before his re-designation as Executive Director on 1 March 2018, Mr. Muktar Widjaja was paid consultancy fee pursuant to an advisor's agreement with the Company in consideration of providing business advisory services for the Group's Indonesia agri-business. The agreement is for a period of 2 years from 1 January 2016 to 31 December 2017 and renewable upon review and approval by the AC. The payment is in compliance with the SGX-ST rules on Interested Person Transactions ("IPT"), and was reported in the IPTs for FY2016.

He does not receive Directors' Fees.

No remuneration was paid to the Non-executive Director, Mr. Frankle (Djafar) Widjaja, during the year. He also does not receive Directors' Fees.

## **Principle 9: Disclosure on Remuneration**

*Every company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration, in the company's annual report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.*

### 9.1 Directors' Remuneration

The Directors' remuneration for the year ended 31 December 2017 in bands of S\$250,000 is set out in the table below:

<b>Name of Directors</b>	<b>Fixed Salary</b>	<b>Bonus paid or payable/Benefit</b>	<b>Directors' Fees</b>	<b>Total</b>
<b>EXECUTIVE DIRECTORS</b>				
<b>S\$4,750,000 to below S\$5,000,000</b>				
Franky Oesman Widjaja	23.4%	76.6%	-	100%
<b>S\$1,500,000 to below S\$1,750,000</b>				
Rafael Buhay Concepcion, Jr.	63.4%	36.6%	-	100%
<b>NON-EXECUTIVE INDEPENDENT DIRECTORS</b>				
<b>Below S\$250,000</b>				
Lew Syn Pau	-	-	100%	100%
Foo Meng Kee <sup>1</sup>	-	-	100%	100%
Kaneyalall Hawabhay	-	-	100%	100%
William Chung Nien Chin <sup>1</sup>	-	-	100%	100%
Hong Pian Tee <sup>2</sup>	-	-	100%	100%
Jacques Desire Laval Elliah <sup>2</sup>	-	-	100%	100%
<b>NON-EXECUTIVE DIRECTORS</b>				
<b>S\$250,000 to below S\$500,000</b>				
Muktar Widjaja <sup>3</sup>	-	100% <sup>4</sup>	-	100%
<b>Nil</b>				
Frankle (Djafar) Widjaja	-	-	-	-

Notes:

1. Mr. Foo Meng Kee and Mr. William Chung Nien Chin were appointed on 25 April 2017
2. Mr. Hong Pian Tee and Mr. Jacques Desire Laval Elliah retired on 25 April 2017
3. Mr. Muktar Widjaja was Non-executive Director for FY2017 before his re-designation as Executive Director on 1 March 2018
4. Consultancy fee per advisor's agreement from 1 January 2016 to 31 December 2017. See also 8.2.2

Variable bonus is based on performance in the same financial year.

Each Director's remuneration is expressed in bands of S\$250,000 rather than to the nearest dollar, due to continuing sensitivity surrounding the issue of remuneration. The Company believes that the current format of disclosure in bands of S\$250,000 with a percentage breakdown, is sufficient indication of each Director's remuneration package.

### 9.2 Remuneration of Top 6 Key Management Personnel

The top 6 key management personnel who are not Directors of the Company ("KMP") for the year ended 31 December 2017 are as follows:

Jo Daud Dharsono  
Edy Saputra Suradja  
The Biao Ling  
Hemant K. Bhatt  
Paul John Hickman  
Jesslyne Widjaja

The remuneration of a KMP who is also an IFM is disclosed in 9.3 below. Save for this, the Company, having taken into account that some of the above KMPs are employed and remunerated by the Company's Indonesian subsidiaries; the relevant personnel's comments; and the size of the Company and the Group's scope of business, does not believe it to be in its interest to disclose the KMPs' remuneration, due to the highly competitive human resource environment for personnel with the requisite knowledge, expertise and experience in the Group's business. In addition, such disclosure of specific remuneration information may encourage inappropriate peer comparisons and discontent, and may, in certain cases, give rise to recruitment and talent retention issues.

In view of the abovementioned reasons, the Company believes that the interests of shareholders will not be prejudiced as a result of such non-disclosure of the above KMPs' remuneration.

### 9.3 Remuneration of Employees who are Immediate Family Members of a Director/CEO ("IFM")

The remuneration of employees who are immediate family members of a Director or the CEO, and whose remuneration exceeds S\$50,000 for the year ended 31 December 2017, being two, Ms. Jesslyne Widjaja and Ms. Emmeline Widjaja, the daughters of the CEO, is as follows:

<u>Remuneration Band</u>	<u>Number</u>
S\$1,000,000 to S\$1,250,000	1
S\$250,000 to S\$500,000	1

Mr. Franky Oesman Widjaja, Mr. Muktar Widjaja and Mr. Frankle (Djafar) Widjaja are brothers.

Other than disclosed above, none of the Directors had immediate family members who were employees and whose remuneration exceeded S\$50,000 for the year ended 31 December 2017.

IFM remuneration is disclosed in applicable bands of S\$250,000, instead of bands of S\$50,000, due to continuing sensitivity surrounding the issue of remuneration. The Company believes that the current format of disclosure in bands of S\$250,000, is sufficient indication of each IFM's remuneration package.

## C. ACCOUNTABILITY AND AUDIT

### Principle 10: Accountability

---

*The Board should present a balanced and understandable assessment of the company's performance, position and prospects.*

#### 10.1 Accountability

The Board reviews and approves the results announcements before each release. In presenting the annual and quarterly financial statements to shareholders, the Board aims to provide shareholders with a balanced and clear assessment of GAR's performance, position and prospects.

For the financial year under review, the CEO and the CFO have provided assurance to the Board on the integrity of the financial statements of GAR and its subsidiaries. For the interim financial statements, the Board provided a negative assurance confirmation in accordance with regulatory requirements.

## **Principle 13: Internal Audit**

---

*The company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.*

### **13.1 Internal Audit**

The Company has established an in-house internal audit function headed by the Chief Internal Auditor (“CIA”), Mr. Ma Joe De Castro Perucho, who reports to the AC Chairman. On administrative matters, he reports to the CEO. The CIA has met the standards set by nationally or internationally recognised professional bodies including the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

The role of the internal auditors is to assist the AC to ensure that the Company maintains a sound system of internal controls.

The AC approves the hiring and removal of the CIA and ensures that the internal audit function is adequately staffed and has appropriate standing within the Company. It also ensures the adequacy and effectiveness of the internal audit function.

The annual internal audit plan is established in consultation with, but independent of, Management, and is reviewed and approved by the AC. Every quarter, the AC and Management review and discuss internal audit findings, recommendations and status of remediation, at AC meetings.

The internal auditors have unfettered access to the Group’s documents, records, properties and personnel, including access to the AC.

## **Principle 12: Audit Committee**

---

*The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties.*

### **12.1 Audit Committee Composition and Role**

The AC comprises the following 3 Directors, all of whom, including the AC Chairman, are Non-executive Independent Directors:

Lew Syn Pau	(appointed as AC Chairman on 1 May 2017)
Foo Meng Kee	(appointed as AC member on 1 May 2017)
Kaneyalall Hawabhay	
Hong Pian Tee	(ceased as AC member and AC Chairman on 25 April 2017)

The Board considers that the members of the AC are appropriately qualified to discharge the responsibilities of the AC. None of the members of the AC were previous partners or directors of our external auditors, Moore Stephens LLP, and none of the members of the AC hold any financial interest in Moore Stephens LLP.

The AC’s roles and responsibilities are described in its terms of reference. The AC has the explicit authority to investigate any matter within its terms of reference. In addition, the AC has full access to and co-operation of Management and full discretion to invite any Director or executive officer to attend its meetings. Reasonable resources are made available to enable the AC to discharge its functions properly.

In addition to its statutory functions, the AC considers and reviews any other matters as may be agreed to by the AC and the Board. In particular, the duties of the AC include:

- (a) Reviewing significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Group and any formal announcements relating to the Group’s financial performance.

- (b) Reviewing and reporting to the Board at least annually the adequacy and effectiveness of the Group's internal controls, including financial, operational, compliance and information technology controls.
- (c) Reviewing the adequacy and effectiveness of the Group's internal audit function.
- (d) Reviewing the scope and results of the external audit, and the independence and objectivity of the external auditors.
- (e) Making recommendations to the Board on the proposals to the shareholders on appointment, re-appointment and removal of the external auditors, and approving the remuneration and terms of engagement of the external auditors. In this regard, the AC is primarily responsible for proposing the appointment and removal of the external auditors.

The AC reviews with Management, and where relevant, the auditors, the results announcements, annual report and financial statements, interested person transactions and corporate governance, before submission to the Board for approval and adoption.

In performing its functions, the AC meets with the internal and external auditors, and reviews the audit plans and overall scope of both internal and external audits, and the co-operation and assistance given by Management to the respective auditors. Where necessary, the AC also meets separately with the internal and external auditors whereby any issues may be raised directly to the AC, without the presence of Management. The internal and external auditors have unfettered access to the AC.

In its review of the financial statements of the Group for the financial year ended 31 December 2017 ("FY2017 Financial Statements"), the AC has discussed with the external auditors and Management on matters of significance which are included under "Key Audit Matters" in the Independent Auditor's Report. The AC is satisfied that those matters ie. valuation of investments in financial assets and valuation of property, plant and equipment (including bearer plants) have been appropriately addressed. The AC recommended to the Board to approve the audited FY2017 Financial Statements. The Board has on 14 March 2018 approved the FY2017 Financial Statements.

#### 12.5 Auditors Independence

Taking cognizance that the external auditors should be free from any business or other relationships with the Group that could materially interfere with their ability to act with integrity and objectivity, the AC undertook a review of the independence of the external auditors. During this process, the AC also reviews all non-audit services provided by the external auditors to satisfy itself that the nature and extent of such non-audit services would not affect their independence. The AC confirms that after reviewing all non-audit services by the external auditors during the financial year, they would not, in the AC's opinion, affect the external auditors' independence.

The AC has recommended to the Board that the external auditors be nominated for re-appointment at the 2018 AM.

In appointing the audit firms for the Group, the AC is satisfied that the Company has complied with Rules 712 and 715 of the Listing Manual.

#### 12.3 Whistle-Blowing Procedures

The Board is committed to uphold the Company's values and standards, and has put in place whistle-blowing procedures by which employees may, in confidence and without fear of retaliation, bring to the AC's attention, concerns or complaints about possible improprieties relating to matters of financial reporting or other matters.

Under these procedures, the AC may, if it deems appropriate, engage appropriate external independent advisors, at the Company's expense.

The Company is committed to treat all complaints as confidential, and the anonymity of the whistle-blower concerned will be maintained until the whistle-blower indicates that he or she does not wish to remain anonymous.



## 12.4 Interested Person Transactions

Particulars of interested person transactions required to be disclosed under Rule 907 of the Listing Manual are as follows:

Name of interested person ("IP") <sup>@</sup>	Aggregate value of all interested person transactions during the year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate* pursuant to Rule 920) FY2017 US\$	Aggregate value of all interested person transactions conducted under shareholders' mandate* pursuant to Rule 920 (excluding transactions less than S\$100,000) FY2017 US\$
PT Asuransi Sinar Mas	-	7,467,168
PT Bank Sinarmas Tbk ("BSM")	-	21,603,178 <sup>#1</sup>
PT Cakrawala Mega Indah ("CMI")	-	32,544,480 <sup>#2</sup>
PT Duta Cakra Pesona ("DCP")	107,500,000 <sup>#3</sup>	-
PT Maritim Sinar Utama	-	1,805,896
PT Rolimex Kimia Nusamas ("RKN")	15,000,000 <sup>#4</sup>	80,420,088 <sup>#5</sup>
PT Roundhill Capital Indonesia	-	10,260,668
PT Royal Oriental	-	9,746,196
PT Sinar Jati Mitra	-	1,988,187
Ningbo Asia Pulp & Paper Co., Ltd	-	77,819
<b>Total</b>	<b>122,500,000</b>	<b>165,913,680</b>

Notes:

<sup>@</sup> These IPs are regarded as associates of GAR's controlling shareholder under Chapter 9 of the Listing Manual on interested person transactions.

\* Renewed at GAR's AM on 25 April 2017 pursuant to Rule 920 of the Listing Manual.

<sup>#1</sup> Time deposits and current account placements with BSM during the year. Principal amount of placements as at 31 December 2017 is approximately US\$6.31 million.

<sup>#2</sup> Purchase of paper products from CMI for own consumption and/or as distributor.

<sup>#3</sup> Transfer of property units in Sinarmas MSIG Tower to DCP per announcement on 11 September 2017.

<sup>#4</sup> Security deposit with RKN for purchase of fertilizers.

<sup>#5</sup> Purchase of fertilizers and chemicals from RKN.

## Principle 11: Risk Management and Internal Controls

*The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.*

### 11.1 Responsibilities for Risk Management and Internal Controls

The Board, with assistance from the enterprise risk management ("ERM") committee ("ERMC") and the AC, is responsible for the governance of risk by ensuring that Management maintains a sound system of risk management and internal controls, including financial, operational, compliance and information technology controls, to safeguard shareholders' interests and the Group's assets, and determines the nature and extent of the significant risks which the Board is willing to take in achieving strategic objectives. Further details on the Group's ERM activities including its key risk exposures are discussed in a separate section under "Enterprise Risk Management" on pages 49 to 51 of this Annual Report.

## 11.2 The ERM

The ERM was formed in 2013 to assist Management in its role of managing risks, as part of the Group's efforts to strengthen its risk management processes and enable accountability for its adequacy and effectiveness. The ERM currently comprises the following senior Management:

Franky Oesman Widjaja	-	Chairman and CEO
Rafael Buhay Concepcion, Jr.	-	CFO
Jo Daud Dharsono	-	Head of Upstream Operations
Hemant K. Bhatt	-	Head of Downstream and Commercial
Pedy Harianto	-	Head of Controllershship and Compliance

The ERM reports to the AC which, in turn, reports to the Board.

## 11.3 ERM Processes

The Board has ultimate responsibility for the governance and oversight of the risk management process. The AC assists the Board in their oversight of the process as well as to that of financial reporting risk and the effectiveness of the Company's internal control and compliance systems. The Management is responsible for assuring the Board as to the adequacy and effectiveness of the risk management lifecycle and ensuring the quality and timeliness of information.

The Company's risk management process comprises of a disciplined and repeatable interaction structure that facilitates active involvement by the Board in risk evaluation of strategic alternatives and operational decisions. These structures serve as a forum for the Management to highlight both favorable and adverse factors affecting the business and its performance and associated risks, and in turn creates visibility for the Board and relevant stakeholders. The Board members and Management collectively determine the materiality of the risks and appropriate strategies to address them following which appropriate risk governance structures are constituted. Governance policies are reviewed and approved by at least one Board member and one or more members of the senior Management team.

## 11.4 Assurance from the CEO and CFO

The Board has received assurance from the CEO and the CFO that:

- (a) the financial records of the Group for the financial year ended 31 December 2017 have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances in accordance with the applicable financial reporting framework that are free from material misstatement; and
- (b) the internal controls, including financial, operational and information technology controls, and risk management systems in place within the Group is adequate and effective in addressing the material risks in the Group in its current business environment.

The CEO and the CFO have in turn obtained relevant assurance from the business heads in the Group.

## 11.5 Assurance from the CEO and CFO

The AC is responsible for making the necessary recommendations to the Board such that the Board may make an opinion regarding the adequacy and effectiveness of the risk management and internal control systems of the Group. In this regard, the AC is assisted by the external auditors, internal auditors and the ERM.

The Board is satisfied that there is appropriate and adequate review by the AC of the adequacy of the Company's internal controls, including financial, operational, compliance and information technology controls, and risk management policies and systems established by Management. In its review, the AC had been assisted by both the external auditors and the internal auditors, and this review is conducted at least once every year.

During the course of the audit, the external auditors carried out a review of the adequacy and effectiveness of the Group's material internal controls, including financial, operational, compliance and information technology controls to the extent of their scope as laid out in their audit plan. Material non-compliance and internal control weaknesses noted during the audit are reported to the AC together with the recommendations of the external auditors.

In addition, based on the ERM framework established and maintained, the work performed by the ERM and the internal audit function as well as the assurance received from the CEO and the CFO, the Board with the concurrence of the AC, is of the opinion that the Group's internal controls including financial, operational, compliance and information technology controls, and risk management systems, were adequate and effective to meet the needs of the Group in its current business environment.

The Board notes that the Company's systems of internal controls and risk management provide reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that can be reasonably foreseen. Furthermore, the Board also acknowledge that no system of internal controls and risk management can provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, losses, fraud or other irregularities.

## **D. SHAREHOLDER RIGHTS AND RESPONSIBILITIES**

### **Principle 14: Shareholder Rights**

---

*Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.*

#### **14.1 Shareholder Rights**

The Company recognises the importance of maintaining transparency and accountability to its shareholders. The Board ensures that the Company's shareholders are treated fairly and equitably, and their rights are protected.

The Company is committed to providing shareholders with adequate, timely and sufficient information pertaining to the Group's business which could have a material impact on the Company's share price.

All shareholders of the Company are entitled to attend and vote at general meetings in person or by proxy. Shareholders also receive the annual reports of the Company and the notice of AMs, which notice is also advertised in the newspapers and released via SGXNET.

### **Principle 15: Communication with Shareholders**

---

*Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.*

#### **15.1 Communication with Shareholders**

Transparency and communication are the heart of our Investor Relations activities. We aim to timely deliver thorough and up-to-date material information to the global investing community, to support informed investment decisions. The Company does not practice selective disclosure of material information. GAR conveys material information and its quarterly results through announcements made on SGXNET, and is required to comply with the Listing Manual on the continuous disclosure obligations. Results and annual reports are announced and issued within the specified/stipulated period. All announcements are posted immediately on the Company's website [www.goldenagri.com.sg](http://www.goldenagri.com.sg), upon release via SGXNET.

The Company has been announcing its quarterly results since 2003 and starting from 2007, conducts regular briefings and/or conference calls with analysts and media. For the results announcements, we generate materials, including financial statements as well as management discussion and analysis in presentation slides and press releases. During these briefings, senior Management reviews the most recent performance, analysis, business key-value drivers and metrics, and shares the Company's insights and business strategy. The materials used in the briefing are disseminated via SGXNET and are also

available on the Company's website. On this occasion, analysts, fund managers and reporters have the opportunity to raise questions to our Management. While these meetings are largely undertaken by the Company's senior Management, the Chairman and CEO also meets analysts every year.

We offer direct and frequent access to our senior Management through one-on-one or group meetings, conferences, roadshows, calls and emails. Throughout 2017, we met with approximately 130 equity and fixed income investors and analysts domestically and internationally. The Company participated in investor conferences and roadshows in Singapore, Hong Kong, Indonesia, Thailand and Malaysia. These facilitate us to strengthen existing relationships with long-term investors, understand their views and expectations of the Company as well as to tap new potential investors. We develop and maintain strong relationships with sell-side research analysts as they play an important role in informing and educating the investment community. More than fifteen analysts based in Singapore, Hong Kong and Malaysia currently cover GAR. We also arrange site visits to our plantations and refineries to provide investors and analysts with better understanding of our day-to-day operations; including sustainability initiatives.

## 15.2 Dividend Policy

The Company currently aims to declare future dividends of up to 30% of its underlying profit, i.e. profit attributable to owners of the Company after excluding net effect of net gain or loss from changes in fair value of biological assets and depreciation of bearer plants, exceptional items and other non-operating items. The declaration, amount and payment of future dividends will depend on many factors, including results of operations; cash flow and financial condition; expansion and working capital requirements; cash dividends received from subsidiaries; future prospects; and other factors deemed relevant by the Board and our shareholders.

In addition to the interim dividend of S\$0.00693 per ordinary share for the financial year ended 31 December 2017 distributed on 29 November 2017, the Board has recommended a final dividend of S\$0.00116 per ordinary share for the financial year ended 31 December 2017, subject to shareholders' approval at the 2018 AM.

## 15.3 Financial Calendar 2018

27 February	Announcement of Full Year 2017 results
2 April	Release of Annual Report 2017
23 April	Annual Meeting 2018 Proposed 2017 final dividend*
<hr/>	
24 April	Last day for trading for cum dividend (scrip-less holders)
27 April 5:00 PM	Record date and time
30 April	Books closure date
8 May	Dividend payment date
<hr/>	
May**	Announcement of First Quarter 2018 results
August**	Announcement of Second Quarter 2018 results
November**	Announcement of Third Quarter 2018 results
February 2019**	Announcement of Full Year 2018 results

### Notes:

The above calendar may not list every corporate event.

\* Subject to shareholders' approval at the 2018 AM

\*\* Indicative timeline

## **Principle 16: Conduct of Shareholder Meetings**

---

*Companies should encourage greater shareholder participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the company.*

### **16.1 Conduct of Shareholder Meetings**

During the AMs which are held in Singapore, shareholders are given the opportunity to communicate their views and to engage the Board and Management on the Group's business activities and financial performance. Directors are encouraged to attend shareholders' meetings. In particular, members of the AC, NC and RC and the external auditors are asked to be present to address questions at such meetings.

In 2017, the Constitution was amended to allow relevant intermediaries to appoint more than two proxies to attend, speak and vote at shareholders' meetings.

At shareholders' meetings, each distinct issue is proposed as a separate resolution. Absentia voting methods are currently not permitted, as the authentication of shareholder identity information and other related integrity issue still remain a concern.

In support of greater transparency and to allow for a more efficient voting process, the Company has been conducting electronic poll voting instead of voting by show of hands since the 2013 AM. With electronic poll voting, shareholders present in person or represented by proxy at the meeting will be entitled to vote on a "one-share, one-vote" basis. The voting results of all votes cast for and against and the respective percentages, in respect of each resolution, will be instantly displayed on-screen at the meeting. The detailed breakdown of results showing the total number of votes cast for and against each resolution and the respective percentages would be announced after the AM via SGXNET.

## **DEALINGS IN SECURITIES**

The Company complies with Rule 1207(19) of the Listing Manual on dealings in securities, and has devised and adopted its own internal compliance code to provide guidance with regard to dealings in the Company's securities by the Company, its Directors and officers, including prohibition on dealing in the Company's securities on short-term considerations.

Dealings in the Company's securities are prohibited during the period commencing (i) two weeks before announcement of the Company's first, second and third quarter results and (ii) one month before the announcement of the Company's full year results, and ending on the date of the announcement of the results. Such dealings in the Company as well as other listed companies' securities are also prohibited whilst in possession of unpublished material price-sensitive information in relation to those securities.