

# Governance Report

Olam International Limited Annual Report 2017



**Re-imagining  
Global Agriculture**

## Our vision

To be the most differentiated and valuable global agri-business by 2040.

## Our governing objective

To maximise long-term intrinsic value for our continuing shareholders.

This report is the first on our journey to develop a new model of reporting that provides insight into how we create value over the long-term. We aim to communicate how we identify, develop, preserve and deploy strategic assets in line with our company's purpose. A separate Global Reporting Initiative (GRI) report is available on our website at [olamgroup.com](http://olamgroup.com).

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### About this report

This Annual Report has 3 chapters. These can be read independently; however, for the purpose of compliance they are intended to be viewed as a single document.



#### Governance Report

This section of the report gives detailed information about our rigorous governance framework and those responsible for ensuring it is followed. Shareholder information is also held within this chapter.

#### Strategy Report

This chapter offers narrative about our performance, strategy and market factors. It can be read independently as an Executive Summary or as part of the full report.



#### Front cover image:

Factory of the Future initiative at Cafe Outspan Vietnam involves fixing Mobile App based SMART sensors on critical motors to help predict failures using Internet of Things and data analytics.

[Read more on olamgroup.com](http://olamgroup.com)



#### Financial Report

Our figures and respective notes are enclosed within this chapter. It should be read in conjunction with the Strategy Report to give a balanced account of internal and external factors.

# Execution of strategy delivers...

Amidst the challenges in 2017, in particular, the continuation of volatile and challenging economic conditions and ongoing complexity and uncertainty at a geo-political and trade level, Olam recorded strong growth in the year.





**Lim Ah Doo**

Chairman, Non-Executive and  
Independent Director

# ...growth and resilience.

The performance is a testimony of the Company's strategy and implementation of key initiatives to improve working capital efficiency and reinforces the strength and resilience of its businesses.



We remain confident of the long-term prospects of the agriculture sector, seizing the many opportunities it presents to us, and focused on our differentiated strategy which we believe will shape the future of our company.

### Financial Performance

Positive results were delivered across Olam's key metrics in 2017. Operational PATMI grew by 18.6% to S\$432 million, following a 23.1% increase in 2016. EBITDA improved by 10.4% to S\$1,328 million and Free Cash Flow to Equity exceeded S\$1 billion. The company also significantly reduced gearing to 1.46 times, down from 1.99 times in the prior year.

The company ended the year with a share capital base that has expanded by S\$586 million mainly from the conversion of warrants into shares by continuing shareholders.

In view of the performance, the Board of Directors has recommended a final ordinary dividend of 4.0 cents per share, bringing the total dividend for the year to 7.5 cents per share, up from 6.0 cents per share in 2016.

### Strategic Progress

In 2017, the second year of our three-year strategic plan (FY2016 – 2018), Olam remained focused on pursuing growth in prioritised platforms, working to turn around underperforming assets and ensuring gestating assets moved towards contributing at their full potential.

Initiatives to release cash and improve cash flow generation included the selling of 5,100 acres of edible nuts orchards in California, partial divestment of 50% of FEA, which owns an Indonesian sugar refining company, and repayment by associate GSEZ of a shareholder loan following its sale of port assets and concession rights. Two task forces were also set up to continue focus on optimising working capital and extracting cost efficiencies across operations going forward.

In 2018, the Board and Management will continue to execute the FY2016 – 2018 strategic plan, and will, within the year, review and formulate a new strategic plan to further enhance performance and shareholder value.

### Sustainability

Sustainability and stakeholder engagement remain a core focus of all that we do at Olam and are embedded in our strategic planning and business implementation processes.

Olam now supports 363,000 smallholders helping them to improve practices. During the year, we also commenced development of Olam AtSource which will move us even closer to ensuring end-to-end sustainability across our supply chains and assist our customers to do so in years to come.

The company's sustainability commitments and practices were recognised in a number of awards received during 2017. Olam was recognised by global benchmarking body CDP with an award for Best Performance Across Programmes for companies who have sustainability programmes across climate change, water and forests. The company also received a Singapore Apex Corporate Responsibility Award from the Global Compact Network Singapore for implementing sustainable practices across its core operations and was one of two finalists from Singapore to win Asia's best Sustainability Report within Annual Report at the CSR Works' Asia Sustainability Reporting Awards.

*"The performance is a testimony of the Company's strategy and implementation of key initiatives to improve working capital efficiency and reinforces the strength and resilience of its businesses."*

## Governance

In 2017, the Board continued to provide oversight on the company's strategy, performance, capital allocation, risk management, compliance, control and assurance framework, audit, people, talent management, retention and succession planning as well as sustainability.

During the year, the Board and Board Committees worked with Management to strengthen the overall governance of the Group, in particular, the Board Risk Committee carried out a review of the risk governance framework of the Company and the Audit Committee formulated an Integrated Assurance Framework as part of the continuous effort to further strengthen controls.

The Board also held a Board Offsite in Brazil, during which Board members interacted with country management and employees in different locations in the country. The visit coincided with the 15<sup>th</sup> anniversary of Olam's operations in Brazil. Besides the Board Offsite, certain Board members visited the Company's operations in Spain, India and Nigeria.

## Board Changes

In 2017, Mr. Katsuhiro Ito stepped down as Non-Executive Director due to the change in his responsibilities at Mitsubishi Group. On behalf of the Board, I wish to thank Mr. Ito for his contribution during his short stint with the Board. Mr. Mitsumasa Icho was nominated by Mitsubishi Corporation to succeed Mr. Ito.

## Acknowledgements

On behalf of the Board, I would like to thank all of Olam's employees around the world for their dedication and commitment to doing things the 'Olam Way'. It is our employees' hard work, talent and focus that has enabled Olam to continue to perform through the year in review.

I also thank our shareholders for their continued trust and support. Our stable base of continuing shareholders has enabled us to take a long-term view of our business, and at the same time, generate returns, cashflow and value for our shareholders.

To our many partners around the world, including our loyal customers, the farmers we work with, our service providers and our partners in civil society – I wish to thank you for your willingness to engage and partner us in ways that make a real difference to our business and to our purpose in the global agriculture business.



**Lim Ah Doo**

Chairman, Non-Executive and Independent Director

*"Olam remained focused on pursuing growth in prioritised platforms, working to turn around underperforming assets and ensuring gestating assets moved towards contributing at their full potential."*

## Board of directors

### Lim Ah Doo, 68

Chairman, Non-Executive and Independent Director



**Date of appointment as Chairman:** 1 January 2017

**Date of first appointment as Director and Chairman-designate:**  
1 November 2016

**Date of last re-election:** 25 April 2017

**Length of service as a Director (as at 31 December 2017):**  
1 year 2 months

**Academic and professional qualification:**

Degree (Honours) in Engineering, Queen Mary College,  
University of London

Master in Business Administration, Cranfield School of Management

**Present Directorship:**

**Listed company**

GDS Holdings Ltd (Director)

GP Industries Ltd (Director)

SembCorp Marine Ltd (Director)

Singapore Technologies Engineering Ltd (Director)

**Non-listed company**

ARA-CWT Trust Management (Cache) Limited (Director)  
(Trustee Manager of Cache Logistics Trust)

Singapore Technologies Marine Ltd (Chairman)

STT GDC Pte. Ltd. (Director)

STT Global Data Centres India Private Limited (Director)

U Mobile Sdn Bhd (Director)

Virtus HoldCo Limited (Director)

**Other Major appointment:** Nil

**Past Directorships held over the preceding three years:**

Linc Energy Limited

Bracell Limited

SM Investments Corporation

**Additional Information:**

Mr. Lim Ah Doo was formerly the President and subsequently the non-executive Vice Chairman of RGE Pte Ltd (formerly known as RGM International Pte Ltd). His past working experience includes an 18-year banking career in Morgan Grenfell from 1977 to 1995, during which he held several key positions including that of Chairman of Morgan Grenfell (Asia) Limited. Mr. Lim was previously an Independent Director at EDB Investments and SM Investments Corporation and an Independent Commissioner and Chairman of the Audit Committee of PT Indosat (Indonesia).

### Sunny George Verghese, 58

Executive Director, Co-Founder and Group CEO



**Date of first appointment as Director:** 11 July 1996

**Date of last re-election:** 25 April 2017

**Length of service as a Director (as at 31 December 2017):**  
21 years 5 months

**Academic and professional qualification:**

Postgraduate Degree in Business Management,  
Indian Institute of Management, Ahmedabad

Advanced Management Program, Harvard Business School

**Present Directorship:**

**Listed company**

Société SIFCA (Non-Executive Director)

**Non-listed company**

Caraway Pte. Ltd. (Director)

**Other Major appointment:**

Chairman, Human Capital Leadership Institute Pte Ltd

Chairman, WBCSD (World Business Council for Sustainable  
Development)

Chairman, JOil (S) Pte Ltd

Member, Singapore Management University Board of Trustee

**Past Directorships held over the preceding three years:**

International Enterprise Singapore (Chairman)

National University of Singapore (Trustee)

PureCircle Limited (Director)

**Additional Information:**

Mr. Sunny Verghese was with the Kewalram Chanrai Group (KC Group) for over two decades and in 1989 was mandated to start the Company with a view to building an agricultural products business for the KC Group. Before joining the KC Group, he worked for Unilever in India. Mr. Verghese previously chaired CitySpring Infrastructure Management Pte Ltd, a listed Business Trust in Singapore and was also a Commissioner of the Business & Sustainable Development Commission (BSDC). Mr. Verghese has won several awards including 'Outstanding Chief Executive' at the Singapore Business Awards in 2007, 'Ernst & Young Entrepreneur of the Year' for Singapore in 2008 and 'Best CEO of the Year 2011' at the Singapore Corporate Awards. He was also awarded the Public Service Medal by the Government of the Republic of Singapore in 2010.



## Jean-Paul Pinard, 67

Independent Non-Executive Director



**Date of first appointment as Director:** 29 October 2008

**Date of last re-election:** 25 April 2017

**Length of service as a Director (as at 31 December 2017):**  
9 years 2 months

**Academic and professional qualification:**

PhD in Economics, University of California

Diplôme d'Ingénieur, École Polytechnique, Paris

**Present Directorship:**

**Listed company**

Nil

**Non-listed company**

Hero Future Energies Pvt Ltd (Director)

**Other Major appointment:** Nil

**Past Directorships held over the preceding three years:**

Yantai Changyu Pioneer Wine Company Limited (Director)

Zalagh Holding (Member of the Supervisory Board)

**Additional Information:**

Mr. Jean-Paul Pinard, prior to joining Olam, spent 17 years with the International Finance Corporation, Washington, DC ("IFC"), becoming the Director of its Agribusiness Department, responsible for managing IFC's global investment portfolio in agri-business and food sectors.

## Sanjiv Misra, 57

Independent Non-Executive Director



**Date of first appointment as Director:** 1 November 2013

**Date of last re-election:** 25 April 2017

**Length of service as a Director (as at 31 December 2017):**  
4 years 2 months

**Academic and professional qualification:**

Bachelor's Degree in Economics, St Stephen's College, University of Delhi, India

Postgraduate Degree in Management, University of Delhi, Indian Institute of Management, Ahmedabad

Master in Management, J.L. Kellogg Graduate School of Management, Northwestern University

**Present Directorship:**

**Listed company**

Edelweiss Financial Services Ltd (Director)

OUE Hospitality REIT Management Pte. Ltd. (Director)

(Manager of OUE Hospitality Real Estate Investment Trust)

**Non-listed company**

Edelweiss Capital (Singapore) Pte Ltd (Director)

EDBI Pte Ltd (Director)

OUE Hospitality Trust Management Pte. Ltd. (Director)

Phoenix Advisers Pte. Ltd. (President and Director)

Phoenix E.K. Limited (Director)

Singapore Symphony Group (Director)

**Other Major appointment:**

Chairman, Apollo Management Asia Pacific Advisory Board

Member, International Advisory Board of the Institute of Societal Leadership, SMU

**Past Directorships held over the preceding three years:**

National University Health System (Director)

**Additional Information:**

Mr. Sanjiv Misra's career featured several senior positions, namely, Chief Executive Officer of Citigroup's Global Corporate and Investment Banking Group in Singapore and Brunei and Country Officer in Singapore, Head of Asia Pacific Investment Banking and Head of the Asia Pacific Corporate Bank, in a career spanning 11 years with the Citigroup. His career prior to Citigroup included stints with Salomon Brothers and Goldman Sachs & Co.

**Key**

- A Audit Committee
- B Board Risk Committee Capital
- C Capital and Investment Committee
- CRS Corporate Responsibility and Sustainability Committee
- G Governance and Nomination Committee
- H Human Resource and Compensation Committee
- Denotes Committee Chairman

## Board of directors continued

### Nihal Vijaya Devadas Kaviratne CBE, 73

Independent Non-Executive Director



**Date of first appointment as Director:** 1 October 2014

**Date of last re-election:** 25 April 2016

**Length of service as a Director (as at 31 December 2017):**  
3 years 3 months

**Academic and professional qualification:**

Bachelor of Arts, Economics (Honours), Bombay University, India

**Present Directorship:**

**Listed company**

DBS Group Holdings Ltd (Director)

GlaxoSmithKline Pharmaceuticals Ltd (Director)

StarHub Ltd (Director)

**Non-listed company**

Caraway Pte. Ltd. (Chairman)

DBS Bank Ltd (Director)

DBS Foundation Ltd (Director)

**Other Major appointment:**

Member, Advisory Board for South East Asia/Indonesia,  
Bain & Company SE Asia, Inc

Member, Private Sector Portfolio Advisory Committee in India of  
the UK Government's Department for International Development

Member, Corporate Resilience Advisory Council, McKinsey  
& Company

**Past Directorships held over the preceding three years:**

Akzo Nobel India Limited (Chairman)

TVS Motor (Singapore) Pte. Limited (Director)

PT TVS Motor Company (President Commissioner)

SATS Ltd (Director)

Wildlife Reserves Singapore Pte Ltd (Director)

**Additional Information:**

Mr. Nihal Kaviratne CBE's career with the Unilever Group spanned 40 years during which he held various senior level management positions in sales, marketing, brand and strategic planning and development, and as Chairman/CEO across Asia, Europe and Latin America. He retired from Unilever in 2005. Mr. Kaviratne was cited in HM Queen Elizabeth II's 2004 New Year Honours List in the UK and has been made the Commander of the Order of the British Empire (CBE) for services to UK business interests and to sustainable development in Indonesia. He was one of "25 leaders at the forefront of change" chosen by Business Week in 2002 for the Stars of Asia Award. In its year end 2010 issue, Forbes India listed him as one of the "5 top names to have on your Board". He was awarded for driving "Business Excellence" at the World Business Conclave 2016 in Hong Kong. Mr. Kaviratne brings with him extensive organisational, business, management, strategic planning and customer-based experience and knowledge.

### Yap Chee Keong, 57

Independent Non-Executive Director



**Date of first appointment as Director:** 1 December 2015

**Date of last re-election:** 25 April 2016

**Length of service as a Director (as at 31 December 2017):**  
2 years 1 month

**Academic and professional qualification:**

Bachelor of Accountancy, National University of Singapore

Fellow, Institute of Singapore Chartered Accountants and Certified  
Public Accounts, Australia

**Present Directorship:**

**Listed company**

Sembcorp Industries Ltd (Director)

Shangri-La Asia Limited (Director)

The Straits Trading Company Limited (Director)

Malaysia Smelting Corporation Berhad (Director)

**Non-listed company**

Certis CISCO Security Pte Ltd (Director)

Citibank Singapore Limited (Director)

MediaCorp Pte Ltd (Director)

Rahman Hydraulic Tin Sdn Bhd (Director)

**Other Major appointment:** Nil

**Past Directorships held over the preceding three years:**

ARA Asset Management Limited (Director)

CapitaMalls Asia Limited (Director)

CityNet Infrastructure Management Pte Ltd (Chairman)

*(Trustee-Manager of NetLink Trust, a business trust wholly owned  
by Singapore Telecommunications Ltd)*

Hup Soon Global Corporation Limited (Director)

Interoil Corporation (Director)

Tiger Airways Holdings Limited (Director)

**Additional Information:**

Mr. Yap Chee Keong's career included being the Executive Director of The Straits Trading Company Limited and the Chief Financial Officer of Singapore Power Ltd. Mr. Yap has also worked in various senior management roles in multinational and listed companies. He was a board member of the Accounting and Corporate Regulatory Authority and a member of the Public Accountants Oversight Committee, the MAS/SGX/ACRA Work Group to review the Guidebook for Audit Committees in Singapore and the MAS/SGX/ACRA/SID Review Panel to develop a Guide for Board Risk Committees in Singapore.

## Marie Elaine Teo, 51

Independent Non-Executive Director



**Date of first appointment as Director:** 1 December 2015

**Date of last re-election:** 25 April 2016

**Length of service as a Director (as at 31 December 2017):**  
2 years 1 month

**Academic and professional qualification:**

Bachelor of Arts (Honours) in Experimental Psychology,  
Oxford University

MBA, INSEAD

**Present Directorship:**

**Listed company**

G. K. Goh Holdings Limited (Director)

**Non-listed company**

Caregivers Alliance Ltd (Director)

Mapletree Investments Pte Ltd (Director)

Mapletree Oakwood Holdings Pte Ltd (Director)

The Teng Ensemble Ltd (Chairman)

**Other Major appointment:**

Member, International Advisory Panel, CIMB Group Holdings Berhad

**Past Directorships held over the preceding three years:** Nil

**Additional Information:**

Ms. Marie Elaine Teo has over 20 years of investment experience, primarily with the Capital Group companies where she focused on Asian banks and global emerging markets, both as an analyst and an investment manager. Ms. Teo was formerly the Chairman of Capital International Research Group and Managing Director of Capital International Inc., Asia.

## Rachel Eng Yaag Ngee, 49

Independent Non-Executive Director



**Date of first appointment as Director:** 25 April 2016

**Length of service as a Director (as at 31 December 2017):**  
1 year 8 months

**Academic and professional qualification:**

Bachelor of Law (Honours), National University of Singapore

Diploma in Accounting and Finance, Chartered Association  
of Certified Accountants (UK)

**Present Directorship:**

**Listed company**

StarHub Ltd (Director)

**Non-listed company**

Certis Cisco Security Pte. Ltd. (Director)

SPH REIT Management Pte Ltd (Director)

**Other Major appointment:**

Member, Supervisory Committee of ABF Singapore Bond Index,  
Monetary Authority of Singapore

Member, Appeals Panel, Abu Dhabi Global Market

Board Member, Public Utilities Board

Member, Council, Singapore Business Federation

Member, Board of Trustees, Singapore Institute of Technology

Member, Corporate Governance Council

Member, SGH Health Development Fund Committee, SingHealth Fund

**Past Directorships held over the preceding three years:**

Wopa Services Pte Ltd (Director)

89 Holdings Pte. Ltd. (Director)

**Additional Information:**

Ms. Rachel Eng is currently the Deputy Chairman of WongPartnership LLP. As a corporate lawyer, she is involved in listings, corporate advisory and corporate governance work.

Ms. Eng was a member of the Committee on the Future Economy, which released its report in 2017.



## Board of directors continued

### Yutaka Kyoya, 56

Non-Executive Director



**Date of first appointment as Director:** 1 November 2015

**Date of last re-election:** 25 April 2016

**Length of service as a Director (as at 31 December 2017):**  
2 years 2 months

**Academic and professional qualification:**

Degree in Commerce, Waseda University, Tokyo

Advanced Management Program, Harvard Business School

**Present Directorship:**

**Listed company**

Lawson, Inc. (Director)

Mitsubishi Shokuhin Co., Ltd. (Director)

**Non-listed company**

Nil

**Other Major appointment:** Nil

**Past Directorships held over the preceding three years:**

Thai Union Group Public Company Limited (Director)

Rokko Butter Co., Ltd. (Director)

**Additional Information:**

Mr. Yutaka Kyoya is currently the Executive Vice President and Group CEO of Living Essentials Group of Mitsubishi Corporation. He joined Mitsubishi Corporation in 1984 and has since been engaged in the food business. Mr. Kyoya has held various roles in Mitsubishi Corporation in Tokyo as well as in its overseas offices, including the USA, Malaysia and Singapore. Prior to his current position, he was the Deputy General Manager of Living Essentials Group CEO's Office in 2012 before being promoted to Senior Vice President of Mitsubishi Corporation and Chief Operating Officer of its Living Essential Resources Division in 2014.

### Mitsumasa Icho, 58

Non-Executive Director



**Date of first appointment as Director:** 1 May 2017

**Length of service as a Director (as at 31 December 2017):**  
7 months

**Academic and professional qualification:**

Bachelor of Law, University of Tokyo

**Present Directorship:**

**Listed company**

Nil

**Non-listed company**

Nil

**Other Major appointment:** Nil

**Past Directorships held over the preceding three years:** Nil

**Additional Information:**

Mr. Mitsumasa Icho is currently Executive Vice President, Corporate Functional Officer, Regional Strategy for Japan and General Manager, Kansai Branch of Mitsubishi Corporation. He has been with the Mitsubishi Group since 1982 and has held senior positions within the Group in Houston and New York as well as other key Group functional roles in Finance, Risk Management, Tax and Administration. He was the Executive Vice President of Mitsubishi Motors North America, Inc. from 2006 to 2008 and subsequently Mitsubishi Motors Corporation from 2008 to 2012. Prior to assuming his current role, Mr. Icho was Senior Vice President of the Risk Management Department, an advisory function to the President's office and the General Manager of Mitsubishi Corporation's Machinery Group Administration Department.

## Shekhar Anantharaman, 54

Executive Director and Group Chief Operating Officer



**Date of first appointment as Director:** 1 April 1998

**Date of last re-election:** 25 April 2017

**Length of service as a Director (as at 31 December 2017):**

19 years 8 months

**Academic and professional qualification:**

Bachelor's Degree in Aeronautical Engineering, Panjab University, India

Postgraduate Degree in Business Management, Panjab University, India

Advanced Management Program, Harvard Business School

**Present Directorship:**

**Listed company**

Nil

**Non-listed company**

Caraway Pte Ltd (Director)

**Other Major appointment:** Nil

**Past Directorships held over the preceding three years:** Nil

**Additional Information:**

Mr. Shekhar Anantharaman has been with the Group since 1992. As the Group Chief Operating Officer of the Company, he jointly oversees all aspects of the Company's global business with the Group CEO. Prior to his current role, he was the Executive Director – Finance and Business Development for the Group leading the Company's overall Strategy and Business Development activities along with responsibility for various functions including the Group's Finance and Accounts, Treasury and IR, IT and Shared Services, Legal and Corporate Secretarial and Manufacturing and Technical Services. He has incubated and managed various global businesses for the Group including its Edible Nuts, Spices and Vegetable Ingredients and Packaged Foods businesses. As the Global Head of these businesses, Mr. Anantharaman has been directly involved in identifying and leading many of the Company's organic and inorganic growth initiatives. He has also played a variety of country management and regional oversight roles across Africa, Asia, Russia, South and North America.

# Harnessing corporate governance practices for sustainable profitable growth

The 2012 Code of Corporate Governance (the Code) is applicable to the Company for its 2017 Annual Report. Olam complies with most of the principles and guidelines of the Code. Today, the Board comprises more than 50% independent directors with the Board Chair being independent since 2015. With the optimal mix of expertise and experience including gender diversity, the Board is equipped to effectively lead and direct the Company's business and strategy, ensuring the long-term success of the Company.

This Corporate Governance report cross-references other reports and statements made in certain sections of the 2017 Annual Report such as the detailed profile of the Board that may be found in the section on Board of Directors, details on the Company's risk governance framework and the corporate responsibility and sustainability strategy as well as highlights that may be found in the Strategy Report. For completeness, this Corporate Governance report should be read in conjunction with the various sections of the 2017 Annual Report.

The Company continues to focus on the substance and spirit of the Code, while continuing to deliver on the Company's vision and objectives. Where there are differences between the Code and the Company's practices, we have clarified them within the report.

### Board leadership transition

In 2017, we saw the transition of Board Chair to Mr. Lim Ah Doo and the appointment of a new Non-Executive Director, Mr. Mitsumasa Icho, in place of an existing Non-Executive Director. The changes to the Board brought deep insights and experience that were directly relevant and useful in providing leadership and stewardship to Olam's development.

### Board matters

#### Principle 1: The Board's conduct of affairs

Olam is led by an experienced Board with representatives from varied nationalities and diverse international business backgrounds. The Board oversees the affairs of the Company and provides leadership and guidance to the Senior Management Team. Collectively, the Board and the Senior Management Team ensure the long-term success of the Company and discharge their statutory and fiduciary responsibilities, both individually and collectively. The key functions of the Board are:

- To provide entrepreneurial leadership, set strategic objectives, and ensure that the necessary financial and human resources are in place for the Company

to meet its objectives, as well as to regularly review the execution and the implementation of the Strategic Plan;

- To oversee the process and framework for evaluating the adequacy of internal controls, risk management, financial reporting and compliance and satisfy itself as to the adequacy and effectiveness of such processes and framework;
- To ensure the Company's compliance with such laws and regulations as may be relevant to the business;
- To assume responsibility for corporate governance;
- To set the Company's values and standards, and ensure that obligations to shareholders and others are understood and met at all times;
- To review the performance of the Senior Management and the compensation framework for the Board, Executive Directors and Senior Management;
- To oversee the succession plans for the Board, Group CEO, Group COO, Group CFO and Senior Management;
- To oversee and consider corporate responsibility and sustainability issues, policies, standards and strategy in the context of the Company's activities which may have an impact on environmental and social issues; and
- To identify key stakeholder groups and consider their perceptions.

As an established practice, the material matters that require the specific review and approval of the Board are designated as reserved matters and include:

- Acquisitions, divestments and capital expenditure exceeding the authority limits established under an internal policy adopted by the Board, while delegating authority for transactions below those limits to Board Committees, the Executive Committee and Senior Management;
- Capital planning and raising, annual budgets and updates to the Strategic Plan;
- Key policy decision-making process and control;
- Changes to capital, dividend distribution, issuance and buy-back and changes to shares and other securities;
- Matters considered not in the ordinary course of business of the Group; and
- Any matter which the Board considers significant enough to require the Board's direct attention or would be critical to the proper functioning of the Company or its business.

The Board is assisted by various Board Committees for the effective discharge of its responsibilities. To date, these include the Audit Committee (AC), Board Risk Committee (BRC), Capital and Investment Committee



(CIC), Corporate Responsibility and Sustainability Committee (CRSC), Governance and Nomination Committee (GNC), and the Human Resource and Compensation Committee (HRCC).

Each Board Committee has clear written terms of reference which set out its role, authority, procedures and qualifications for membership. All of the Board Committees are actively engaged and play an important role in ensuring good corporate governance in the Company.

The terms of reference of the Board Committees may be reviewed from time to time by each Committee, taking into consideration the changing needs of the business and operations of the Company, relevant laws and regulations. They are ratified by the GNC and approved by the Board.

Ad hoc committees of the Board may also be formed from time to time as part of the Board's commitment to engage and provide leadership to management in the business and operations of the Company. These ad hoc committees, formed by Independent Directors and supported by the Executive team, add to the effectiveness and strength of the Company's governance practices as well as reflecting the interests and perspectives of the various stakeholders of the Company.

In 2017, the Board at the recommendation of the GNC formed the Council of Committee Chairs to coordinate the decisions, proposals and initiatives across the Board Committees.

Directors are expected to exercise independent and objective judgement in the best interests of the Company. In the annual Board and peer performance evaluation exercise, the ability to discharge duties and responsibilities at all times as fiduciaries in the interests of the Company, as well as the ability to listen and discuss issues with one another objectively, are important assessment criteria.

Where the material matters require the approval of shareholders, the Board may if required under the Companies Act (Chapter 50) and/or the Listing Manual of the Singapore Exchange Securities Trading Limited (SGX-ST) appoint an independent valuer or independent financial adviser to evaluate the fairness of the transaction price and offer.

### **Board and Board Committee meetings**

Meetings of the Board and Board Committees are scheduled one year in advance. Besides the regular agenda, the Board receives briefings and updates from the key executives and Senior Management on developments and issues concerning the Group's business or which have an impact on the business of the Group. Regular presentations and updates by business units and functions are provided to the Board to ensure an understanding of the Group's business. The Board sets aside time at each regular Board meeting to meet without the presence of Executive Directors or Management.

In addition to the four scheduled meetings each year, the Board meets as and when warranted by particular circumstances as well as engaging in informal discussions. During the year under review, 6 Board

and 25 Board Committee meetings were held, with certain Directors attending via telephone or video conference, as permitted by the Company's Constitution.

In line with the Group's commitment to business sustainability, conservation of the environment and technological advancement, Directors are provided with access to the Board and Board Committee papers through electronic devices to enable them to read, annotate as well as share their comments on the Board and Board Committee papers in soft copy prior to and during meetings.

In 2017, the Board undertook detailed review of the Company's budgeting exercise, risk governance framework (comprising enterprise risk report, dashboard and scorecard), integrated assurance framework which includes in-business control framework and internal audit, risk appetite and tolerance, and the internal control systems. Board Committees' oversight on specific risks areas was also determined under the revised risk governance framework and the integrated assurance framework.

To ensure that the Board has an in-depth understanding of the Group's business and activities, one or more Board offsite visits is organised in countries where the Company operates. Besides the visits to facilities, the Board meets with the local management team as well as in-country key stakeholders. Ad hoc visits by the Board Committees or individual Director are organised wherever required to better facilitate the review of issues delegated by the Board. Yearly, the Board is invited to participate in the Annual ManComm Meet attended by a significant number of key executives and Senior Management of the Company globally, with experts in economic, policies, social, strategy, environmental areas etc. addressing the participants. The Annual Meet provides the Board with opportunities to deepen their interactions with the leadership team of the Company, and to gain insights into issues and developments that are important for the long-term success of the business.

Besides meetings of the Board, the Board pursuant to the Company's Constitution and the Board Committees under their terms of reference may also make decisions by way of resolution by circulation. The details of the Directors' membership on the Board and Board Committees are provided in the following pages.

A table showing the memberships of the Directors and number of Board, Board Committee, Non-Executive Directors' and shareholders' meetings held during the year under review along with the attendance of Directors are provided on page 14 of this report. Throughout the year, Directors individually and collectively actively engage with other members of the Board, the Group CEO and Group COO, Senior Management Team and external consultants to gain deeper insights into the industry and the business of the Company. The contribution to and involvement of Directors in Board affairs and growth of the Company cannot be quantified simply by their attendance. Their input and engagement in the affairs of the Company far outweigh their attendance at these meetings.

## Information on Board and Board Committee Membership and Attendance at Board, Board Committees and Shareholders' Meetings For the year ended 31 December 2017

	Membership	Board	NED	AC	BRC	CIC	CRSC	GNC	HRCC	AGM
Directors	No. of Meetings Held	6	4	7	4	6	4	2	2	1
Lim Ah Doo	Independent Non-Executive	C 6/6	C 4/4	–	–	M 6/6	–	C 2/2	C 2/2	C 1/1
Jean-Paul Pinard	Independent Non-Executive	M 6/6	M 4/4	–	–	M 6/6	C 4/4	–	M 2/2	– 1/1
Sanjiv Misra	Independent Non-Executive	M 6/6	M 4/4	–	M 4/4	C 6/6	–	–	M 2/2	– 1/1
Nihal Vijaya Devadas Kaviratne CBE	Independent Non-Executive	M 6/6	M 4/4	M 6/7	–	–	M 4/4	–	–	– 1/1
Yutaka Kyoya	Non-Executive	M 6/6	M 4/4	M <sup>1</sup> 4/4	M <sup>1</sup> 1/1	M <sup>1</sup> 1/1	M <sup>1</sup> 3/3	M <sup>1</sup> 1/1	M <sup>1</sup> 1/1	– 1/1
Marie Elaine Teo	Independent Non-Executive	M 6/6	M 4/4	–	C 4/4	M 5/6	M 4/4	–	–	– 1/1
Yap Chee Keong	Independent Non-Executive	M 6/6	M 4/4	C 7/7	M 4/4	–	–	M 2/2	–	– 1/1
Rachel Eng Yaag Ngee	Independent Non-Executive	M 6/6	M 4/4	M 7/7	–	–	–	M 2/2	M 2/2	– 1/1
Mitsumasa Icho <sup>2</sup>	Non-Executive	M 5/5	M 4/4	–	M 3/3	M 3/5	–	–	M 1/1	O 1/1
Sunny George Verghese	Executive	M 6/6	–	–	M 4/4	M 6/6	–	–	–	– 1/1
Shekhar Anantharaman	Executive	M 5/6	–	–	–	M 3/6	M 3/4	–	–	– 1/1
Katsuhiro Ito <sup>3</sup>	Non-Executive	M 1/1	M 1/1	M 3/3	–	–	M 1/1	M 1/1	–	– 1/1

"M" Member

"C" Chairman

"NED" Non-Executive Director

"AC" Audit Committee

"BRC" Board Risk Committee

"CIC" Capital and Investment Committee

"CRSC" Corporate Responsibility and Sustainability Committee

"GNC" Governance and Nomination Committee

"HRCC" Human Resource and Compensation Committee

"AGM" Annual General Meeting

"O" Observer

1. Mr. Yutaka Kyoya was appointed to the AC, GNC and CRSC on 1 May 2017, and stepped down as member of the BRC, CIC and HRCC on 1 May 2017.

2. Mr. Mitsumasa Icho was appointed as Non-Executive Director and member of the BRC, CIC and HRCC on 1 May 2017.

3. Mr. Katsuhiro Ito stepped down as Non-Executive Director and member of the AC, CRSC and GNC on 1 May 2017.

### Induction and orientation of Directors

Upon their appointment, Directors are issued with a formal appointment pack which outlines their Board and Board Committee membership details and term of office, fiduciary duty and legal obligations of a director, other vital information regarding their appointment and on the Company. Newly appointed Directors undergo a comprehensive and tailored induction programme which includes briefings by the Board Chairman, Group CEO and Group COO, industry, business and operations briefings by Senior Management; visits to the Group's key operations; and briefings on governance matters, etc. The newly appointed Directors are further assisted by the Group Corporate Secretarial office to enable them to appropriately discharge their statutory and fiduciary duties.

A comprehensive risk induction programme was conducted for the BRC on areas such as risk governance, risk identification, risk monitoring and control, risk management tools, market compliance, environmental and social risks, health and safety and the Enterprise Risk Framework.

### Directors' training

To keep the Directors abreast of developments in the Group's diverse industries as well as the Company's global operations, country visits and interactions with business and geography teams are amongst the different types of exposure provided. Directors are invited to participate in sessions and talks conducted by specific industry specialists and experts on trends, developments and issues concerning the sectors in which the Company operates. Directors are routinely briefed via detailed presentations on the development and progress of the Group's key operations. Regular updates on Directors' duties and responsibilities, and changes to any relevant laws and regulations such as the Listing Rules of the SGX-ST, the Code, the Companies Act, etc. are provided to the Board.

During the year under review, the Board was briefed on the global sustainability issues and developments, changes and developments in financial reporting standards by the external auditors, policy changes in countries where the Group operates, information technology (including cyber-security) and shared services, etc.

A Board Offsite was held in Brazil where the Board visited the Company's local operations. Olam Brazil celebrated its 15<sup>th</sup> year in operation. The visit included a tour of the Cocoa processing plant in Ilheus, Coffee plantation in Barreiras; review of the various businesses in South America including Coffee, Cocoa, Cotton and Pepper as well as certain functions such as the Human Resource and Finance; inauguration of key facilities such as the innovation centre and the hydraulic press; and the launch of G.R.O.W. (Globally Reaching Olam Women). The Board interacted with the local management team and gained insights into the leadership strength, the businesses and the environment in which they operate. The Board also met with key stakeholders across the banking, food, logistics and crop production sectors as well as ex-governmental leaders.



Board visit held in Brazil which included a tour of the coffee plantation in Barreiras.

### Principle 2: Board composition and guidance

To align with the extensive geographical spread and depth of the business, the existing Board comprises Directors with diverse skills and expertise in finance and accounting, banking, investment, strategic planning, retail, infrastructure, legal and environment and sustainability issues. The size, composition and blend of experience of the Board allows discussions on matters of policy, strategy and performance to be informed, critical and constructive. The profile and key information of each Director is provided in the Board of Directors section of the 2017 Annual Report.

#### Board size

Our Board currently consists of 11 members, 7 of whom are Independent Non-Executive Directors, 2 of whom are Non-Independent Non-Executive Directors and the remaining 2 being Executive Directors. More than 50% of the Board is comprised of Independent Non-Executive Directors. The 2 Non-Independent Non-Executive Directors are appointed by Mitsubishi Corporation. The GNC examines the size of the Board to ensure that it is appropriate for effective decision-making. The review takes into consideration the variety, magnitude, nature and depth of the Group's business and operations. Based on the factors considered and the composition of the existing Board who collectively possess sufficient depth and breadth to discharge duties and responsibilities effectively as well as to make objective decisions, the current Board size of 11 members is appropriate.

#### Board diversity

The composition of the Board today is a testimony to what it believes is important: diversity for an optimal mix of expertise and experience. The importance of diversity stretches across skills, industry experience, geographic exposure, training and gender. The Board today has 2 women Directors with the nationalities of the Directors spanning 4 countries. The Board is well-appointed for the foreseeable future.

#### Independence

The GNC determines on an annual basis each Director's independence bearing in mind the definition of an Independent Director under the Code and guidance as to relationships that may exist which would cause a Director to be deemed non-independent. A Director who



has no familial or commercial relationship with the Group or its officers and substantial shareholders of the Company that could interfere, or be reasonably perceived to interfere, with the exercise of his or her independent business judgement in the best interests of the Company, is considered to be independent.

The Code further requires the independence of any Director who has served on the Board beyond 9 years to be rigorously reviewed. The basis of determination by the GNC takes into account the annual confirmation of independence (the 'Confirmation') completed by each Independent Director. He or she is required to critically assess their independence by examining the existence of any relationships or dealings that may compromise their independence.

Having carried out its review for the year under review and taking into account the views of the GNC, the Board has determined that, with the exception of the 2 Non-Executive Directors and 2 Executive Directors, the remaining 7 Directors are to be considered as independent.

In its review, the GNC has considered the independence of Mr. Jean-Paul Pinard who has served on the Board for more than 9 years. Mr. Pinard was appointed to the Board since 2008 and has since chaired the CRSC. Through his chairmanship and guidance, the Company's CR&S function as well as the MATS function continues to mature in strength and expertise, with several key CR&S policies and related policies developed and implemented and key stakeholders' relationships built to further the Company's CR&S commitment and endeavours. His vast experience with the International Finance Corporation remained relevant for the nature of the Company's business in particular the area of corporate responsibility and sustainability. The GNC further considered Mr. Pinard's independence of mind and opined that he has consistently exercised independent judgement and evidently expressed his views objectively and is able to exercise strong independent business judgement with a view to acting in the best interests of our Company, thereby demonstrating an independence of mind. Notwithstanding Mr. Pinard having served on the Board beyond 9 years, the Board concurred with the recommendation of the GNC that Mr. Pinard is to be considered as independent.

### Ongoing renewal of the Board

The ongoing renewal of the Board is in line with the Board's policy on tenure of directorships. Since 2013, long-serving independent directors were retired gradually at each AGM with new independent directors who possess the required skills and capabilities appointed to fill these vacancies. All newly appointed independent directors will be subject to a term of office comprising two terms of 3 years each, with an additional term of 3 years at the sole discretion of the Board. All directors whether Executive, Non-Executive or Independent remain subject to an annual evaluation

notwithstanding the term of office. Independent Directors may be retired prior to completion of the term of office if so determined by the Board, taking into consideration the recommendation of the GNC.

### Non-Executive Independent Directors

The Non-Executive Independent Directors fulfil a pivotal role in corporate accountability. Their role is particularly important as they provide unbiased and independent views, advice and judgement to protect the interests not only of the Company but also of shareholders, employees, customers, suppliers and the many communities in which the Company conducts business. The Board has since 2013 maintained the number of Executive Directors at 2 to have a greater proportion of independent representation on the Board.

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

Mr. Lim Ah Doo, who joined the Board on 1 November 2016 as Chairman-designate and Independent and Non-Executive Director, assumed the role of Chairman with effect from 1 January 2017.

Mr. Lim Ah Doo is a Non-Executive Director and is not related to the Group CEO, Mr. Sunny George Verghese, or other members of the Senior Management Team. There is a clear division of responsibility between the Chairman and Group CEO to ensure a balance of power and authority.

The Chairman is responsible for ensuring the effectiveness of the Board and Board Committees as well as the governance process. The Group CEO is at the helm of the Management Team and has overall responsibility for the Company's operations and organisational effectiveness. The Group CEO remains accountable to the Board for the decisions and actions taken, as well as for the performance of the Group. The Chairman works closely with the Group CEO on matters to be tabled at meetings and matters arising from the meetings as well as in ensuring that Board members receive accurate, timely and clear information.

Under the leadership of the Chairman, the Board holds robust, open and constructive discussions at its meetings with adequate time allocated to sufficiently review the issues tabled. The Chairman chairs the quarterly Non-Executive Directors' discussions after each Board meeting and may organise offsite meetings of the Non-Executive Directors. Along with the Group CEO, the Chairman monitors the translation of the Board's decisions, requests and recommendations into executive action. As part of the Chairman's oversight, he ensures that constructive communication and engagement with shareholders take place at every General Meeting. The Chairman may direct members of the Board to participate in briefings and meetings with other stakeholders to explain publicly available material information.

## Principle 4: Board membership

### Governance and Nomination Committee (GNC)



**Lim Ah Doo**

Chairman

**Yap Chee Keong**

**Rachel Eng Yaag Ngee**

**Yutaka Kyoya** (appointed 1 May 2017)

**Katsuhiro Ito** (stepped down 1 May 2017)

The GNC is chaired by an Independent and Non-Executive Director. The GNC comprises only Non-Executive Directors, the majority of whom are Independent Directors. The GNC is guided by its written terms of reference with principal functions as follows:

- To review the size, skills and composition of the Board to ensure there is adequate representation in respect of issues and challenges, without compromising Board effectiveness and participation. In addition, the GNC seeks to identify the critical needs in terms of expertise and skills, as well as knowledge of the jurisdictions in which Olam operates;
- To recommend the appointment and re-appointment of Directors with a view to refreshing the Board;
- To conduct an annual review of the independence of each Director bearing in mind the relationships and the tenure limits under the Code;
- To assess the effectiveness of the Board and its members;
- To review and recommend performance criteria for evaluating the Board's performance;
- To recommend membership for Board Committees;
- To consider and review the Company's corporate governance principles;
- To consider any possible conflicts of interest experienced by any Board members and senior executives; and
- To review and recommend to the Board the induction programme for new Directors and ongoing training and development needs of the Directors and the Board as a whole.

### Succession planning

The review of Board succession plans, including the role of Chairman, is the primary responsibility of the GNC; while review of the succession plans for key positions in the Group, including the Group CEO and Senior Management, is within the purview of the Human Resource and Compensation Committee (HRCC). The GNC actively reviews the Board and Board Committees' composition and the necessity of refreshing the Board. The GNC is of the view that any renewal and refreshment of the Board must be carried out progressively and in an orderly manner to ensure continuity. A formal plan for the renewal of the Board and the process for selection of new Directors was put in place after having been recommended to and approved by the Board in 2012. The key recommendations, approved by the Board for implementation, are effective from 1 July 2013 and were announced in October 2013. They are as follows:

- Longest-serving Independent Director will be retired gradually at each AGM commencing with the 2013 AGM;
- New Independent Directors who possess the required skills and capabilities will be appointed to fill the vacancies created by outgoing Independent Directors after such appointment is reviewed by the GNC in concurrence with the Board;
- All newly appointed Independent Directors are subject to a term of office comprising 2 terms of 3 years each, with an additional term of 3 years at the sole discretion of the Board; and
- All Directors, whether Executive, Non-Executive or Independent, remain subject to an annual performance evaluation notwithstanding the term of office. Independent Directors may be retired prior to completion of the term of office if so determined by the Board, taking into consideration the recommendation of the GNC.

### Retirement and re-election

All Directors submit themselves for retirement and re-election at least once every 3 years. Pursuant to the Constitution of the Company, one-third of the Directors shall retire from office at the Company's AGM. A retiring Director is eligible for re-election at the AGM. The Group CEO, as a Director, is subject to the same retirement by rotation provision as the other Directors. In addition, the Company's Articles of Association comprising part of the Company's Constitution also provides that a newly appointed Director must submit himself or herself for re-election at the AGM following his or her appointment (unless such appointment was voted upon by shareholders at a general meeting).

At the 2018 AGM, Mitsumasa Icho who was appointed as a Non-Executive Director on 1 May 2017 will submit himself for re-election in accordance with Article 109 of the Articles of Association comprising part of the Company's Constitution.

Nihal Vijaya Devadas Kaviratne CBE, Yutaka Kyoya, Yap Chee Keong and Marie Elaine Teo will retire pursuant to Article 103 of the Articles of Association comprising part of the Company's Constitution and will be eligible for re-election by the shareholders at the AGM.

### New appointments, selection and re-nomination of Directors

All new appointments, selection and re-nomination of Directors are reviewed and proposed by the GNC. The GNC has access to external search consultants and resources to identify potential candidates. Board members may also make recommendations to the GNC. Shortlisted candidates are met by the GNC Chairman along with the Board Chairman and Group CEO prior to approval at Board level. Some of the criteria considered by the GNC while evaluating Directors' appointments are:

- The candidate should possess knowledge and experience in a particular area of value to the Group, namely accounting or finance, business or management, industry knowledge, strategic planning, customer-based experience or knowledge or environment and sustainability;
- The candidate should have the aptitude or experience to understand fully the fiduciary duties of a Director and the governance processes of a publicly listed company;
- Independence of mind;
- Capability and how he/she could meet the needs of the Company and simultaneously complement the skillset of other Board members;
- Experience and track record in multinational companies;
- Ability to commit time and effort to discharging his/her responsibilities as a Director; and
- Reputation and integrity.

The GNC reviews all proposed appointments as part of the Board's renewal process taking into consideration the capability, experience, skillset and the principal commitment of the candidates. Interviews and discussions by the GNC Chair, Board Chair and the Group CEO will also be held with any proposed candidates.

### Membership of other boards

The GNC, in assessing the performance of the individual Director, considers whether sufficient time and attention has been given by the Director to the affairs of the Company. It has regard to the Director's other board memberships and commitments. No limit on the number

of board representations which a Director may hold has been imposed by the GNC as Directors have demonstrated their commitment and effectiveness in discharging their duties and responsibilities and avoiding actual or potential conflicts of interest caused by serving on other boards.

### Key information regarding Directors

Key information regarding Directors, such as academic and professional qualifications, Board Committees served on (as a member or Chairman), date of first appointment as a Director, date of last re-election as a Director, directorships both present and past held over the preceding 3 years in other listed companies and other major appointments, is disclosed in the section on Board of Directors of the 2017 Annual Report. Information relating to Directors' shareholding and interests in the Group is disclosed in the Financial Report.

### Principle 5: Board performance

The Board considers the importance of putting the right people with the right range of skills, knowledge and experience together for effective governance of the Group's business. The GNC assists the Board in ensuring that the Board is comprised of individuals whose background, skills, experience and personal characteristics enhance the effectiveness of the current Board and meet its future needs.

Based on the recommendations of the GNC, the Board has laid down a preliminary set of assessment criteria to assess the effectiveness of the Board as a whole. There are 12 broad sections and a total of 49 assessment areas for the Board evaluation covering, amongst others, Board composition and leadership, Board processes, strategy and implementation, risk and crisis management, effectiveness of Board Committees and stakeholder management. The assessment of the Board Chair and Director individually is conducted on an 'exception' basis with broad criteria on their individual contribution, involvement, conduct of and at meetings, execution of agreed matters, interaction with the Board, industry and functional expertise, etc.

During the year, the GNC carried out an evaluation of the effectiveness of the Board, the individual Board members and the Chairman of the Board. The results of the evaluations are reviewed by the GNC and the Board with proposed follow-up actions led by the GNC Chair. Meetings between the individual Director and the Board Chairman, as well as the GNC Chairman, may be set up to share feedback and comments received and to work out action plans to address specific issues raised.



## **Principle 6: Access to information**

### **Principle 10: Accountability**

To enable the Directors to fulfil their responsibilities, pre-meeting discussions are held between the Chairman of the Board and/or Committees with Senior Management for the construction of the agenda and the preparation of Board materials. The agenda for each Board and Board Committee meeting along with all Board papers, related materials and background materials are provided to the Directors to enable the Directors to obtain further details and explanations where necessary. The Board is briefed and updated on the execution of the Company's Strategic Plan, performance of its investments, financing plan, variance in budgets, etc. Members of the Management Team are invited to be present at Board and Board Committee meetings to provide additional insight into the matters tabled for deliberation. Global heads of business units are scheduled wherever required to update the Board on platform-wise performance and plans.

Non-Executive Directors meet with Senior Management independently to be briefed on various issues. Additional information, documents and materials are provided to the Directors as and when required to enable them to make informed decisions.

Board members are invited to participate in the annual ManComm meeting to interact with Management as well as to gain industry insight through external speakers. Presentations on the Group's business and activities are provided to the Board throughout the year by the Company's Management Team.

The Board has separate and independent access to the Senior Management and the Company Secretary at all times. Directors and Board Committees may, where necessary, seek independent professional advice, paid for by the Company.

The Board has adopted a policy of openness and transparency in the conduct of the Company's affairs while preserving the commercial interests of the Company. The Company reports its financial results quarterly and holds media and analyst meetings to coincide with the announcements.

Financial results and other price-sensitive information are disseminated to shareholders via SGXNET, to the SGX-ST, via press releases, on the Company's website (olamgroup.com) and through media and analyst briefings.

The Company has in place a comprehensive investor relations programme to keep investors informed of material developments in the Company's business and affairs beyond that which is prescribed, but without prejudicing the business interests of the Company.

### **Role of the Company Secretary**

Directors have separate and independent access to the Company Secretary. The Company Secretary advises the Board through the Board Chair on governance matters, and facilitates the effective functioning of the Board and Board Committees in accordance with their terms of reference including any best practices. Meetings of the Board and Board Committees are scheduled at least a year in advance. Beyond scheduling meetings, the Company Secretary works closely with the Board Chair and Chairman of the Board Committees and key executives of the Company to proactively manage the agenda and the materials provided in advance of and at meetings. The Company Secretary pursues and manages follow-up actions and reports on matters arising from the meetings. The Company Secretary assists the Board Chair with Board development and Board processes including Board evaluation, induction and training. She takes the lead in organising the appointment letter and information pack and in developing tailored induction plans for new Directors, working with the Board Chair and new Directors.

The Company Secretary acts as the sounding board for matters of corporate governance and monitors overall compliance with the law and regulations adhered to by the Group. The Company Secretary is also responsible for ensuring the Company's compliance with the Listing Rules of the SGX-ST, for interaction with shareholders and for facilitating the convening of general meetings. The appointment and removal of the Company Secretary is subject to the approval of the Board.

## **Remuneration matters**

### **Principle 7: Procedures for developing remuneration policies**

### **Principle 8: Level and mix of remuneration**

### **Principle 9: Disclosure on remuneration**

## Human Resource and Compensation Committee (HRCC)



**Lim Ah Doo**

Chairman

Jean-Paul Pinard

Sanjiv Misra

Rachel Eng Yaag Ngee

Mitsumasa Icho (appointed 1 May 2017)

Yutaka Kyoya (stepped down 1 May 2017)

The existing members of the HRCC, including the HRCC Chairman, are Independent and Non-Executive Directors, except for Mr. Mitsumasa Icho, who is Non-Executive. The HRCC is established by the Board with the following principal functions:

- To review the executive leadership development process and programme;
- To review and recommend executives' compensation framework and equity-based plans;
- To review succession plans for key executives, including the Group CEO;
- To establish and oversee the process for evaluating the performance of the Group CEO, Group COO and other key executives in the fulfilment of their responsibilities, and the meeting of objectives and performance targets; and
- To review annually the remuneration framework and the adequacy of the fees paid to Non-Executive Directors.

The HRCC carries out regular discussions with the Group CEO and the Board on succession planning at the Senior Management level including that of the Group CEO.

During the year, the HRCC reviewed with the Group CEO the succession plans for key executives and the progress, the compensation framework and the deliverables of the Group CEO and Group COO. The HRCC also reviewed and approved the recommendation for the issuance and allocation of new share grants under the Olam Share Grant Plan.

### Remuneration policy for Non-Executive Directors

The existing remuneration framework for Non-Executive Directors adopted by the HRCC is a comprehensive framework consisting of base fee for membership on the Board and each Board Committee, Chairmanship, Lead Independent Director's fee and attendance fee.

The framework and details of the fees paid to the Non-Executive Directors approved at the previous AGM of the Company in April 2017 are provided in the following paragraphs.

The remuneration for Non-Executive Directors is in line with peer companies and those whom Olam was benchmarked against. The fees framework for Non-Executive Directors reflects an equitable and adequate remuneration on account of the responsibilities and average amount of time spent by a Director at Board and Board Committee meetings, as well as their discussions beyond formal meetings and separate discussions with management in the discharge of their responsibilities.

To facilitate timely payment of Directors' fees, the fees are paid in arrears on a quarterly basis for the current financial year once approval is obtained from shareholders at the AGM.

### Fees for Non-Executive Directors

At the April 2017 AGM, shareholders approved the payment of Directors' fees of up to S\$2,000,000 under the existing fees framework for Non-Executive Directors set out in the paragraphs below. The aggregate fees paid quarterly in arrears to the Non-Executive Directors for the financial year ended 31 December 2017 entirely in cash amounted to S\$1,697,600.00 (excluding fees paid to a Director for his directorship with the subsidiary of the Company). The breakdown of the fees paid to the Non-Executive Directors for the financial year ended 31 December 2017 is set out in the table below. The Non-Executive Directors only receive Directors' fees and do not receive any other benefits.

### Fees paid to the Non-Executive Directors for the financial year ended 31 December 2017

Name	Directors' fees paid in FY 2017 (S\$)
<b>Current Directors</b>	
Lim Ah Doo <sup>1</sup>	303,800
Jean-Paul Pinard	179,400
Sanjiv Misra	196,800
Nihal Vijaya Devadas Kaviratne CBE	141,400
Yutaka Kyoya	162,333
Yap Chee Keong	195,500
Marie Elaine Teo	182,000
Rachel Eng Yaag Ngee	165,100
Mitsumasa Icho <sup>2</sup>	116,100
<b>Past Director</b>	
Katsuhiko Ito <sup>3</sup>	55,167
<b>Directorship on Subsidiary</b>	
Nihal Vijaya Devadas Kaviratne CBE <sup>4</sup>	57,600

1. Appointed as Chairman on 1 January 2017.

2. Appointed on 1 May 2017.

3. Stepped down on 1 May 2017.

4. Fees paid as Independent and Non-Executive Chairman of Caraway Pte. Ltd., a 75:25 joint venture subsidiary of the Company.

## Proposed Revision to the Fees for the Board Risk Committee (BRC)

The HRCC yearly reviews the adequacy of fees paid to Non-Executive Directors and may commission an independent review by an external consultant on the remuneration framework of Directors as well as key management personnel.

The Non-Executive Directors' fees have remained unchanged in the last three years. The Board has during the year, in conjunction with the HRCC, carried out a review on the adequacy of the fees paid to the Non-Executive Directors, in particular, the members of the BRC. The review took into consideration the expansive work done by the BRC, the amount of time spent in reviewing and revising the Group risk governance framework and the discussions held with key stakeholders. Consequent to the review, the Board approved the recommendation of the HRCC for an upward adjustment of the fees payable to the Chairman of the BRC from S\$35,000 to US\$50,000 and to each member from S\$20,000 to S\$25,000.

Details of the fees framework for Non-Executive Directors, which included the proposed changes to the Directors' fees payable to the BRC, are provided below:

Nature of appointment	S\$
<b>Board of Directors</b>	
Base fee (Chairman)	180,000
Base fee (Deputy Chairman)	130,000
Base fee (Member)	70,000
Lead Independent Director	25,000
<b>Audit Committee</b>	
<b>Board Risk Committee (From FY 2018)</b>	
<b>Capital and Investment Committee</b>	
Chairman's fee	50,000
Member's fee	25,000
<b>Board Risk Committee (Till FY 2017)</b>	
<b>Human Resource and Compensation Committee</b>	
Chairman's fee	35,000
Member's fee	20,000
<b>Governance and Nomination Committee</b>	
<b>Corporate Responsibility and Sustainability Committee</b>	
Chairman's fee	30,000
Member's fee	15,000
<b>Attendance fee</b>	<b>Board</b> <b>Committee</b>
Home city meeting	3,000 1,500
Out-of-region meeting	4,500 2,250
Conference call	600 400
Odd hours	1,200 750
Board offsite	6,000

The aggregate Directors' fees are subject to shareholders' approval at the AGM. The Non-Executive Directors will refrain from making any recommendation on and, being shareholders, shall abstain from voting on the ordinary resolution for the aggregate Directors' fees. Other than the Chairman who will be voting for proxies under the Listing Rules of the SGX-ST, the Directors shall also decline to accept appointment as proxies for any shareholder to vote in respect of this resolution unless the shareholder

concerned shall have given instructions in his or her proxy form as to the manner in which his or her votes are to be cast in respect of this resolution.

## Remuneration policy for Executive Directors and other key executives

Executive Directors are not entitled to either base fees or fees for membership on Board Committees. Remuneration for Executive Directors currently comprises a base salary, a performance bonus tied to the Company's and the individual's performance, and participation in the Olam Share Grant Plan.

The Company advocates a performance-based remuneration system that is flexible and responsive to the market. The total remuneration comprises 3 components: an annual fixed cash component, an annual performance incentive and a long-term incentive. The annual fixed component consists of the annual basic salary and other fixed allowances. The annual performance incentive is tied to the Company's and individual executive's performance, while the long-term incentive is granted based on the individual's performance and contribution made.

To remain competitive, it would be our aim to benchmark our executives' compensation with that of similar performing companies and remain in the top 25 percentile. The compensation structure has been designed so that, as one moves up the corporate ladder, the percentage of total remuneration at risk increases. The Company currently has 10 top key executives who are not also Directors.

Information on the compensation paid to Directors and key executives is summarily provided in the notes to the Financial Statements of the Financial Report.

In considering the disclosure of remuneration of the Executive Directors and top 10 key executives, the HRCC considered the industry conditions in which the Group operates, as well as the confidential nature of the Executive Directors' and key executives' remuneration.

In view of the highly competitive industry conditions the Group operates within, and as many of our competitors do not publish details of the specific remuneration of key executives, the Board is of the view that detailed publication of the remuneration of the Group's key executives should not be made. Given the general sensitivity and confidentiality of remuneration matters, it would be disadvantageous to the interests of the Group to divulge remuneration of Executive Directors, the CEO and key executives in such detail as recommended by the Code.

## Level and mix of remuneration of Executive Directors for the year ended 31 December 2017

Remuneration band	Base/ fixed salary	Variable or performance related income/ bonuses	Benefits in kind	Total	Options	Share Grant
S\$2,000,000 and above						
Sunny George Verghese	20.4%	75.4%	4.1%	100%	15,000,000 <sup>1</sup>	1,901,794 <sup>3</sup>
Shekhar Anantharaman	32%	68%	–	100%	5,000,000 <sup>2</sup>	1,420,052 <sup>4</sup>



1. The subscription/exercise price of S\$2.35 per share for 15,000,000 share options is the price equal to the average of the last dealt prices for a share for the 5 consecutive market days preceding the date of grant.
2. The subscription/exercise price of S\$2.28 per share for 1,750,000 share options and S\$1.76 per share for 3,250,000 share options is the price equal to the average of the last dealt prices for a share for the 5 consecutive market days preceding the date of grant.
3. Share grant of 1,901,794 comprised of 1,202,147 Performance Share Awards and 699,647 Restricted Share Awards granted pursuant to the Olam Share Grant Plan. The actual number of shares to be delivered pursuant to the 810,000 Performance Share Awards granted will range from 0% to 192.5% of the base award and 392,147 Performance Share Awards granted will range from 0% to 200.0%, both of which are contingent on the achievement of pre-determined targets set out in the 3 year performance period and other terms and conditions being met.
4. Share grant of 1,420,052 comprised of 923,026 Performance Share Awards and 497,026 Restricted Share Awards granted pursuant to the Olam Share Grant Plan. The actual number of shares to be delivered pursuant to the 600,000 Performance Share Awards granted will range from 0% to 192.5% of the base award and 323,026 Performance Share Awards granted will range from 0% to 200.0%, both of which are contingent on the achievement of pre-determined targets set out in the 3 year performance period and other terms and conditions being met.

### Remuneration band of the top key executives for the year ended 31 December 2017

Remuneration band	No. of executives
S\$1,000,000 and above	7
Below S\$1,000,000	3

### Remuneration of employees who are immediate family members of a Director or the Group CEO

No employee of the Company and its subsidiaries whose remuneration exceeded S\$50,000 during the year under review was an immediate family member of a Director or the Group CEO. Immediate family member is defined as a spouse, child, adopted child, step-child, brother, sister or parent.

### Employee Share Grant Plan

The Company had adopted the new Olam Share Grant Plan (OSGP) at the 2014 AGM. The OSGP involves the award of fully-paid shares, when and after pre-determined performance or service conditions are accomplished. Any performance targets set under the OSGP are intended to be based on longer-term corporate objectives covering market competitiveness, quality of returns, business growth and productivity growth. Details of the OSGP including its objectives, key terms, potential size of grants, methodology of valuation, market price of shares that were granted as well as outstanding, and the vesting schedule may be read as part of the Financial Report.

### Accountability and audit

#### Principle 11: Risk management and internal control

#### Principle 12: Audit Committee

The Board, supported by the AC and BRC, oversees the Group's system of internal controls and risk management.

## Board Risk Committee (BRC)



**Marie Elaine Teo**

Chairman

**Sanjiv Misra**

**Yap Chee Keong**

**Mitsumasa Icho** (appointed 1 May 2017)

**Shekhar Anantharaman** (appointed 4 January 2018)

**Yutaka Kyoya** (stepped down 1 May 2017)

**Sunny George Verghese** (stepped down 4 January 2018)

The Board is responsible for the governance of risk. To assist the Board in carrying out its responsibility of overseeing the Company's risk management framework and policies, the Board Risk Committee was established in 2005. The BRC met 4 times during the year under review, which included a joint meeting with the Corporate Responsibility and Sustainability Committee ("CRSC") to review a specific country risk. The BRC has oversight of the following matters:

- To review with Management the Group's framework, guidelines, policies and systems to govern the process for assessing and managing risks;
- To review and recommend annual risk limits and trading risk budgets;
- To review benchmarks for, and major risk exposures from, such risks;
- To request, receive and review reports from management on risk exposures;
- To identify and evaluate new risks at an enterprise level and to table a report to the Board;
- To review the Enterprise Risk Scorecard and determine the risks to be escalated to the Board;
- To review market compliance updates and issues reported; and
- To review annually the Insurance Strategy and Plan.

The Company complies with the recommendations contained in the Code and the Risk Governance Guidelines issued by the Corporate Governance Council in the approach to risk governance for the Group. The Company has robust mechanisms and systems to identify risks inherent in the Group's business model and strategy, risks from external factors and other exposures, and to monitor the Company's exposure to key risks that could impact the business sustainability, strategy, reputation and long-term viability of the Group. The Board along with the BRC supported by the Chief Risk

and Compliance Officer (“CRCO”) and the Risk Office instils the right culture throughout the Company for effective risk governance.

The BRC Chair actively engages with the risk management team on various risk matters as well as the matters to be discussed at each BRC meeting. The BRC continually reviews its terms of reference taking into consideration the Risk Governance Guidelines and the Code as well as the changing needs of the organisation.

The Group has a rigorous risk management framework designed to identify and assess the likelihood and impact of risks and to manage the actions necessary to mitigate their impact. The process identifies risks from a top-down strategic perspective and a bottom-up business perspective. Overall responsibility to monitor and assess risk lies with the Risk Office. The Company takes a holistic approach to enterprise-wide risk, monitoring risk across each value-chain step across a wide range of both quantifiable and non-quantifiable risks.

### Risk Governance Structure

The Group has an institutionalised process in the governance of risk management matters. The CRCO is a member of the Executive Committee and reports to both the Group CEO and the BRC Chair.

The Risk Office reports to the CRCO and is responsible for identifying, assessing, measuring and monitoring risks, to provide the Company’s senior management and the Board with assurance that all the risks borne by the Company are within its risk limits. The Risk Office is responsible for risk monitoring and control on an independent basis and undertakes regular stress-testing of the Company’s portfolio.

The Company sets risk limits as part of the annual budgeting cycle, which are presented to the Board for approval. These limits include outright, basis, structure, arbitrage and Value-at-Risk (“VaR”) as well as credit and counterparty limits. The CRCO is mandated to allocate the risk capital across businesses considering the competitive position, trading and market conditions and the track record of each business. Performance is continuously monitored, and risk capital allocation is recalibrated where necessary. The assigned limits are set at all levels of hierarchy within the structure, i.e. at business-unit level, value-chain step level and at profit-centre level, as well as any other limits the Risk Office deems appropriate.

### Enterprise Risk Management

The Company’s Enterprise Risk Management framework defines 51 individual risks across 11 categories. The oversight of each of the 51 risks is divided among the 5 Board Committees, namely, the BRC, AC, CIC, CRSC and HRCC. Of the 51 risks, 16 are evaluated on a quantitative basis and represented in the company’s Group Risk Dashboard (“GRD”), the output of which is

presented to the BRC quarterly. The Enterprise Risk Scorecard (“ERS”) is the result of an assessment of each of the 51 risks for likelihood of occurrence and impact. Each risk is evaluated for each business unit both on an inherent and residual basis using a traffic-light system of red-amber-green. The ERS is also presented to the BRC on a quarterly basis which, in conjunction with the GRD assists the Board with (i) examining the effectiveness of the Company’s risk management plans, systems, processes and procedures and (ii) reviewing Company-wide risk policies, guidelines and limits, as well as risk exposure and risk treatment plans. The BRC is responsible for the recommendation of the overall annual risk capital of the Company for the approval of the Board.

### Risk Measurement, Market Compliance Controls, Risk Training and Communication

The BRC is advised by the CRCO and Risk Office on the risk measurement methodology adopted and any changes in methodology in line with industry best practices.

One of the Company’s key priorities is to comply with the highest standards of business conduct. The Market Compliance Office (“MCO”) is responsible for ensuring regulatory compliance for the Company’s derivative trading units. The MCO carries out regular trader training courses to ensure familiarity with prevailing exchange rules globally and ensures that all new hires are comprehensively trained in the Company’s Trading Compliance Manual. The BRC receives a quarterly update on the status of compliance, initiatives and changes in global regulatory laws and regulations impacting the Company’s business and participation on exchanges. From time to time, the Company’s Risk Office publishes risk advisories on pertinent matters to raise awareness and to promote industry best practices.

This section should be read in conjunction with the section on Risk Management in the Strategy Report of the 2017 Annual Report and the section on internal control in this report.

## Audit Committee (AC)



**Yap Chee Keong**

Chairman

**Nihal Kaviratne CBE**

**Rachel Eng Yaag Ngee**

**Yutaka Kyoya** (appointed 1 May 2017)

**Katsuhiro Ito** (stepped down 1 May 2017)

All the members of the Audit Committee (AC) are Non-Executive Directors with a majority of members including the AC Chair being independent. Members of the AC have significant and varied experience and backgrounds in accounting, financial management-related and legal fields.

The AC met 7 times during the year under review. The AC has established terms of reference approved by the Board and has explicit authority to investigate any matter within its terms of reference. The key functions of the AC are to:

- Assist the Board in discharging its statutory and other responsibilities on internal controls, financial and accounting matters, operational and compliance controls, and business and financial risk management policies and systems; and to ensure that a review of the effectiveness of the same (which may be carried out by the external or internal auditors) is conducted at least annually;
- Review with the external auditors their audit plan, their evaluation of the system of internal controls, their report and management letter to the AC, Management's response, and the allocation of audit resources according to the key business and financial risk areas as well as the optimum coverage and efforts between the external and internal auditors;
- Review the quarterly and annual financial statements before submission to the Board of Directors for approval, focusing in particular on changes in accounting policies and practices, major operating risk areas, the overview of all Group risk on an integrated basis, significant adjustments resulting from the audit, the going concern statement, compliance with accounting standards, and compliance with any SGX and statutory/regulatory requirements;

- Review the proposed scope of the Internal Audit function, the performance of the Internal Audit function, Internal Audit findings and to approve the Annual Internal Audit Plan and as and when there are changes to the plan;
- Review the internal controls and procedures and ensure coordination between the external auditors, the internal auditors and Management, reviewing the assistance given by Management to the auditors, and discussing problems and concerns, if any, arising from the interim and final audits, and any matters which the auditors may wish to discuss (in the absence of the Management where necessary);
- Review and discuss with the internal auditors, external auditors and Management any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has, or is likely to have, a material impact on the Group's operating results or financial position, and Management's response to the same;
- Consider the appointment or re-appointment of the external auditors and matters relating to resignation or dismissal of the auditors;
- Review the scope and results of the audit and its cost effectiveness, and the independence and objectivity of the external auditors, annually;
- Review interested person transactions falling within the scope of Chapter 9 of the Singapore Exchange Listing Rules;
- Undertake such other reviews and projects as may be requested by the Board of Directors and report to the Board of Directors its findings from time to time on matters arising and requiring the attention of the AC; and
- Undertake such other functions and duties as may be prescribed by statute and the Listing Rules or recommended by the Code and by such amendments made thereto from time to time.

The external auditors update the AC at its quarterly meetings on any changes to the accounting standards, issues and developments with a direct impact on financial statements.

The AC has clear authority to investigate any matter within its terms of reference, full access to and cooperation of the Management and full discretion to invite any Director, key executive or officers of the Company to attend its meetings. The Group COO, Group CFO, Global Head for Corporate Finance, the President and Head of Internal Audit and the external auditors are invited to attend these meetings.

To enable it to discharge its functions properly, the AC, through Management, has access to external counsels and consultants.

## Financial Reporting and Key Audit Matters

For the year under review, the AC discussed with Management and the external auditors changes in accounting policies and practices, major operating risk areas, the overview of all Group risk on an integrated basis, significant adjustments resulting from the audit, the going concern statement, compliance with accounting standards, compliance with any SGX and statutory/regulatory requirements, and reviewed with Management and the external auditors the matters of significance in the audit of the financial statements (Key Audit Matters). The AC concurs with the basis and assessment of the Key Audit Matters disclosed in the Independent Auditors' Report of the Financial Report section of the Annual Report 2017.

## External auditors

The external auditors report their findings and recommendations independently to the AC. During the year, the AC reviewed the unaudited financial statements of the Company before the announcement of the financial results and the audited financial statements prior to despatch to shareholders. During the year, the AC along with Management reviewed the adequacy, structure and content of its results announcements to enable easier interpretation and analysis by its stakeholders. The AC also reviewed with the external auditors changes and proposed changes to the financial reporting standards and the impact on the Company's financial statements, tax matters, policies and global developments and their audit on the Company's systems of internal control.

The Committee met with the external auditors during the year under review, without the presence of the Management Team, to discuss with them any issues of concern. The AC reviewed the nature and extent of all non-audit services performed by the external auditors to establish their independence and objectivity. From the review, the AC has confirmed that the non-audit services performed by the external auditors would not affect their independence. Details of the fees payable to the external auditors in respect of audit and non-audit services are set out in the notes to the financial statements of the Financial Report. The Company has complied with Rule 712, and Rule 715 read with Rule 716 of the Listing Manual of the SGX-ST in relation to its auditing firms.

Taking all relevant factors into consideration, the Committee made its recommendation to the Board to re-appoint the current auditors, which was endorsed by the Board.

## Internal audit

The AC regularly reviews the areas of audit undertaken by Internal Audit, key findings by Internal Audit, complaints received from the whistleblowing channel, the resource adequacy and the effectiveness of the Internal Audit function. During the year, the AC and

Management engaged KPMG to review and formulate an integrated assurance framework to bring more clarity and to strengthen controls. The framework brings together the risk governance framework established by the Board Risk Committee with the various Board Committees providing oversight of designated key risk areas, the In-Business Control (IBC) framework implemented globally to monitor and report the inherent and residual risks in key risk areas, the internal audit framework and the work done by the control functions. The AC carried out a detailed review of the role, adequacy and effectiveness of the Internal Audit function during the year and recommended changes to the internal audit framework to bring more focus to and alignment with the Group's business. The Internal Audit function has under the guidance of the AC Chair enhanced the Internal Audit plan, report on findings and the Internal Audit manual. The AC is satisfied that the Internal Audit team has appropriate standing within the Company. During the year, the Committee met with Internal Audit, without the presence of Management, to discuss any issues of concern.

## Whistleblowing

On the recommendation of the AC and the approval of the Board, the Company has formalised a Code of Conduct (CoC) for the Group with the objective of conducting business in compliance with the letter and spirit of the law and other accepted standards of business conduct and to maximise shareholder value for its continuing shareholders in an ethical and environmentally sustainable manner. It provides the key standards and policies that everyone working in and for Olam, including Directors, should adhere to. The CoC also encourages and provides a channel for employees to report possible improprieties, unethical practices, etc. in good faith and confidence, without fear of reprisals or concerns. All information and reports are received confidentially to protect the identity and the interest of all whistleblowers. To ensure that all incidents that are reported are adequately brought to the notice of the stakeholders concerned as well as to initiate corrective action, a reporting structure is provided in detail in the CoC.

A simple communication channel to allow anonymous reporting of any fraud, misappropriation, improprieties or unethical practices is set out in the CoC. A completely anonymous online report may be made using a reporting link <http://www.jotform.me/iaolamint/FraudInformationChannel>. Any report so made reaches the Internal Audit department immediately. An alternative to the above for reporting a fraud can be by email sent directly to the Internal Audit department at [ia@olamnet.com](mailto:ia@olamnet.com). Report can also be made by mail to the Head of Risk and Compliance. The phone line to the Compliance Officer is 65 6339 4100 (ask for the compliance officer).

To safeguard the whistleblower from retaliation, should employees suspect that they are being targeted or have actions taken against them in retaliation for raising a



## Corporate governance report continued

compliance or integrity issue, they should immediately report such suspicions using the communication channels provided in the CoC and as set out above.

The CoC may be referred to on the Company's website at [olamgroup.com](http://olamgroup.com).

### Internal controls

The Company's internal controls structure consists of the policies and procedures established to provide reasonable assurance that the organisation's related objectives will be achieved, the enterprise risk management framework to examine the effectiveness of the Company's risk management plans, systems, processes and procedures, the IBC framework implemented across the geography and entities where the Company operates, the audit by internal auditors including any specialised audit commissioned and the work done by external auditors.

Olam has established authorisation and financial approval limits for operating and capital expenditure, the procurement of goods and services, and the acquisition and disposal of investments. Apart from reserved matters that require the Board's specific approval, such as the issue of equity and dividend and other distributions, Board approval is required for transactions exceeding certain threshold limits, while delegating authority for transactions below those limits to Board Committees and Management to optimise operational efficiency.

The Standard Operating Procedure (SOP) and Field Operations Manual (FOM) policies prescribe the process and documentation requirements for all our procurement, grading, sorting, processing, storage, transits and shipment of our products. Strict adherence to the SOP and FOM is the key to our control over financial and operational risks. To ensure compliance, periodical internal and external audit reviews are routinely carried out.

In 2017, Management in consultation with the AC further improved on the In-Business Control (IBC) framework implemented since 2016 to capture the inherent level of risk, its impact, the monitoring frequency and the risk owners. The 5 risk areas covered under the IBC Framework are, (i) capex execution and monitoring; (ii) credit control-trade debtors; (iii) credit control-advance to suppliers; (iv) inventory control and (v) statutory compliance and risks. The IBC Framework forms part of the integrated assurance matrix, which includes the Risk Dashboard and the work done by Internal Audit. The internal audit findings are tracked and included as key performance indicators in managers' performance evaluation systems, to ensure the desired influence on behaviour.

During the year under review, Management in consultation with the BRC and AC Chair assessed the

Enterprise Risk Management (ERM) Framework and put forth changes to the ERM Framework by identifying the key risk categories and risk events, strengthening risk governance through Board Committees, oversight of risk categories and the analysis of risks.

### Integrated assurance

The Company has in place an Integrated Assurance Framework to ensure the adequacy and effectiveness of the internal controls, including financial, operational, compliance and information technology controls, and risk management systems.

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

- the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and
- from their review with the risk owners of their assessments of the standard operating procedures framework, escalation reporting, breaches and assurance processes, they are satisfied with the adequacy and effectiveness of the Company's risk management and internal control systems.

Based on the work performed under the integrated assurance framework, the work performed by the control functions, the internal and external auditors, the assurance received from the Group CEO, the Group COO and the Group CFO as well as the reviews undertaken by various Board Committees:

- the Board, with the concurrence of the BRC, is of the view that the Group's risk management systems are adequate and effective; and
- the Board, with the concurrence of the AC, is of the opinion that the internal controls, addressing the financial, operational, compliance and information technology risks of the Company, are adequate and effective to meet the needs of the Group in its current business environment.

Whilst the internal audit and the internal controls systems put in place by Management provide reasonable assurance against material financial misstatements or loss, and assurance reliability, relevance and integrity of information (including financial information), completeness of records, safeguarding of assets, effectiveness and efficiency of operations and compliance with applicable policies, laws and regulations, it is opined that such assurance cannot be absolute in view of the inherent limitations of any internal audit and internal controls system against the occurrence of significant human and system errors, poor judgement in decision-making, losses, fraud or other irregularities.

### Principle 13: Internal audit

The Internal Audit function is an important line of

defence for the Company; central to the overall Integrated Assurance Framework as well as the governance process. Internal Audit provides a source of confidence to both Management and the AC that there is sound managerial control over all aspects of the operations of the Group including statutory compliance, accounting, asset management and control systems.

Rajeev Kadam, President and Head of Internal Audit, reports directly to the Chairman of the AC and administratively to the Group CEO. The AC participates in the appointment, replacement or dismissal and the evaluation of the Head of Internal Audit. The Internal Audit team includes members with relevant qualifications and experience. Internal audit is carried out according to 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 Internal Audit team has full, free and unrestricted access at all times to all books, personnel, documents, accounts, property, vouchers, records, correspondence and other data of the Company. The internal auditors also have the right to enter any premises of the Group and to request any officer to furnish all information and such explanations deemed necessary for them to form an opinion on the probity of action and adequacy of systems and/or controls.

As part of the Integrated Assurance Framework, the AC and IA regularly review the scope of the internal audit carried out by the Internal Audit team to ensure that it is comprehensive and to enable the effective and regular review of all operational, financial and related activities. The internal audit coverage extends to all areas of the Company and its controlled entities and includes financial, accounting, administrative, computing and other operational activities. An internal compliance monitoring system is in place as a self-assessment tool for monitoring the performance of the business units on key control aspects and processes.

The AC reviews the proposed scope and performance of the Internal Audit function, Internal Audit findings and management response, and the Annual Internal Audit Plan. It ensures that no limitation on audit has been imposed.

## Capital and Investment Committee (CIC)



**Sanjiv Misra**

Chairman

Lim Ah Doo

Jean-Paul Pinard

Sunny George Verghese

Shekhar Anantharaman

Marie Elaine Teo

Mitsumasa Ichio (appointed 1 May 2017)

Yap Chee Keong (appointed 4 January 2018)

Yutaka Kyoya (stepped down 1 May 2017)

The CIC meets every quarter, and more often if required, either by way of physical meetings or via telephone conference. The CIC is governed by established terms of reference and has oversight of the following matters:

- To review the financial strategies, policies, gearing, financial risks and capital structure of the Company;
- To review and recommend the annual financing plan;
- To review and recommend equity capital-raising plans;
- To review and recommend debt capital-raising plans and significant banking arrangements;
- To review investment policy guidelines and capital expenditure plans;
- To review and assess the adequacy of foreign currency management;
- To review and recommend on mergers, acquisitions and divestments; and
- To evaluate periodically the performance of the businesses in relation to the capital allocated.

In 2017, the CIC met 6 times. The CIC reviewed its terms of reference, the policy governing the authority limits of Management, the CIC and the Board in respect of capital expenditure and divestments, and the financing plans and authority of Management arising thereto. A semi-annual review of the progress of all investments made to date was also carried out by the CIC. Under the revised Enterprise Risk Management framework, the CIC also provides oversight on certain risk category and risk events.

The CIC has access to any member of the team in its review of investments and divestments, and actively engages the Management Team and consultants when deliberating on any investment or divestment proposal.

## Corporate Responsibility and Sustainability Committee (CRSC)



**Jean-Paul Pinard**

Chairman

**Nihal Kaviratne CBE**

**Marie Elaine Teo**

**Yutaka Kyoya** (appointed 1 May 2017)

**Sunny George Verghese** (appointed 4 January 2018)

**Shekhar Anantharaman** (stepped down 4 January 2018)

**Katsuhiko Ito** (stepped down 1 May 2017)

At Olam, we believe that profitable growth, as a way of doing business, needs to incorporate creating value on an ethically, socially responsible and environmentally sustainable basis. We have called this 'Growing Responsibly'.

The CRSC met 4 times during the year. The terms of reference of this Committee include:

- To review and recommend to the Board the Corporate Responsibility and Sustainability (CR&S) vision and strategy for the Group;
- To oversee the integration of CR&S perspectives into the Company's strategy and businesses;
- To review global CR&S issues and trends and assess their potential impact on the Group;
- To review the state of the Group's health and safety measures and status;
- To monitor implementation, through the CR&S function, strategy as well as policies and investments in the CR&S area;
- To review the progress made on various initiatives;
- To support Management's response to crisis, where required;
- To review the Company's report and statement on sustainability activities, commitment and involvement and its (Olam) Livelihood Charter; and
- To review the adequacy of the CR&S function.

The CRSC actively engages the CR&S function headed by Dr. Christopher Stewart with oversight by Gerard Manley, a member of the Executive Committee, in the formulation and implementation of various sustainability policies and projects.

The CRSC plays a pivotal role in monitoring the state of health and safety within the Group, ensuring a culture of zero tolerance to fatality, and reviews the health and safety report from MATS on a quarterly basis.

During the year under review, the Committee reviewed and discussed the Company's engagement with the Non-Governmental Organisations in the sustainability sphere as well as the approach to the global issues concerning environment and sustainability.

The Committee actively monitors corporate responsibility and sustainability issues and the reporting by Management on such issues in the Company's pursuit of various investments. As part of the CRSC's active engagement on corporate responsibility and sustainability matters concerning the Group's business and operations, the Chairman and members of the CRSC may, collectively or individually, visit some of the Company's global operations, along with members of the Management Team, to gain deeper insights into the CR&S activities on the ground.

### Principle 14: Shareholders' rights

### Principle 15: Communication with shareholders

### Principle 16: Conduct of shareholder meetings

#### Enhancing investor communication

At Olam, we believe it is important for us to communicate our business, strategic developments, financial, environmental, social and governance and other non-financial information to shareholders, investors, analysts (collectively referred to as the investing community) and key intermediaries (including financial media, brokers and independent research organisations) who provide research and information on the Company. Concurrently, we aim to understand their perspectives and requirements for decision-making and improve two-way communication.

Since the 2014-2016 Strategic Plan, one of our strategic priorities has been to promote a better understanding of Olam's business by enhancing stakeholder communication. We have supplemented our Company disclosure with details on investment performance and held investor days and field visits to Olam's operational sites.

To facilitate better understanding and analysis, we have improved the structure and content of our results announcements by publishing a quarterly Management Discussion and Analysis (MD&A) statement, which includes a business commentary, key operational and financial highlights and a detailed review of financial performance.

We have also produced additional corporate literature, such as 'Olam Insights' since 2015, a quarterly newsletter for investors that features our different business platforms and profit centres around the world.

The Group Investor Relations department has lead responsibility for enhancing communication with the investing community, with the active involvement of the Group CEO, Group COO and Group CFO, and in consultation with the Global Corporate Responsibility and Sustainability department on environmental, social and governance issues.

In order to track and measure progress against our targets as stated in the Strategic Plan, we have also introduced new key financial metrics and enhanced the quality of our financial information.

### Delivering quality and timely information in a transparent manner

We aim to deliver information to the investing community and key intermediaries in a timely manner. We hold media and analysts' conferences quarterly to announce our financial and operating results. These quarterly results briefings are webcast live to cater to global audiences. The full financial statements, press release, MD&A and presentation materials provided at the conferences are disseminated through the SGXNET onto the SGX website outside trading hours, uploaded onto the Company's website and disseminated by email to subscribers to our news alerts and investor relations mailing list.

Our investor relations website ([olamgroup.com/investor-relations](http://olamgroup.com/investor-relations)) is the go-to resource for the investing community for quality and timely information. Besides announcements, it contains Company news, investor presentations, earnings webcasts, transcripts of earnings conference calls, historical financial information on spreadsheets, annual reports, consensus estimates, upcoming events, shareholding structure and dividend information.

In addition to the quarterly results briefings, we hold media and analysts' conferences and teleconference calls to communicate important corporate developments. Such media and analyst conferences are also webcast live.

### Engaging the investing community

Apart from these forums, we hold meetings, telephone and video conference calls with the investing community and organise investor days to facilitate their understanding of the Company's business model and growth strategies. We conduct investment roadshows and participate in investment conferences on a selective basis. Where necessary, the frequency of conducting roadshows and attending investment conferences may increase to meet the Company's requirements of communicating important key messages and addressing market concerns.

### Investor Relations activities in 2017

Date	Event
28 February	Briefing on 2016 results
25 April	22 <sup>nd</sup> Annual General Meeting
15 May	Briefing on Q1 2017 results
14 August	Briefing on Q2 2017 results
15 November	Briefing on Q3 2017 results
16 November	Morgan Stanley 16 <sup>th</sup> Annual Asia Pacific Summit, Singapore

The Group Investor Relations department periodically receives investor/analyst requests for meetings or conference calls to discuss the Company. Generally, we accede to all requests for meetings/calls where our schedule permits, provided these meetings/calls do not fall within the closed periods prior to the announcement of financial results.

In addition to outreach programmes targeted at institutional investors, we maintain communication with our employee and retail shareholders, through our employee portal and shareholder communication services facilitated by the Securities Investors' Association of Singapore (SIAS) respectively.

### Tracking changes in the shareholder base and interaction with the investing community

We track and monitor changes in our shareholder base regularly to help us tailor our shareholder engagement and targeting programmes.

We maintain an active electronic database of the investing community, which allows us to target investors and track every investor meeting so that we can measure the frequency and quality of conversations. This system also enables us to deliver our Company results and announcements to the investing community electronically at the same time as these are disseminated through SGXNET so that investors have access to our information on a timely basis.

As the internet, social media and other mobile applications have become more accessible, we continue to leverage such means to achieve a greater and faster reach to the investing community and facilitate their research by providing on-the-go access to financial and non-financial information, webcasts, tweets and other resources.

### Obtaining and acting on feedback from the investing community

We conduct investor perception surveys to seek the investing community's feedback on the Company. The study we undertook in 2013 formed our 2013 Strategy Review and helped formulate our 2014-2016 Strategic Plan. We also commission annual surveys with the investing community to gather their feedback on annual reports.

### Encouraging greater shareholder participation at Annual General Meetings (AGMs)

We regard the AGM as an opportunity to communicate directly with shareholders. We are committed to establishing more effective ways of communicating with our shareholders around the AGM. Shareholders are informed of these meetings through notices published in the newspapers or through circulars. To encourage more shareholder participation, our AGMs are held in Singapore's city centre, which is easily accessible by most shareholders.



## Corporate governance report continued

Board members including the Chairman of all Board Committees, namely, the AC, BRC, CIC, CRSC, GNC and HRCC, and key executives of the Senior Management Team, attend the AGM. Our external auditors are also present to assist the Directors in addressing shareholders' queries. The Group CEO or Group COO delivers a presentation to update shareholders on the Group's progress over the past year.

We treat shareholder issues, particularly those that require shareholders' approval, such as the re-election of Directors and approval of Directors' fees, as distinct subjects and submit them to the AGM as separate resolutions.

In support of greater transparency and an efficient voting system, the Company has been conducting electronic poll voting since 2011. Shareholders who are present in person or represented at the meeting will be entitled to vote on a one-share, one-vote basis on each of the resolutions by poll, using an electronic voting system. Voting and vote tabulation procedures are declared and presented to shareholders in a video before the AGM proceeds. The Company appoints an independent scrutineer to count and validate the votes at the AGM. The independent scrutineer for the 22<sup>nd</sup> AGM was RHT Corporate Advisory. The results of all votes cast for and against in respect of each resolution, including abstaining votes, are instantaneously displayed at the meeting and announced on SGXNET after the AGM.

All Board members were present at the 22<sup>nd</sup> AGM:

### *Chairman of the Board Committees*

**Lim Ah Doo**, Chairman of the GNC and HRCC

**Yap Chee Keong**, Chairman of the AC

**Jean-Paul Pinard**, Chairman of the CRSC

**Sanjiv Misra**, Chairman of the CIC

**Marie Elaine Teo**, Chairman of the BRC

### *Board Members*

**Sunny George Verghese**, Executive Director, Co-Founder and Group CEO

**Nihal Vijaya Devadas Kaviratne CBE**, Independent and Non-Executive Director

**Rachel Eng Yaag Ngee**, Independent and Non-Executive Director

**Katsuhiro Ito**, Non-Executive Director (stepped down on 1 May 2017)

**Yukaka Kyoya**, Non-Executive Director

**Shekhar Anantharaman**, Executive Director and Group COO

During the AGM, shareholders are given the opportunity to ask questions or raise issues. The questions and answers are recorded and detailed in the minutes, which are available to shareholders upon request.

Voting in absentia by mail or electronic means requires careful study and is only feasible if there is no compromise to either the integrity of the information and/or the true identity of the shareholder.

## Recognitions

Olam's 2016 Annual Report won Bronze Award at the 2017 Corporate & Financial Awards. The award was presented to Olam in the "Best Printed Report: International" category, which honours reports that successfully use one document to tell an organisation's corporate story to stakeholders and allow for ease of access to key information.

The 2016 Annual Report also won the Company the honour of international winner for being the most effective in integrating sustainability into corporate communications at the IR Society (UK)'s Best Practice Awards 2017.

The Company was declared the winner of the Singapore Corporate Governance Award (SCGA) 2017, Consumer Staples Category at SIAS 18th Investors' Choice Awards. The SCGA is jointly developed by SIAS with the Centre for Governance, Institutions and Organisations (CGIO) of the NUS Business School to recognise listed companies that have excellent corporate governance practices and shareholder interests.

## Securities transactions

The Company is committed to transparency, fairness and equity in dealing with all shareholders and in ensuring adherence to all laws and regulations that govern a company listed and trading on the SGX-ST. The Employee Share Dealing Committee ('ESDC') was set up to formulate and review best practice in the dealing of securities by Directors, executives and employees. The ESDC is chaired by a Senior Management Team member, Ranveer Singh Chauhan, with members, V. Srivathsan, Joydeep Bose and N. Muthukumar. The ESDC reports to the Group CEO.

Through the ESDC, the Company has a policy on dealings in securities of the Company in line with the SGX-ST Listing Rules for its Directors and employees, setting out the implications of insider trading and guidance on such dealings. The policy provides that the Company, its Directors and employees must not deal in the Company's securities at any time after a price-sensitive development has occurred, or has been the subject of a decision, until the price-sensitive decision has been publicly announced. Directors and employees are discouraged from short-term speculative trading in the Company's securities; personal investment

decisions should be geared towards long-term investment. In particular, the Company, its Directors and executives will not deal in the Company's securities during the following periods:

- commencing 2 weeks prior to making public the quarterly financial results and ending at the close of trading on the date of the announcement of the relevant results; and
- commencing 1 month prior to making public the annual financial results and ending at the close of trading on the date of the announcement of the relevant results.

In keeping with the policy, Directors and employees of the Company are notified of close periods for dealing in the Company's securities as well as any special dealing restriction that may be imposed from time to time.

Directors who deal in the shares and any other securities of the Company are required to notify the Company within 2 business days of becoming aware of the transaction.

### Material contracts

There were no material contracts entered into by the Company or any of its subsidiaries involving the interests of any Director or controlling shareholder.

### Interested person transactions

All transactions with interested persons are reviewed by the internal auditors and reported to the AC for approval. The transactions are carried out on normal commercial terms and are not prejudicial to the interests of the Company or its minority shareholders. The Company's disclosures in respect of interested person transactions (IPT) for the financial year ended 31 December 2017 are as follows:

Parties	FY 2017 S\$
Singapore Telecommunications Limited	1,043,450
SP Services Ltd	7,067
StarHub Ltd	10,327
DBS Bank Limited	1,362,543
Standard Chartered Bank	2,255,485
Mitsubishi Corporation	19,045,095
Mitsubishi International Corporation	421,166
MC Agri Alliance, Ltd	61,740,625
MS Commercial Pte. Ltd.	2,390,861
<b>Total</b>	<b>88,276,619</b>

In the event that any of the AC members has an interest in an IPT under review or any business or personal connection with the parties or any of its associates, the relevant AC member shall abstain from any decision-making procedure in respect of that IPT, and the review and approval of that IPT will be undertaken by the remaining members of the AC where applicable. If there is only 1 member of that approving authority or where all the members of the relevant approving authority of the IPT are conflicted, the approval from the next higher approving authority shall be sought.

Shareholders of the Company who are interested persons of an IPT shall also abstain from voting their shares on a resolution put to the vote of shareholders in relation to the approval of such IPT.

Directors who are deemed an interested person of an IPT that requires the approval of shareholders will abstain from voting his/her holding of shares (if any) on any resolution put to the vote of shareholders in relation to the approval of any IPT. Directors will also decline to accept appointment as proxy for any shareholder to vote in respect of such resolution unless the shareholder concerned shall have given specific instructions in his/her proxy form as to the manner in which his/her votes are to be cast in respect of such resolution.

## Board Committee Membership – At a glance

as at 4 January 2018

Directors	Membership	Board Committees	Date of first appointment
Lim Ah Doo	Chairman, Independent Non-Executive	Governance and Nomination Committee (C) Human Resource and Compensation Committee (C) Capital and Investment Committee (M)	<b>1 November 2016</b> (assumed Chairmanship on 1 January 2017)
Sunny George Verghese	Executive	Capital and Investment Committee (M) Corporate Responsibility and Sustainability Committee (M)	<b>11 July 1996</b>
Jean-Paul Pinard	Independent Non-Executive	Corporate Responsibility and Sustainability Committee (C) Capital and Investment Committee (M) Human Resource and Compensation Committee (M)	<b>29 October 2008</b>
Sanjiv Misra	Independent Non-Executive	Capital and Investment Committee (C) Board Risk Committee (M) Human Resource and Compensation Committee (M)	<b>1 November 2013</b>
Nihal Vijaya Devadas Kaviratne CBE	Independent Non-Executive	Audit Committee (M) Corporate Responsibility and Sustainability Committee (M)	<b>1 October 2014</b>
Yap Chee Keong	Independent Non-Executive	Audit Committee (C) Board Risk Committee (M) Capital and Investment Committee (M) Governance and Nomination Committee (M)	<b>1 December 2015</b>
Marie Elaine Teo	Independent Non-Executive	Board Risk Committee (C) Capital and Investment Committee (M) Corporate Responsibility and Sustainability Committee (M)	<b>1 December 2015</b>
Yutaka Kyoya	Non-Executive	Audit Committee (M) Governance and Nomination Committee (M) Corporate Responsibility and Sustainability Committee (M)	<b>1 November 2015</b>
Rachel Eng Yaag Ngee	Independent Non-Executive	Audit Committee (M) Governance and Nomination Committee (M) Human Resource and Compensation Committee (M)	<b>25 April 2016</b>
Mitsumasa Icho	Non-Executive	Capital and Investment Committee (M) Board Risk Committee (M) Human Resource and Compensation Committee (M)	<b>1 May 2017</b>
Shekhar Anantharaman	Executive	Board Risk Committee (M) Capital and Investment Committee (M)	<b>1 April 1998</b>

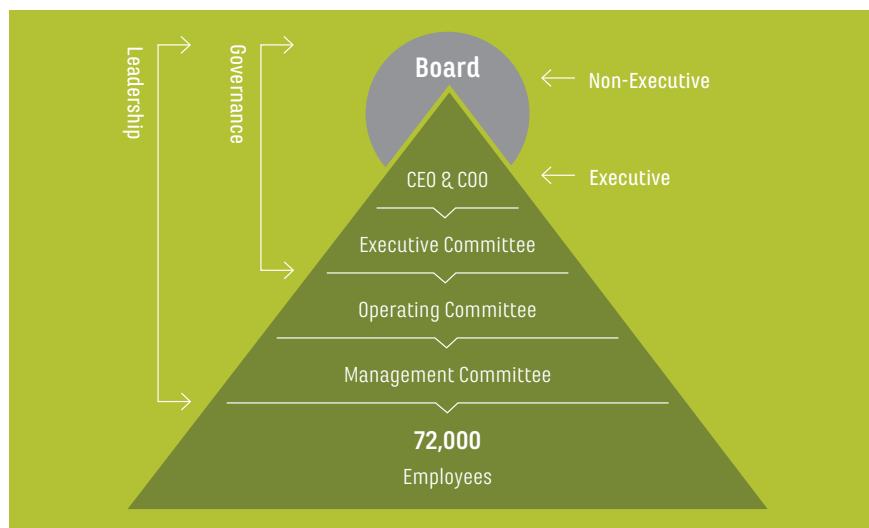
## Summary of Disclosures of Code of Corporate Governance 2012

Specific principles and guidelines in the Code with express disclosure requirements pursuant to the Corporate Governance Disclosure Guide issued by the Singapore Exchange on 29 January 2015.

Principle/Guidelines	Page	Principle/Guidelines	Page
Guideline 1.3 Board delegation of authority	12	Guideline 7.3 Remuneration consultants	NA
Guideline 1.4 Board attendance	14	Principle 9 Remuneration policies, level and mix	20-21
Guideline 1.5 Material transactions for Board approval	12	Guideline 9.1 to 9.3 Remuneration of Directors, CEO and top 5 key management personnel	20-21
Guideline 1.6 Induction and training	15	Guideline 9.4 Remuneration of employees who are immediate family members of directors	22
Guideline 2.3 Directors' independence	15-16	Guideline 9.5 Employee share schemes	22
Guideline 2.4 Directors' nine years tenure	16	Guideline 9.6 Remuneration linked to performance	21
Guideline 3.1 Chairman and CEO relationship	16	Guideline 11.3 Adequacy of internal controls	26
Guideline 4.1 Nomination Committee	17	Guideline 12.1 Audit Committee	24-27
Guideline 4.4 Number of board memberships	18	Guideline 12.6 Audit and non-audit fees	25
Guideline 4.6 Appointments, selection, re-appointments	18	Guideline 12.7 Whistleblowing policy	25
Guideline 4.7 Key Directors' information	6-11	Guideline 12.8 Audit Committee training on changes to accounting standards and issues impacting financial statements	24
Guideline 5.1 Board evaluation	18	Guideline 15.4 Obtaining views of the shareholders	28-29
Guideline 7.1 Remuneration Committee	20	Guideline 15.5 Reasons where dividends are not paid	NA



# LEADERSHIP TEAM



## Executive Committee

Sunny George Verghese	Gerard Anthony Manley	Ashok Hegde	Greg Estep
Shekhar Anantharaman	Vivek Verma	Srivathsan Venkataramani	KC Suresh
Jagdish Parihar	Ashok Krishen	Ranveer Chauhan	Joe Kenny

## Operating Committee

Amit Khirbat	Gerard Anthony Manley	MD Ramesh	Sandeep Kumar Jain
Anupam Jindal	Greg Estep	Mukul Mathur	Sathyamurthy Mayilswamy
Aravind Velamuri	Jagdish Parihar	Neelamani Muthukumar	Shekhar Anantharaman
Rajaqopala	Jayant Parande	Raja Saoud	Srivathsan Venkataramani
Arun Sharma	Joe Kenny	Rajeev Kadam	Sunny George Verghese
Ashok Hegde	Joydeep Bose	Ramanarayanan Mahadevan	Supramaniam Ramasamy
Ashok Krishen	KC Suresh	Ranveer Chauhan	Suresh Sundararajan
Devashish Chaubey	Mahesh Menon	Ravi Pokhriyal	Tejinder Singh
Gagan Gupta	Martial Genthon	S. Venkita Padmanabhan	Vivek Verma

## Management Committee

Abhishek Sahai	Devashish Chaubey	Manish Dhawan	Sameer Patil
Alain Fredericq	Eduardo Andrade	Manoj Vashista	Sandeep Daga
Amit Agrawal	De Freitas	Manvinder Singh	Sandeep Hota
Amit Gulrajani	G. Srinivasakumar	MD Ramesh	Sandeep Jain
Amit Khirbat	Gagan Gupta	Mehra Saurabh	Sanjay Sacheti
Amit Verma	George Joseph	Michael J Smyth	Sathyamurthy Mayilswamy
Anurag Shukla	Gerard Anthony Manley	Mukul Mathur	Shankar Rao
Anupam Gupta	Girish Kumar Nair	Munish Minocha	Sharad Gupta
Anupam Jindal	Greg Estep	Naveen Sharma	Shekhar Anantharaman
Aravind VR	Gurpreet Singh	Neelamani Muthukumar	Sridhar Krishnan
Arouna Coulibaly	Heemskerk Rinus	Partheeban Theodore	Sriram Subramanian
Arun Sharma	Indranuj Choudhury	Paul Hutchinson	Srivathsan Venkataramani
Ashish Govil	Jagdish Parihar	Prakash Jhanwer	Stephen Driver
Ashok Hegde	Janaky Grant (Dr)	Prakash Kanth	Sumanta De
Ashok Krishen	Jayant Parande	Premender Sethi	Sunil Agarwal
Bikash Prasad	Jeff Pfalzgraf	Raj Vardhan	Sunny George Verghese
Brijesh Krishnaswamy	Jeronimo Antonio	Raja Saoud	Supramaniam Ramasamy
Briony Rudder Mathieson	Pereira	Rajeev Kadam	Suresh Ramamurthy
Chandrasekaran Balaji	Jim Fenn	Ramanarayanan	Suresh Sundararajan
Chris Beetge	Joe Kenny	Mahadevan	Syed Abdul Azeez
Chris Thompson	Joseph West	Ranjan Naik	Thiagaraja Manikandan
Christopher Stewart	Joydeep Bose	Ranveer Chauhan	Tejinder Singh
Chye Yeong	Juan Antonio Rivas	Ravi Pokhriyal	Thomas Gregersen
Damien Houllahan	Kartik Balasubramanian	Raymond G Steitz	Vasanth Subramanian
Darshan Raiyani	KC Suresh	Rishi Kalra	Vibhu Nath
Dave De Frank	Kameswar Ellajosyula	Robert Dall'Alba	Vinayak Narain
David Watkins	Kaushal Khanna	S. Venkita Padmanabhan	Vipin Kumar
Deepak Kaul	L. G. Moorthy	Sachin Sachdev	Vivek Verma
	Mahesh Menon	Sameer Kaushal	

## Company Secretary

Victor Lai Kuan Loong

## Registered office

7 Straits View  
Marina One East Tower  
#20-01  
Singapore 018936  
Telephone: (65) 6339 4100  
Fax: (65) 6339 9755

## Auditor

Ernst & Young LLP  
One Raffles Quay North Tower  
Level 18  
Singapore 048583

Partner in charge:  
Vincent Toong Weng Sum  
(since financial year 30 June 2013)

## Principal bankers

Australia and New Zealand  
Banking Group Limited

Banco Bilbao Vizcaya  
Argentaria S.A

BNP Paribas

Commerzbank AG

Commonwealth Bank of  
Australia

Credit Suisse Group AG

DBS Bank Ltd

ING Bank N.V.

JPMorgan Chase Bank, N.A.

Mizuho Bank, Ltd

National Australia Bank Limited

Natixis

Rabobank International

Standard Chartered Bank

Sumitomo Mitsui Banking  
Corporation

The Bank of Tokyo-Mitsubishi  
UFJ, Ltd

The Hongkong and Shanghai  
Banking Corporation Limited

Westpac Banking Corporation

## Shareholding information

### Substantial Shareholders

(As recorded in the Register of Substantial Shareholders as at 16 March 2018)

Name of Shareholder	Direct Number of Shares <sup>1</sup>	Deemed Number of Shares <sup>1</sup>
1. Breedens Investments Pte. Ltd. <sup>2</sup>	1,394,271,494	—
2. Aranda Investments Pte. Ltd. <sup>2</sup>	312,814,360	—
3. Seletar Investments Pte Ltd <sup>2</sup>	—	1,707,085,854
4. Temasek Capital (Private) Limited <sup>2</sup>	—	1,707,085,854
5. Temasek Holdings (Private) Limited <sup>2</sup>	—	1,707,085,854
6. Mitsubishi Corporation <sup>3</sup>	554,689,829	—
7. Allan & Gill Gray Foundation (Guernsey) <sup>4</sup>	—	221,277,796
8. Orbis Allan Gray Limited <sup>4</sup>	—	221,277,796
9. Orbis Holdings Limited <sup>4</sup>	—	221,277,796
10. Orbis Investment Management Limited <sup>4</sup>	—	221,277,796
11. Orbis Investment Management (Hong Kong) Limited <sup>4</sup>	—	181,506,595
12. Kewalram Singapore Limited <sup>5</sup>	223,769,921	—
13. Chanrai Investment Corporation Limited <sup>5</sup>	—	223,769,921
14. Kewalram Chanrai Holdings Limited <sup>5</sup>	—	223,769,921
15. GKC Trustees Limited (as trustees of Girdhar Kewalram Chanrai Settlement) <sup>5</sup>	—	223,769,921
16. MKC Trustees Limited (as trustees of Hariom Trust) <sup>5</sup>	—	223,769,921
17. DKC Trustees Limited (as trustees of Dayal Damodar Chanrai Settlement) <sup>5</sup>	—	223,769,921

#### Notes:

- (1) Percentages of shareholdings are calculated based on the total number of issued ordinary shares (excluding treasury shares) being 3,172,225,057 as at 16 March 2018.
- (2) Temasek Holdings (Private) Limited's ("Temasek") interest arises from the direct interest held by Breedens Investments Pte. Ltd. ("Breedens") and Aranda Investments Pte. Ltd. ("Aranda").
  - (A) Temasek's deemed interest through Breedens 43.95%
    - (i) Breedens has a direct interest in 43.95% of voting shares of the Company.
    - (ii) Breedens is a wholly-owned subsidiary of Seletar Investments Pte Ltd ("Seletar").
    - (iii) Seletar is a wholly-owned subsidiary of Temasek Capital (Private) Limited ("Temasek Capital").
    - (iv) Temasek Capital is a wholly-owned subsidiary of Temasek.
  - (B) Temasek's deemed interest through Aranda 9.86%
    - (i) Aranda has a direct interest in 9.86% of voting shares of the Company.
    - (ii) Aranda is a wholly-owned subsidiary of Seletar.
    - (iii) Seletar is a wholly-owned subsidiary of Temasek Capital.
    - (iv) Temasek Capital is a wholly owned subsidiary of Temasek.

Total deemed interest of **Temasek** **53.81%**
- (3) Total interest of **Mitsubishi Corporation** **17.49%**
- (4) As a result of a restructuring exercise of the Orbis Group ("Restructuring Exercise"), Orbis Allan Gray Limited and Allan & Gill Gray Foundation (Guernsey) have on completion of the Restructuring Exercise, become substantial shareholders of the Company by virtue of their deemed interest in the shares managed by their indirect subsidiary, Orbis Investment Management Limited ("OIML"), which is a fund manager of the Orbis funds. The fund manager has the ability to vote and acquire/dispose of the Company's shares for and on behalf of the Orbis funds.
 

Orbis Holdings Limited is the holding company for OIML and Orbis Investment Management (Hong Kong) Limited ("OIMHK"). Orbis Allan Gray Limited and Allan & Gill Gray Foundation (Guernsey) are the parent entities for Orbis Holdings Limited.

On 1 January 2017, OIML sub-delegated some of its portfolio management duties, including the authority to dispose of securities, to OIMHK. By virtue of the sub-delegation, OIAHK and OIMHK have deemed interest in the voting shares of the Company. OIML still retains overall investment management oversight, including voting shares in the Company, held by the portfolios.

OIML is part of the Orbis Group. OIML is a substantial shareholder of the Company as it has deemed interests in the shares of the Company held by the following Orbis funds:

  1. Orbis Emerging Markets Equity Fund (Australia Registered)
  2. Orbis Institutional Emerging Markets Equity LP
  3. Orbis Global Equity LE Fund (Australia Registered)
  4. Orbis Global Equity Fund (Australia Registered)
  5. Orbis Global Balanced Fund Wholesale Class (Australia Registered)
  6. Orbis SIVAC – Orbis Global Balanced Fund
  7. Orbis Institutional Equity LP
  8. Orbis Institutional Global Equity Fund
  9. Orbis Global Equity Fund
  10. Orbis Institutional Global Equity (OFO) Fund
  11. Orbis Institutional Global Equity LP
  12. Orbis Institutional International Equity LP
  13. Orbis Optimal LP
  14. Orbis Optimal SA
  15. Orbis SICAV – Orbis Global Equity
  16. Allan Gray Australia Balanced Fund
  17. Orbis SICAV – Orbis Institutional Equity
  18. Orbis OEIC Global Balanced Fund
  19. Orbis OEIC Global Equity Fund
  20. Orbis SICAV - Orbis Emerging Markets Fund

by virtue of OIML's ability to make or execute investment decisions on behalf of these entities.

None of the above Orbis funds individually holds 5% or more of the Company's shares.

Total deemed interest of **Orbis Group** **6.98%**
- (5) Kewalram Singapore Limited ("KSL") is a wholly-owned subsidiary of Chanrai Investment Corporation Limited ("CICL"), which in turn is a wholly-owned subsidiary of Kewalram Chanrai Holdings Limited ("KCHL"). By virtue of section 4(7)(d) of the Securities and Futures Act (Chapter 289), each of CICL and KCHL are deemed to be interested in the voting shares of the Listed Issuer ("Shares").
 

GKC Trustees Limited (as trustees of Girdhar Kewalram Chanrai settlement) ("GKC Settlement"), MKC Trustees Limited (as trustees of Hariom Trust) ("Hariom Trust") and DKC Trustees Limited (as trustees of Dayal Damodar Chanrai Settlement) ("DDC Settlement") are shareholders of KCHL. By virtue of section 4(5) of the Securities and Futures Act (Chapter 289), each of the GKC Settlement, Hariom Trust and DDC Settlement are deemed to be interested in the voting shares of the Listed Issuer ("Shares").

CICL, KCHL, GKC Settlement, Hariom Trust and DDC Settlement are deemed interested in the 223,769,921 Shares held by KSL.

## Shareholding information continued

### Statistics of Shareholdings

As at 16 March 2018

Issued and fully Paid-up Capital	\$3,812,922,224.14
Number of Ordinary Shares in issue (excluding Treasury Shares)	3,172,225,057
Number of Ordinary Shares held as Treasury Shares	98,793,600
Percentage of Treasury Shares held against the total number of Issued Ordinary Shares outstanding (excluding Treasury Shares)	3.11%
Class of Shares	Ordinary Shares
Voting Rights	One vote per share

### Distribution of Shareholdings

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	106	1.73	3,230	0.00
100 – 1,000	793	12.92	652,959	0.02
1,001 – 10,000	4,058	66.12	19,177,275	0.61
10,001 – 1,000,000	1,158	18.87	50,572,747	1.59
1,000,001 and above	22	0.36	3,101,818,846	97.78
<b>Total</b>	<b>6,137</b>	<b>100.00</b>	<b>3,172,225,057</b>	<b>100.00</b>

### Twenty Largest Shareholders

No.	Name	No. of Shares	%
1	Breedens Investments Pte Ltd	1,394,271,494	43.95
2	HSBC (Singapore) Nominees Pte Ltd	571,111,267	18.00
3	Citibank Nominees Singapore Pte Ltd	360,657,977	11.37
4	Aranda Investments Pte Ltd	312,814,360	9.86
5	Kewalram Singapore Limited	223,769,921	7.05
6	DBS Nominees (Private) Limited	68,416,414	2.16
7	Raffles Nominees (Pte) Limited	67,318,844	2.12
8	Daiwa Capital Markets Singapore Limited	50,000,000	1.58
9	UOB Kay Hian Private Limited	10,990,631	0.35
10	ABN Amro Clearing Bank N.V.	5,338,261	0.17
11	Maybank Kim Eng Securities Pte. Ltd.	4,614,019	0.15
12	OCBC Securities Private Limited	4,557,009	0.14
13	United Overseas Bank Nominees (Private) Limited	4,540,036	0.14
14	DB Nominees (Singapore) Pte Ltd	4,027,775	0.13
15	Morgan Stanley Asia (Singapore) Securities Pte Ltd	3,604,437	0.11
16	CGS-CIMB Securities (Singapore) Pte. Ltd.	3,241,109	0.10
17	DBS Vickers Securities (Singapore) Pte Ltd	3,181,261	0.10
18	Mak Seng Fook	3,028,296	0.10
19	Phillip Securities Pte Ltd	2,430,023	0.08
20	OCBC Nominees Singapore Private Limited	1,683,566	0.05
<b>Total</b>		<b>3,099,596,700</b>	<b>97.71</b>

### Public Float

Approximately 9.98% of the Company's Shares are held in the hands of the public. The Company announced on 27 February 2018 that it has asked SGX-ST for an extension of time to restore the public float to cross 10% following the vesting of shares in April 2018 under the Company's Restricted Share Awards (assuming there is no increase in the shareholding of substantial shareholders and Directors prior to April 2018).

## Notice of Annual General Meeting

### Olam International Limited

(Company Registration No. 199504676H)

(Incorporated in The Republic of Singapore with limited liability)

**NOTICE IS HEREBY GIVEN** that the Twenty-Third Annual General Meeting of Olam International Limited (the “**Company**”) will be held at Ballroom 1, The Westin Singapore, 12 Marina View, Asia Square Tower 2, Singapore 018961, on Wednesday, 25 April 2018 at 10.00 a.m. for the following purposes:

ORDINARY BUSINESS	Ordinary Resolutions
<p>1. To receive and adopt the Directors’ Statement and the Audited Consolidated Financial Statements of the Company for the financial year ended 31 December 2017 together with the Auditors’ Report thereon.</p> <p>Please refer to the explanatory note (i) provided.</p>	<b>Resolution 1</b>
<p>2. To declare a second and final dividend of 4 cents per share, tax exempt (one-tier), for the financial year ended 31 December 2017.</p> <p>Please refer to the explanatory note (ii) provided.</p>	<b>Resolution 2</b>
<p>3. To re-elect the following Directors retiring pursuant to Article 103 of the Articles of Association of the Company comprising part of the constitution of the Company (the “<b>Constitution</b>”), and who, being eligible, offer themselves for re-election:</p> <p>(a) Mr. Nihal Vijaya Devadas Kaviratne CBE</p> <p>(b) Mr. Yutaka Kyoya</p> <p>(c) Mr. Yap Chee Keong</p> <p>(d) Ms. Marie Elaine Teo</p> <p>Please refer to the explanatory note (iii) provided.</p>	<b>Resolution 3</b> <b>Resolution 4</b> <b>Resolution 5</b> <b>Resolution 6</b>
<p>4. To re-elect Mr. Mitsumasa Icho who will cease to hold office in accordance with Article 109 of the Constitution, and who, being eligible, offers himself for re-election.</p> <p>Please refer to the explanatory note (iv) provided.</p>	<b>Resolution 7</b>
<p>5. To approve the payment of Directors’ fees of up to S\$2,000,000 for the financial year ending 31 December 2018 (“FY 2018”) (2017: S\$1,697,600).</p> <p>Please refer to the explanatory note (v) provided.</p>	<b>Resolution 8</b>
<p>6. To re-appoint Messrs Ernst &amp; Young LLP as the auditors of the Company and to authorise the Directors to fix their remuneration.</p> <p>Please refer to the explanatory note (vi) provided.</p>	<b>Resolution 9</b>



SPECIAL BUSINESS	Ordinary Resolutions
<p>To consider and, if thought fit, to pass the following resolutions as Ordinary Resolutions:</p> <p>7. <b>General Authority to Issue Shares</b></p> <p>That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore (the “<b>Companies Act</b>”) and Rule 806 of the Listing Manual of Singapore Exchange Securities Trading Limited (“<b>SGX-ST</b>”) (the “<b>Listing Manual</b>”), the Directors be authorised and empowered to:</p> <p>(a) (i) issue ordinary shares in the capital of the Company (“<b>Shares</b>”) whether by way of rights, bonus or otherwise; and/or</p> <p>(ii) make or grant offers, agreements or options (collectively, “<b>Instruments</b>”) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and</p> <p>(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instruments made or granted by the Directors while this Resolution was in force, provided that:</p> <p>(1) the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed fifty per cent. (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a <i>pro rata</i> basis to shareholders of the Company shall not exceed ten per cent. (10%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below);</p> <p>(2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time of the passing of this Resolution, after adjusting for:</p> <p>(A) new Shares arising from the conversion or exercise of any convertible securities;</p> <p>(B) new Shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution; and</p> <p>(C) any subsequent bonus issue, consolidation or subdivision of Shares;</p>	<p><b>Resolution 10</b></p>

## SPECIAL BUSINESS

## Ordinary Resolutions

- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution; and
- (4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next annual general meeting of the Company (“AGM”) or the date by which the next AGM is required by law to be held, whichever is the earlier.

Please refer to the explanatory note (vii) provided below.

### 8. Renewal of the Share Buyback Mandate

That:

- (a) for the purposes of the Companies Act, the exercise by the Directors of all the powers of the Company to purchase or otherwise acquire Shares not exceeding in aggregate the Maximum Limit (as defined below), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as defined below), whether by way of:
  - (i) market purchase(s) (each a “**Market Purchase**”) on the SGX-ST; and/or
  - (ii) off-market purchase(s) (each an “**Off-Market Purchase**”) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws and regulations, including but not limited to, the provisions of the Companies Act and listing rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the “**Share Buyback Mandate**”);
- (b) unless varied or revoked by the members of the Company in a general meeting, the authority conferred on the Directors pursuant to this Resolution may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earlier of:
  - (i) the date on which the next AGM is held or required by law to be held; or
  - (ii) the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Buyback Mandate are carried out to the full extent mandated,

whichever is the earlier; and
- (c) in this Resolution:

“**Maximum Limit**” means that number of issued Shares representing not more than five per cent. (5%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the passing of this Resolution, unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period (as defined below), in which event the total number of issued Shares shall be taken to be the total number of issued Shares as altered (excluding any treasury shares that may be held by the Company from time to time and subsidiary holdings);

### Resolution 11

SPECIAL BUSINESS	Ordinary Resolutions
<p><b>“Relevant Period”</b> means the period commencing from the date of passing of this Resolution and expiring on the date the next AGM is held or is required by law to be held, whichever is the earlier; and</p> <p><b>“Maximum Price”</b> in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) which shall not exceed:</p> <ul style="list-style-type: none"> <li>(i) in the case of a Market Purchase, 105% of the Average Closing Price; and</li> <li>(ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Average Closing Price,</li> </ul> <p>where:</p> <p><b>“Average Closing Price”</b> means the average of the closing market prices of the Shares over the last five (5) Market Days (a <b>“Market Day”</b> being a day on which the SGX-ST is open for trading in securities), on which transactions in the Shares were recorded, before the day on which the purchase or acquisition of Shares was made, or as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant five (5) Market Days; and</p> <p><b>“day of the making of the offer”</b> means the day on which the Company announces its intention to make an offer for an Off-Market Purchase, stating therein the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and</p> <ul style="list-style-type: none"> <li>(d) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider necessary, expedient, incidental or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Resolution.</li> </ul> <p>Please refer to the explanatory note (viii) provided.</p> <p>9. <b>Authority to issue Shares under the Olam Scrip Dividend Scheme</b></p> <p>That pursuant to Section 161 of the Companies Act, the Directors be and are hereby authorised to allot and issue such number of Shares as may be required to be allotted and issued from time to time pursuant to the Olam Scrip Dividend Scheme.</p> <p>Please refer to the explanatory note (ix) provided.</p>	<p>Resolution 12</p>

## SPECIAL BUSINESS

## Ordinary Resolutions

### 10. Authority to issue Shares under the Olam Share Grant Plan

That the Directors be and are hereby authorised to:

- (a) grant awards in accordance with the provisions of the Olam Share Grant Plan; and
- (b) allot and issue from time to time such number of fully paid-up Shares as may be required to be delivered pursuant to the vesting of awards under the Olam Share Grant Plan,

provided that the total number of Shares which may be allotted and issued and/or Shares which may be delivered pursuant to awards granted under the Olam Share Grant Plan on any date, when added to:

- (i) the total number of new Shares allotted and issued and/or to be allotted and issued, and issued Shares delivered and/or to be delivered in respect of all awards granted under the Olam Share Grant Plan; and
- (ii) all Shares, options or awards granted under any other share schemes of the Company then in force,

shall not exceed ten per cent. (10%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) from time to time, and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM or the date by which the next AGM is required by law to be held, whichever is the earlier.

Please refer to the explanatory note (x) provided.

### Resolution 13

By Order of the Board

Lai Kuan Loong Victor  
Company Secretary  
Singapore

Date: 10 April 2018



**Please read the following notes and the explanations of the resolutions before deciding how to vote.**

### Appointment of Proxy

- a. A member entitled to attend and vote at the AGM, and who is not a Relevant Intermediary (as hereinafter defined) is entitled to appoint one (1) or two (2) proxies to attend and vote in his stead. A member of the Company who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend and vote in his place, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. A proxy need not be a member of the Company.

**“Relevant Intermediary”** has the meaning ascribed to it in Section 181 of the Companies Act.

- b. The instrument appointing a proxy must be deposited at the registered office of the Company at 7 Straits View, #20-01 Marina One East Tower, Singapore 018936, or at the office of the Share Registrar of the Company at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, not less than 48 hours before the time appointed for holding the AGM. In the case of members of the Company whose Shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy lodged if such members are not shown to have Shares entered against their names in the Depository Register as at 72 hours before the time appointed for holding the AGM as certified by The Central Depository (Pte) Limited to the Company.

- c. Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the **“Purposes”**); (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s)

for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

### Voting

- a. In compliance with Rule 730A(2) of the Listing Manual, the Company intends to call a poll on all resolutions to be passed at the AGM. The Company intends to conduct the poll electronically. Voting and vote tabulation procedures will be read and explained at the start of the AGM before voting begins. An independent scrutineer will be appointed to count and validate the votes at the AGM. If an electronic poll is conducted, the results of each resolution will be instantaneously displayed at the AGM, showing the total number of Shares represented by votes cast for and against each resolution as well as abstentions. Shareholders who are unable to attend the AGM may refer to the Company's announcement on SGXNet after the AGM.
- b. Shareholders who are unable to attend the AGM are entitled to appoint proxies to attend and vote at the AGM on their behalf by duly completing the Proxy Form. All valid votes cast by proxies on each resolution will be counted. Accordingly, shareholders may ensure that their views are counted by appointing a proxy to cast the votes on their behalf. The duly completed Proxy Form must be deposited at the Company's registered office at 7 Straits View, #20-01 Marina One East Tower, Singapore 018936, or at the office of the Company's Share Registrar at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623. Please complete and return your Proxy Form as soon as possible and in any event not less than 48 hours before the time appointed for the AGM. Please refer to the Proxy Form for further information.

### Website

The Company's website, [www.olamgroup.com](http://www.olamgroup.com), provides more information about the Company, including the latest Annual Report, the Notice of AGM and the Proxy Form.

### Admission to the AGM

Please arrive with sufficient time to allow registration. Please bring your attendance and identification documentation with you.

## Explanatory notes of the resolutions to be proposed at the AGM

Resolutions 1 to 13 are proposed as ordinary resolutions. For an ordinary resolution to be passed, more than half of the votes cast must be in favour of the resolution.

### (i) Ordinary Resolution 1

The Companies Act requires the audited consolidated financial statements of the Company for each financial year to be tabled before the shareholders in a general meeting. The audited consolidated financial statements are to be accompanied by the Directors' Statement and the Auditors' Report thereon. The Directors' Statement and the audited consolidated financial statements for the financial year ended 31 December 2017 together with the Auditors' Report thereon are provided in the Financial Report of the Annual Report. A copy may also be read on our website at [olamgroup.com/annual-report-2017/](http://olamgroup.com/annual-report-2017/).

### (ii) Ordinary Resolution 2

Ordinary Resolution 2 is to declare a final tax exempt dividend of 4 cents per Share for the financial year ended 31 December 2017 ("FY 2017"). Together with the sum of 3.5 cents per Share of interim dividend declared for the second quarter FY 2017, the total dividend for FY 2017 is 7.5 cents per Share (approximately S\$223 million). The Company does not have a fixed dividend policy. The Directors' policy is to recommend dividends consistent with the Company's overall governing objective of maximising intrinsic value for its continuing shareholders. Dividend payments are affected by matters such as the level of the Company's future earnings, results of operations, capital requirements, cash flows, financial conditions, the Company's plans for expansion, general business conditions and other factors, including such legal or contractual restrictions as may apply from time to time or which the Directors may consider appropriate in the interests of the Company. The Directors will consider all these factors before proposing any dividends. The Company may, by ordinary resolution at a general meeting of shareholders, declare dividends, but the amount of such dividends shall not exceed the amount recommended by the Directors. The Directors may also declare an interim dividend without seeking shareholders' approval. Potential investors should note that this statement is a statement of the Company's present intention and shall not constitute a legally binding commitment in respect of the Company's future dividends and dividend pay-out ratio which may be subject to modification (including reduction or non-declaration thereof) in the Directors' sole and absolute discretion. All dividends are distributed as tax-exempt dividends

in accordance with the Income Tax Act, Chapter 134 of Singapore.

### (iii) Ordinary Resolutions 3, 4, 5 and 6

Mr. Nihal Vijaya Devadas Kaviratne CBE will, upon re-election as a Director, continue his office as Non-Executive and Independent Director and will remain as a member of the Audit Committee ("AC") and Corporate Responsibility and Sustainability Committee ("CRSC"). He will be considered independent.

Mr. Yutaka Kyoya will, upon re-election as a Director, continue his office as Non-Executive Director. He will remain a member of the AC, CRSC and the Governance and Nomination Committee ("GNC").

Mr. Yap Chee Keong will, upon re-election as a Director, continue his office as Non-Executive and Independent Director and will remain as Chairman of the AC and a member of the Board Risk Committee ("BRC"), Capital and Investment Committee ("CIC") and GNC. He will be considered independent.

Ms. Marie Elaine Teo will, upon re-election as a Director, continue her office as Non-Executive and Independent Director and will remain as Chairman of the BRC and a member of the CIC and CRSC. She will be considered independent.

Please refer to the Governance Report of the 2017 Annual Report for the profile of each of Messrs. Nihal Vijaya Devadas Kaviratne CBE, Yutaka Kyoya, Yap Chee Keong and Marie Elaine Teo.

### (iv) Ordinary Resolution 7

Mr. Mitsumasa Icho will, upon re-election as a Director, continue his office as Non-Executive Director and will remain as a member of the BRC, CIC and Human Resource and Compensation Committee.

Please refer to the Governance Report of the 2017 Annual Report for the profile of Mr. Mitsumasa Icho.

### (v) Ordinary Resolution 8

Ordinary Resolution 8 seeks the payment of up to S\$2,000,000 to all Directors (other than the Executive Directors) as Directors' fees for FY 2018. The Directors' fees approved for FY 2017 were S\$2,000,000 with the aggregate fees paid quarterly in arrears to the Non-Executive Directors for FY 2017 entirely in cash amounted to S\$1,697,600. The exact amount of Directors' fees received by each Director for FY 2017 is disclosed in full on page 21 of the Governance Report of the 2017 Annual Report. Ordinary Resolution 8, if passed, will facilitate the quarterly payment in arrears of Directors' fees during FY 2018 in which the fees are incurred. The amount of Directors' fees is computed based on the fee

## Shareholding information continued

### Notice of Annual General Meeting continued

structure as reported on page 21 of the Governance Report of the 2017 Annual Report. The Directors' fees proposed for payment also include the proposed increase in the fees payable to the BRC Chair and members from FY 2018, details of which are provided on page 21 of the Governance Report of the 2017 Annual Report as well as an additional provision of approximately fifteen per cent. (15%) for developments in the year (such as additional meetings of the Board and Board Committees and Board offsites, the appointment of additional Directors and/or the formation of ad-hoc and additional Board Committees) during FY 2018. Notwithstanding the proposed increase in fees payable to the BRC Chair and members from FY 2018, the overall Directors' fees proposed to be approved remained unchanged from FY 2017. The fees of the Directors shall not be increased except pursuant to an ordinary resolution passed at a General Meeting.

#### (vi) Ordinary Resolution 9

Ordinary Resolution 9 seeks the re-appointment of Ernst & Young LLP as independent auditors to the Company (the "**Auditors**") and requests authority for the Directors to set the remuneration of the Auditors. The Board is careful that the Auditors' independence should not be compromised and the AC takes responsibility for reviewing the performance of the Auditors and making recommendations about the scope of their work and fees. The Audit Committee has recommended to the Board that the appointment of Ernst & Young LLP should be renewed until the conclusion of the next AGM.

#### (vii) Ordinary Resolution 10

Ordinary Resolution 10, if passed, will empower the Directors, effective until the earlier of (1) the conclusion of the next AGM, or (2) the date by which the next AGM is required by law to be held (unless such authority is varied or revoked by the Company in a general meeting), to issue Shares, make or grant Instruments convertible into Shares and to issue Shares pursuant to such Instruments, up to a number not exceeding, in total, fifty per cent. (50%) of the total number of issued Shares, of which up to ten per cent. (10%) may be issued other than on a pro rata basis to shareholders. Although the Listing Manual enables the Company to seek a mandate to permit its Directors to issue shares up to the fifty per cent.

(50%) limit if made on a pro rata basis to shareholders, and up to a sub-limit of twenty per cent. (20%) if made other than on a *pro rata* basis to shareholders, the Company is nonetheless only seeking a sub-limit of ten per cent. (10%).

For determining the aggregate number of Shares that may be issued, the total number of issued Shares will be calculated based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time this Ordinary Resolution 10 is passed after adjusting for new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time when this Ordinary Resolution 10 is passed and any subsequent bonus issue, consolidation or subdivision of Shares.

#### (viii) Ordinary Resolution 11

Ordinary Resolution 11, if passed, will empower the Directors from the date of the passing of this Ordinary Resolution 11 until the earlier of the date of the next AGM, or the date by which the next AGM is required by law to be held, to purchase or otherwise acquire, by way of Market Purchases or Off-Market Purchases, up to five per cent. (5%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the passing of this Ordinary Resolution 11 on the terms of the Share Buyback Mandate as set out in the Letter to Shareholders dated 10 April 2018 accompanying this Notice of AGM (the "**Letter**"), unless such authority is earlier revoked or varied by the shareholders of the Company in a general meeting.

The Company may use internal sources of funds or borrowings or a combination of both to finance the Company's purchase or acquisition of Shares pursuant to the Share Buyback Mandate. The amount of financing required for the Company to purchase or acquire its Shares, and the impact on the Company's financial position, cannot be ascertained as at the date of this Notice of AGM as these will depend on, *inter alia*, the aggregate number of Shares purchased, whether the purchase is made out of capital or profits, the purchase prices paid for such Shares, the amount (if any) borrowed by the Company to fund the purchases or acquisitions and whether the Shares purchased or acquired are cancelled or held as treasury shares. For illustrative

purposes only, the financial effects of an assumed purchase or acquisition of the maximum number of Shares, at a purchase price equivalent to the Maximum Price per Share, in the case of a Market Purchase and an Off-Market Purchase respectively, based on the audited financial statements of the Company and its subsidiaries for FY 2017 and certain assumptions, are set out in paragraph 2.4.6 of the Letter.

**(ix) Ordinary Resolution 12**

Ordinary Resolution 12, if passed, will empower the Directors to issue Shares from time to time pursuant to the Olam Scrip Dividend Scheme to shareholders who, in respect of a qualifying dividend, have elected to receive Shares in lieu of the cash amount of that qualifying dividend. Unless varied or revoked by the Company in a general meeting, such authority shall remain effective until the conclusion of the next AGM or the date by which the next AGM is required by law to be held, whichever is the earlier. Please refer to the circular to shareholders of the Company dated 7 October 2009 for the terms and conditions of the Olam Scrip Dividend Scheme.

**(x) Ordinary Resolution 13**

The Olam Share Grant Plan was adopted at the AGM held on 30 October 2014. Other than the Olam Share Grant Plan, the Company does not have any other share scheme which is currently in force. Ordinary Resolution 13, if passed, will empower the Directors to grant awards under the Olam Share Grant Plan and to issue new Shares in respect of such awards, subject to the limitations described in this Ordinary Resolution 13. Unless such authority has been varied or revoked by the Company in a general meeting,

such authority shall expire at the conclusion of the next AGM, or the date by which the next AGM is required by law to be held, whichever is the earlier.

More details on the Olam Share Grant Plan may be found in the Governance Report and the Financial Report of the 2017 Annual Report.

## **NOTICE OF BOOKS CLOSURE**

As stated in the Notice of Books Closure set out in the Company's announcement dated 27 February 2018, the Company wishes to notify shareholders that the Share Transfer Books and Register of Members of the Company will be closed at **5.00 p.m. on 4 May 2018** for the preparation of dividend warrants. Duly completed registrable transfers of Shares received by the Company's Share Registrar, Boardroom Corporate & Advisory Services (Pte) Ltd, at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, up to **5.00 p.m. on 4 May 2018** will be registered to determine members' entitlements to the proposed final dividend. Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with Shares at **5.00 p.m. on 4 May 2018** will be entitled to the proposed final dividend. Payment of the final dividend, if approved by the members at the AGM to be held on **25 April 2018**, will be made on 11 May 2018.





# Proxy Form

## Olam International Limited

(Company Registration No. 199504676H)  
(Incorporated in The Republic of Singapore with limited liability)

### IMPORTANT:

For Central Provident Fund ("CPF") and/or Supplementary Retirement Scheme ("SRS") investors who have used their CPF/SRS monies to buy ordinary shares in the capital of Olam International Limited ("Shares"), this Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors should contact their respective Agent Banks/SRS Operators if they have any queries as to how they may be appointed as proxies.

(Please see notes overleaf before completing this Form)

\*I/We, \_\_\_\_\_  
Of \_\_\_\_\_

being a \*member/members of Olam International Limited (the "Company"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing \*him/her, the Chairman of the Twenty-Third Annual General Meeting of the Company (the "Meeting") as \*my/our \*proxy/proxies to vote for \*me/us on \*my/our behalf at the Meeting to be held on Wednesday, 25 April 2018 at 10.00 a.m. at Ballroom 1, The Westin Singapore, 12 Marina View, Asia Square Tower 2, Singapore 018961, and at any adjournment thereof.

\*I/We direct \*my/our \*proxy/proxies to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the \*proxy/proxies will vote or abstain from voting at \*his/her discretion.

(If you wish to exercise all your votes "For" or "Against" the relevant Resolution, please tick [✓] within the box provided. Alternatively, if you wish to exercise your votes both "For" and "Against" the relevant Resolution, please indicate the number of Shares in the boxes provided.)

No.	Resolutions relating to:	For	Against
<b>Ordinary Business</b>			
1.	Directors' Statement and the Audited Consolidated Financial Statements of the Company for the financial year ended 31 December 2017 ("FY 2017") together with the Auditors' Report thereon		
2.	Payment of a second and final dividend of 4 cents per share for FY 2017		
3.	Re-election of Mr. Nihal Vijaya Devadas Kaviratne CBE as a Director retiring under Article 103		
4.	Re-election of Mr. Yutaka Kyoya as a Director retiring under Article 103		
5.	Re-election of Mr. Yap Chee Keong as a Director retiring under Article 103		
6.	Re-election of Ms. Marie Elaine Teo as a Director retiring under Article 103		
7.	Re-election of Mr. Mitsumasa Icho as a Director retiring under Article 109		
8.	Approval of payment of Directors' fees of up to S\$2,000,000 for the financial year ending 31 December 2018		
9.	To re-appoint Messrs Ernst & Young LLP as the auditors of the Company		
<b>Special Business</b>			
10.	General authority to issue Shares		
11.	Renewal of the Share Buyback Mandate		
12.	Authority to issue Shares under the Olam Scrip Dividend Scheme		
13.	Authority to issue Shares under the Olam Share Grant Plan		

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2018

Total number of Shares Held

\_\_\_\_\_  
Signature of Shareholder(s) or  
Common Seal of Corporate Shareholder

\* Delete where inapplicable

**IMPORTANT: Please read the notes overleaf before completing this Proxy Form.**

## PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 10 April 2018.

## Notes:

1. Please insert the total number of Shares held by you. If you only have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), you should insert that number of Shares. If you only have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you (in both the Register of Members and the Depository Register).
2. A member of the Company (other than a relevant intermediary\*) entitled to attend and vote at a meeting of the Company is entitled to appoint one (1) or two (2) proxies to attend and vote instead of him/her. A proxy need not be a member of the Company. Any appointment of a proxy by an individual member attending in person shall be null and void and such proxy shall not be entitled to vote at the meeting.
3. Where a member (other than a relevant intermediary\*) appoints two (2) proxies, the appointment shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy. A relevant intermediary may appoint more than two (2) proxies to attend and vote at a meeting of the Company, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number or class of shares shall be specified).
4. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 7 Straits View, #20-01 Marina One East Tower, Singapore 018936, or at the office of the Share Registrar of the Company at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, not less than 48 hours before the time appointed for the Meeting.
5. (i) The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing.  
(ii) Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.  
(iii) Where the instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or the power of attorney or other authority, if any, or a duly certified true copy thereof shall (failing previous registration with the Company) be duly stamped (if required by law) and be deposited at the registered office of the Company or at the office of the share registrar, not less than 48 hours before the time for holding the Meeting or adjourned meeting at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid.
6. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.
7. Subject to note 2, completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the Meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.

\* The term "relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore.

## General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. The Company shall not be responsible to confirm nor be liable for the rejection of any incomplete or invalid proxy instrument. In addition, in the case of Shares entered in the Depository Register, the Company shall reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

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