



## **OLAM INTERNATIONAL LIMITED**

(Incorporated in the Republic of Singapore)  
(Company Registration Number: 199504676H)

### **Directors:**

Lim Ah Doo (Chairman and Independent Non-Executive Director)  
Sunny George Verghese (Co-Founder, Executive Director and Group Chief Executive Officer)  
Jean-Paul Pinard (Independent Non-Executive Director)  
Sanjiv Misra (Independent Non-Executive Director)  
Nihal Vijaya Devadas Kaviratne, CBE (Independent Non-Executive Director)  
Yap Chee Keong (Independent Non-Executive Director)  
Marie Elaine Teo (Independent Non-Executive Director)  
Yutaka Kyoya (Non-Executive Director)  
Kazuo Ito (Non-Executive Director)  
Shekhar Anantharaman (Executive Director)  
Nagi Hamiyeh (Non-Executive Director)  
Ajai Puri (Independent Non-Executive Director)  
Joerg Wolle (Independent Non-Executive Director)

### **Registered Office:**

7 Straits View  
Marina One East Tower, #20-01  
Singapore 018936

28 April 2020

To: The Shareholders of Olam International Limited

Dear Sir/Madam,

### **LETTER TO SHAREHOLDERS IN RELATION TO:**

- (1) THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE;**
- (2) THE PROPOSED AMENDMENTS TO THE SHARE GRANT PLAN; AND**
- (3) THE PROPOSED ADOPTION OF THE IPT MANDATE**

*All capitalised terms herein shall bear the meanings ascribed to them in the Schedule titled "Definitions" to this Letter.*

### **1. INTRODUCTION**

1.1 The Directors wish to refer Shareholders to:

- (a) the Notice of 2020 AGM convening the 2020 AGM;
- (b) Ordinary Resolution 12 as set out in the Notice of 2020 AGM in relation to the proposed renewal of the Share Buyback Mandate;
- (c) Ordinary Resolution 13 as set out in the Notice of 2020 AGM in relation to the proposed amendments to the Share Grant Plan; and
- (d) Ordinary Resolution 15 as set out in the Notice of 2020 AGM in relation to the proposed adoption of the IPT Mandate.

- 1.2 The purpose of this Letter is to provide Shareholders with information relating to Ordinary Resolutions 12, 13 and 15 to be tabled at the 2020 AGM (collectively, the “**Proposals**”), and may not be relied upon by any persons (other than Shareholders) or for any other purpose.

**If you are in any doubt as to the contents herein or as to the course of action that you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.**

If you have sold or transferred all your Shares, you should immediately forward this Letter to the purchaser or the transferee or to the stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

- 1.3 The SGX-ST assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Letter.

## **2. THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE**

### **2.1 The Proposed Renewal of the Share Buyback Mandate**

It is a requirement under the Companies Act that a company which wishes to purchase or otherwise acquire its own shares has to obtain the approval of its shareholders to do so at a general meeting of its shareholders. At the extraordinary general meeting of the Company held on 29 October 2009, the Shareholders had approved a mandate to allow the Company to purchase or otherwise acquire Shares. The mandate was last renewed at the 2019 AGM, and will, unless renewed again, expire on the date of the 2020 AGM.

In this regard, approval is now being sought from Shareholders for the proposed renewal of the Share Buyback Mandate at the 2020 AGM. Ordinary Resolution 12 as set out in the Notice of 2020 AGM will be proposed, pursuant to which authority will be given to the Directors to exercise all powers of the Company to purchase or otherwise acquire its Shares on the terms of the Share Buyback Mandate.

### **2.2 Rationale for the Proposed Renewal of the Share Buyback Mandate**

The approval of the proposed renewal of the Share Buyback Mandate authorising the Company to purchase or acquire its Shares will give the Company the flexibility to undertake Share purchases or acquisitions up to the 5% limit described in paragraph 2.3.1 below at any time, during the period when the Share Buyback Mandate is in force.

The rationale for the Company to undertake the purchase or acquisition of its Shares is as follows:

- (a) in managing the business of the Group, the management team strives to increase Shareholders’ value by improving, *inter alia*, the return on equity of the Group. A Share purchase is one of the ways in which the return on equity of the Group may be enhanced;
- (b) the Company has at present a share incentive scheme for its employees, namely the Share Grant Plan as well as outstanding and unexercised share options issued under its former ESOS 2005. Under the rules of the Share Grant Plan and the ESOS 2005, and subject to prevailing legislation, the Constitution and the Listing Manual, the Company has the discretion to either issue new Shares, deemed fully paid upon issuance and allotment, or transfer existing Shares (whether held as treasury shares or otherwise) in satisfaction of the Awards or the ESOS 2005 Options (as the case may be). Shares bought back under the Share Buyback Mandate can therefore be held by the Company as treasury shares for this purpose, thus giving the Company greater flexibility in this regard. The Company may also utilise the Shares held in treasury to remunerate Directors, subject to compliance with the applicable laws and regulations;

- (c) the Share Buyback Mandate is an expedient, effective and cost-efficient way for the Company to return to Shareholders surplus cash/funds which is/are over and above its ordinary capital requirements and in excess of the financial and possible investment needs of the Group, if any. In addition, the Share Buyback Mandate will also allow the Company to have greater flexibility over, *inter alia*, the Company's share capital structure and its dividend policy; and/or
- (d) share buyback mandates help mitigate short-term market volatility, offset the effects of short-term speculation and bolster shareholder confidence.

While the Share Buyback Mandate would authorise a purchase or acquisition of Shares up to the said 5% limit during the duration referred to in paragraph 2.3.2 below, Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Buyback Mandate may not be carried out to the full 5% limit as authorised, and the purchases or acquisitions of Shares pursuant to the Share Buyback Mandate will only be made as and when the Directors consider it to be in the best interests of the Company and/or Shareholders and in circumstances which they believe will not result in any material adverse effect on the financial condition of the Company or the Group, or result in the Company being delisted from the SGX-ST.

## **2.3 Authority and Limits on the Share Buyback Mandate**

The authority and limitations placed on purchases or acquisitions of Shares by the Company under the Share Buyback Mandate are summarised below:

### **2.3.1 Maximum Number of Shares**

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company. The total number of Shares which may be purchased or acquired pursuant to the Share Buyback Mandate is limited to that number of Shares representing not more than 5% of the total number of issued Shares as at the date of the 2020 AGM (excluding treasury shares and subsidiary holdings) at which the renewal of the Share Buyback Mandate is approved, unless the Company has, at any time during the Relevant Period, reduced its share capital by a special resolution under Section 78C of the Companies Act, or the court has, at any time during the Relevant Period, made an order under Section 78I of the Companies Act confirming the reduction of share capital of the Company, in which event the total number of issued Shares shall be taken to be the total number of issued Shares as altered by the special resolution of the Company or the order of the court, as the case may be. Any Shares which are held as treasury shares and subsidiary holdings will be disregarded for the purposes of computing the 5% limit.

For illustrative purposes only, based on the general rule in the foregoing paragraph, on the basis of 3,195,623,619 Shares in issue (this excludes 75,395,038 treasury shares and there are no subsidiary holdings) as at the Latest Practicable Date and assuming no further Shares are issued on or prior to the date of the 2020 AGM, not more than 159,781,180 Shares (representing 5% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at that date) may be purchased or acquired by the Company pursuant to the proposed Share Buyback Mandate during the Relevant Period.

### 2.3.2 ***Duration of Authority***

Purchases or acquisitions of Shares pursuant to the Share Buyback Mandate may be made, at any time and from time to time, on and from the date of the 2020 AGM at which the renewal of the Share Buyback Mandate is approved, up to:

- (a) the date on which the next AGM is held or is required by law to be held;
- (b) the date on which the authority conferred by the Share Buyback Mandate is revoked or varied by the Shareholders in a general meeting; or
- (c) the date on which the purchases or acquisitions of Shares pursuant to the Share Buyback Mandate are carried out to the full extent mandated,

whichever is the earliest.

The authority conferred on the Directors by the Share Buyback Mandate to purchase or acquire Shares may be renewed by the Shareholders in any general meeting of the Company, such as at the next AGM or at an extraordinary general meeting to be convened immediately after the conclusion or adjournment of the next AGM. When seeking the approval of the Shareholders for the renewal of the Share Buyback Mandate, the Company is required to disclose details pertaining to purchases or acquisitions of Shares pursuant to the proposed Share Buyback Mandate made during the previous 12 months, including the total number of Shares purchased or acquired, the purchase price per Share or the highest and lowest prices paid for such purchases or acquisitions of Shares, where relevant, and the total consideration paid for such purchases or acquisitions.

### 2.3.3 ***Manner of Purchase or Acquisition***

Purchases or acquisitions of Shares may be made by way of:

- (a) on-market purchases ("**Market Purchases**"), transacted on the SGX-ST through the ready market, and which may be transacted through one or more duly licensed stock brokers appointed by the Company for the purpose, in accordance with Section 76E of the Companies Act; and/or
- (b) off-market purchases ("**Off-Market Purchases**"), effected pursuant to an equal access scheme in accordance with Section 76C of the Companies Act.

The Directors may impose such terms and conditions which are not inconsistent with the Share Buyback Mandate, the Listing Manual, the Companies Act and the Constitution, as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme or schemes. An Off-Market Purchase must, however, satisfy all of the following conditions:

- (i) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;
- (ii) all of the abovementioned persons shall be given a reasonable opportunity to accept the offers made to them; and
- (iii) the terms of all the offers shall be the same, except that there shall be disregarded differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements, differences in consideration attributable to the fact that offers relate to Shares with different amounts remaining unpaid and differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

Pursuant to the Listing Manual, if the Company wishes to make an Off-Market Purchase, it will issue an offer document to all Shareholders containing at least the following information:

- (1) the terms and conditions of the offer;
- (2) the period and procedures for acceptances;
- (3) the reasons for the proposed purchase or acquisition of Shares;
- (4) the consequences, if any, of the purchases or acquisitions of Shares by the Company that will arise under the Take-over Code or other applicable take-over rules;
- (5) whether the purchases or acquisitions of Shares, if made, could affect the listing of the Shares on the SGX-ST;
- (6) details of any purchases or acquisitions of Shares made by the Company in the previous 12 months (whether Market Purchases or Off-Market Purchases), giving the total number of Shares purchased or acquired, the purchase price per Share or the highest and lowest prices paid for the purchases or acquisitions of Shares, where relevant, and the total consideration paid for the purchases or acquisitions; and
- (7) whether the Shares purchased or acquired by the Company will be cancelled or kept as treasury shares.

#### **2.3.4 Maximum Purchase Price**

The purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses (“**related expenses**”)) to be paid for a Share will be determined by the Directors. However, the purchase price to be paid for the Shares pursuant to the purchases or acquisitions of the Shares must not exceed 105% of the Average Closing Price (the “**Maximum Price**”).

For the above purposes:

“**Average Closing Price**” means the average of the closing market prices of the Shares over the last five (5) Market Days, 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 during the relevant five (5) Market Days and the day on which the On-Market Purchase was made.<sup>1</sup>

“**day of the making of the offer**” 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 each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

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<sup>1</sup> The definition of “Average Closing Price” has been amended to align with the amendments to Rule 884(2) of the Listing Manual, which came into effect on 7 February 2020.

### **2.3.5 Status of Purchased Shares**

A Share purchased or acquired by the Company is deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Share will expire on such cancellation) unless such Share is held by the Company as a treasury share. At the time of each purchase or acquisition of Shares by the Company, the Directors will decide whether the Shares purchased or acquired will be cancelled or kept as treasury shares, or partly cancelled and partly kept as treasury shares, depending on the needs of the Company at that time. The total number of issued Shares will be diminished by the number of issued Shares purchased or acquired by the Company which are not held as treasury shares. It is presently intended by the Company that all or most of the Shares which are purchased or acquired by the Company under the Share Buyback Mandate will be held as treasury shares, up to the maximum number of treasury shares permitted by law to be held by the Company.

All Shares purchased or acquired by the Company (unless held as treasury shares by the Company to the extent permitted under the Companies Act) will be automatically delisted by the SGX-ST, and certificates (if any) in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following the settlement of any such purchase or acquisition.

## **2.4 Treasury Shares**

Under the Companies Act, Shares purchased or acquired by the Company may be held or dealt with as treasury shares. Some of the provisions on treasury shares under the Companies Act are summarised below:

### **2.4.1 Maximum Holdings**

The number of Shares held as treasury shares cannot at any time exceed 10% of the total number of issued Shares.

### **2.4.2 Voting and Other Rights**

The Company cannot exercise any rights in respect of treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings, and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution of the Company's assets may be made, to the Company in respect of treasury shares. However, the allotment of Shares as fully-paid bonus shares in respect of treasury shares is allowed. Also, a subdivision or consolidation of any treasury share into treasury shares of a greater or smaller number is allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

### **2.4.3 Disposal and Cancellation**

Where Shares are held as treasury shares, the Company may at any time:

- (a) sell the treasury shares for cash;

- (b) transfer the treasury shares for the purposes of, or pursuant to, any share scheme, whether for employees, Directors or other persons;
- (c) transfer the treasury shares as consideration for the acquisition of shares in, or assets of, another company or assets of a person;
- (d) cancel the treasury shares; or
- (e) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance.

#### **2.4.4 Reporting Requirements**

Within 30 days of the passing of a Shareholders' resolution to approve the purchases or acquisitions of Shares by the Company, the Directors shall lodge a copy of such resolution with the Registrar.

The Directors shall notify the Registrar within 30 days of a purchase or acquisition of Shares on the SGX-ST or otherwise. Such notification shall include details of the purchases or acquisitions including the date of the purchase or acquisition, the total number of Shares purchased or acquired by the Company, the number of Shares cancelled and the number of Shares held as treasury shares, the Company's issued share capital before and after the purchase or acquisition, the amount of consideration paid by the Company for the purchase or acquisition, and such other information as required by the Companies Act.

The Listing Manual specifies that a listed company shall notify the SGX-ST of all purchases or acquisitions of its Shares not later than 9.00 a.m.:

- (a) in the case of a Market Purchase, on the Market Day following the day on which the Market Purchase was made; and
- (b) in the case of an Off-Market Purchase, on the second Market Day after the close of acceptances of the offer for the Off-Market Purchase.

The notification of such purchases or acquisitions of Shares to the SGX-ST shall be in such form and shall include such details that the SGX-ST may prescribe. The Company shall make arrangements with its stockbrokers to ensure that they provide the Company in a timely fashion the necessary information which will enable the Company to make the notifications to the SGX-ST.

The Company, upon undertaking any sale, transfer, cancellation and/or use of treasury shares, will comply with Rule 704(28) of the Listing Manual, which provides that an issuer must make an immediate announcement thereof, stating the following:

- (i) date of the sale, transfer, cancellation and/or use;
- (ii) purpose of such sale, transfer, cancellation and/or use;
- (iii) number of treasury shares sold, transferred, cancelled and/or used;
- (iv) number of treasury shares before and after such sale, transfer, cancellation and/or use;



- (v) percentage of the number of treasury shares against the total number of Shares outstanding in a class that is listed before and after such sale, transfer, cancellation and/or use; and
- (vi) value of the treasury shares if they are used for a sale or transfer, or cancelled.

#### **2.4.5 Source of Funds**

The Company may only apply funds for the purchase or acquisition of Shares as provided in the Constitution and in accordance with the applicable laws in Singapore. The Company may not purchase or acquire its Shares for a consideration other than in cash or, in the case of a Market Purchase, for settlement otherwise than in accordance with the trading rules of the SGX-ST.

The Company may use internal sources of funds or external borrowings or a combination of both to finance the Company's purchase or acquisition of Shares pursuant to the Share Buyback Mandate. The Directors do not propose to exercise the Share Buyback Mandate to such an extent that it would have a material adverse effect on the working capital requirements of the Group.

#### **2.4.6 Financial Effects**

It is not possible for the Company to realistically calculate or quantify the impact of purchases or acquisitions of Shares that may be made pursuant to the Share Buyback Mandate on the NTA per Share and EPS as the resultant effect would depend on, *inter alia*, the aggregate number of Shares purchased or acquired, whether the purchase or acquisition 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.

The Company's total number of issued Shares and total issued share capital will be diminished by the total number of Shares purchased by the Company and which are not held as treasury shares. The NTA of the Group will be reduced by the aggregate purchase price (including any expenses such as brokerage and commission) paid by the Company for the Shares.

Under the Companies Act, purchases or acquisitions of Shares by the Company may be made out of the Company's capital or profits so long as the Company is solvent. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration will correspondingly reduce the amount available for the distribution of cash dividends by the Company.

The purchase or acquisition of Shares will only be effected by the Company after the Directors have considered relevant factors such as the working capital requirements, the availability of financial resources and the expansion and investment plans of the Group, and the prevailing market conditions. The proposed Share Buyback Mandate will be exercised with a view to enhance the EPS and/or the NTA per Share.



For illustrative purposes only, the financial effects of the Share Buyback Mandate on the Company and the Group, based on the audited financial statements of the Group for the financial year ended 31 December 2019 are based on the assumptions set out below:

- (a) based on 3,195,623,619 Shares in issue (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date and assuming no further Shares are issued and no reduction of share capital of the Company takes place, not more than 159,781,180 Shares (representing 5% of the total number of issued Shares as at the date of the 2020 AGM (excluding treasury shares and subsidiary holdings)) may be purchased by the Company pursuant to the Share Buyback Mandate (if renewed); and
- (b) assuming that the Company purchases or acquires 159,781,180 Shares at the Maximum Price of S\$1.49 for one Share (being the price equivalent to 5% above the Average Closing Price of the Shares for the five (5) consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of the 159,781,180 Shares (excluding related expenses) is approximately S\$238,073,958.

For illustrative purposes only, and based on the assumptions set out in subparagraphs (a) and (b) above and assuming that:

- (i) such purchase or acquisition of Shares is financed solely by internal sources of funds;
- (ii) the Share Buyback Mandate had been effective on 1 January 2019;
- (iii) the Company had purchased or acquired 159,781,180 Shares; and
- (iv) expenses (including brokerage or commission) incurred directly in the purchases or acquisitions by the Company of the Shares at the relevant time are not taken into account, the financial effects of the purchase or acquisition of 159,781,180 Shares by the Company on the audited financial statements of the Group and the Company for the financial year ended 31 December 2019 pursuant to the Share Buyback Mandate:
  - (1) by way of purchases made entirely out of profits and held as treasury shares;
  - (2) by way of purchases made entirely out of capital and held as treasury shares;
  - (3) by way of purchases made entirely out of profits and cancelled; and
  - (4) by way of purchases made entirely out of capital and cancelled,

are summarised for ease of reference in the following table:

Scenario	Purchased out of	Held as treasury shares or cancelled	Maximum price per Share (S\$)
1	Profits	Held as treasury shares	1.49
2	Capital	Held as treasury shares	1.49
3	Profits	Cancelled	1.49
4	Capital	Cancelled	1.49

the details of which are set out below:

**(1) Purchases made entirely out of profits and held as treasury shares**

	Group		Company	
	Before Share Buyback S\$'000	After Share Buyback S\$'000	Before Share Buyback S\$'000	After Share Buyback S\$'000
<b>As at 31 December 2019</b>				
Share capital	3,748,994	3,748,994	3,748,994	3,748,994
Existing treasury shares	(158,807)	(158,807)	(158,807)	(158,807)
Capital securities	1,045,867	1,045,867	1,045,867	1,045,867
Capital and other reserves	(1,145,393)	(1,145,393)	(243,111)	(243,111)
Retained earnings	2,941,327	2,703,253	4,100,258	3,862,184
	6,431,988	6,193,914	8,493,201	8,255,127
Treasury shares	–	238,074	–	238,074
Shareholders' funds	6,431,988	6,431,988	8,493,201	8,493,201
NTA	5,266,757	5,028,683	8,201,098	7,963,024
Minority interests	108,072	108,072	–	–
Current assets	16,248,563	16,010,489	8,751,849	8,513,775
Current liabilities	12,772,084	12,772,084	6,975,489	6,975,489
Working capital	3,476,479	3,238,405	1,776,360	1,538,286
Number of issued Shares	3,271,018,657	3,271,018,657	3,271,018,657	3,271,018,657
Weighted average number of Shares	3,186,355,548	3,186,355,548	3,186,355,548	3,186,355,548
<b>Financial ratios</b>				
NTA per Share (cents)	161.01	153.73	250.72	243.44
Current ratio (times)	1.27	1.25	1.25	1.22
EPS (cents)	14.75	14.75	–	–

**(2) Purchases made entirely out of capital and held as treasury shares**

	Group		Company	
	Before Share Buyback S\$'000	After Share Buyback S\$'000	Before Share Buyback S\$'000	After Share Buyback S\$'000
<b>As at 31 December 2019</b>				
Share capital	3,748,994	3,510,920	3,748,994	3,510,920
Existing treasury shares	(158,807)	(158,807)	(158,807)	(158,807)
Capital securities	1,045,867	1,045,867	1,045,867	1,045,867
Capital and other reserves	(1,145,393)	(1,145,393)	(243,111)	(243,111)
Retained earnings	2,941,327	2,941,327	4,100,258	4,100,258
	6,431,988	6,193,914	8,493,201	8,255,127
Treasury shares	–	238,074	–	238,074
Shareholders' funds	6,431,988	6,431,988	8,493,201	8,493,201
NTA	5,266,757	5,028,683	8,201,098	7,963,024
Minority interests	108,072	108,072	–	–
Current assets	16,248,563	16,010,489	8,751,849	8,513,775
Current liabilities	12,772,084	12,772,084	6,975,489	6,975,489
Working capital	3,476,479	3,238,405	1,776,360	1,538,286
Number of issued Shares	3,271,018,657	3,195,623,619	3,271,018,657	3,195,623,619
Weighted average number of Shares	3,186,355,548	3,186,355,548	3,186,355,548	3,186,355,548
<b>Financial ratios</b>				
NTA per Share (cents)	161.01	157.36	250.72	249.19
Current ratio (times)	1.27	1.25	1.25	1.22
EPS (cents)	14.75	14.75	–	–

**(3) Purchases made entirely out of profits and cancelled**

	Group		Company	
	Before Share Buyback S\$'000	After Share Buyback S\$'000	Before Share Buyback S\$'000	After Share Buyback S\$'000
<b>As at 31 December 2019</b>				
Share capital	3,748,994	3,748,994	3,748,994	3,748,994
Existing treasury shares	(158,807)	(158,807)	(158,807)	(158,807)
Capital securities	1,045,867	1,045,867	1,045,867	1,045,867
Capital and other reserves	(1,145,393)	(1,145,393)	(243,111)	(243,111)
Retained earnings	2,941,327	2,703,253	4,100,258	3,862,184
	6,431,988	6,193,914	8,493,201	8,255,127
Treasury shares	–	–	–	–
Shareholders' funds	6,431,988	6,193,914	8,493,201	8,255,127
NTA	5,266,757	5,028,683	8,201,098	7,963,024
Minority interests	108,072	108,072	–	–
Current assets	16,248,563	16,010,489	8,751,849	8,513,775
Current liabilities	12,772,084	12,772,084	6,975,489	6,975,489
Working capital	3,476,479	3,238,405	1,776,360	1,538,286
Number of issued Shares	3,271,018,657	3,035,842,439	3,271,018,657	3,035,842,439
Weighted average number of Shares	3,186,355,548	3,027,037,770	3,186,355,548	3,027,037,770
<b>Financial ratios</b>				
NTA per Share (cents)	161.01	165.64	250.72	262.30
Current ratio (times)	1.27	1.25	1.25	1.22
EPS (cents)	14.75	15.53	–	–

(4) Purchases made entirely out of capital and cancelled

	Group		Company	
	Before Share Buyback S\$'000	After Share Buyback S\$'000	Before Share Buyback S\$'000	After Share Buyback S\$'000
<b>As at 31 December 2019</b>				
Share capital	3,748,994	3,510,920	3,748,994	3,510,920
Existing treasury shares	(158,807)	(158,807)	(158,807)	(158,807)
Capital securities	1,045,867	1,045,867	1,045,867	1,045,867
Capital and other reserves	(1,145,393)	(1,145,393)	(243,111)	(243,111)
Retained earnings	2,941,327	2,941,327	4,100,258	4,100,258
	6,431,988	6,193,914	8,493,201	8,255,127
Treasury shares	–	–	–	–
Shareholders' funds	6,431,988	6,193,914	8,493,201	8,255,127
NTA	5,266,757	5,028,683	8,201,098	7,963,024
Minority interests	108,072	108,072	–	–
Current assets	16,248,563	16,010,489	8,751,849	8,513,775
Current liabilities	12,772,084	12,772,084	6,975,489	6,975,489
Working capital	3,476,479	3,238,405	1,776,360	1,538,286
Number of issued Shares	3,271,018,657	3,035,842,439	3,271,018,657	3,035,842,439
Weighted average number of Shares	3,186,355,548	3,027,037,770	3,186,355,548	3,027,037,770
<b>Financial ratios</b>				
NTA per Share (cents)	161.01	165.64	250.72	262.30
Current ratio (times)	1.27	1.25	1.25	1.22
EPS (cents)	14.75	15.53	–	–

Shareholders should note that the financial effects set out above are purely for illustrative purposes and based on the abovementioned assumptions. Although the Share Buyback Mandate, if renewed, would authorise the Company to purchase or acquire up to 5% of the total number of issued Shares (excluding treasury shares and subsidiary holdings), the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire 5% of the total number of its issued Shares (excluding treasury shares and subsidiary holdings). The Company may, subject to the requirements of the Companies Act, cancel all or part of the Shares repurchased and/or hold all or part of the Shares repurchased in treasury, at its discretion.

Shareholders who are in doubt as to their tax positions or any tax implications in their respective jurisdictions should consult their own professional advisers.

## 2.5 Take-over Implications

Appendix 2 to the Take-over Code contains the Share Buy-Back Guidance Note applicable as at the Latest Practicable Date. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below.

### 2.5.1 *Obligation to Make a Take-over Offer*

If, as a result of any purchase or acquisition by the Company of the Shares, the percentage of voting rights in the Company of a Shareholder and persons acting in concert with him increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code. Consequently, a Shareholder or a group of Shareholders acting in concert with a Director could obtain or consolidate effective control of the Company and become obliged to make an offer under Rule 14 of the Take-over Code.

### 2.5.2 *Persons Acting in Concert*

Under the Take-over Code, persons acting in concert ("**concert parties**") comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of the company.

Unless the contrary is established, the following persons, *inter alia*, will be presumed to be acting in concert:

- (a) a company with its parent company, its subsidiaries, its fellow subsidiaries, any associated companies of the foregoing companies, any company whose associated companies include any of the foregoing companies, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing for the purchase of voting rights;
- (b) a company with any of its directors, together with their close relatives, related trusts and any companies controlled by any of the directors, their close relatives and related trusts;
- (c) a company with any of its pension funds and employee share schemes;
- (d) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;
- (e) a financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of the adviser and the persons controlling, controlled by or under the same control as the adviser;
- (f) directors of a company, together with their close relatives, related trusts and companies controlled by any of them, which is subject to an offer or where they have reason to believe a bona fide offer for their company may be imminent;

- (g) partners; and
- (h) an individual, his close relatives, his related trusts, any person who is accustomed to act according to the instructions of the individual, companies controlled by any of the foregoing persons, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing persons and/or entities for the purchase of voting rights.

For this purpose, ownership or control of at least 20% but not more than 50% of the voting rights of a company will be regarded as the test of associated company status.

The circumstances under which Shareholders, including Directors and their concert parties respectively, will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code after a purchase or acquisition of Shares by the Company are set out in Appendix 2 to the Take-over Code.

### **2.5.3 Effect of Rule 14 and Appendix 2 to the Take-over Code**

In general terms, the effect of Rule 14 and Appendix 2 to the Take-over Code is that, unless exempted, Directors and their concert parties will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code if, as a result of the Company purchasing or acquiring Shares, the voting rights of such Directors and their concert parties would increase to 30% or more, or in the event that such Directors and their concert parties hold between 30% and 50% of the Company's voting rights, if the voting rights of such Directors and their concert parties would increase by more than 1% in any period of six (6) months.

Under Appendix 2 to the Take-over Code, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 of the Take-over Code if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of six (6) months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Buyback Mandate.

Based on substantial shareholding notifications received by the Company under Part VII of the Securities and Futures Act as at the Latest Practicable Date, as set out in paragraph 5 below, none of the Substantial Shareholders would become obliged to make a mandatory offer for the Company under Rule 14 of the Take-over Code as a result of the purchase or acquisition by the Company of the maximum limit of 5% of its issued Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date.

Shareholders who are in doubt as to their obligations, if any, to make a mandatory take-over offer under the Take-over Code as a result of any purchase or acquisition of Shares by the Company should consult the Securities Industry Council of Singapore and/or their professional advisers at the earliest opportunity.



## 2.6 Listing Manual

While the Listing Manual does not expressly prohibit purchases or acquisitions of shares by a listed company during any particular time or times, because a listed company would be considered an “insider” in relation to any proposed purchase or acquisition of its issued shares, the Company will not purchase or acquire any Shares pursuant to the Share Buyback Mandate after a development which could have a material effect on the price of the Shares has occurred or has been the subject of consideration and/or a decision of the Board of Directors until such time as such information has been publicly announced, where such purchase or acquisition will be in contravention of the insider trading laws and regulations contained in the Securities and Futures Act and its subsidiary legislation, as amended or modified from time to time. In particular, in line with Rule 1207(19)(c) of the Listing Manual, the Company will not purchase or acquire any Shares through Market Purchases during the period one (1) month before the announcement of the Company’s half year and full year financial statements.

The Company is required under Rule 723 of the Listing Manual to ensure that at least 10% of its Shares are in the hands of the public (“**public float**”).

Based on the Register of Directors’ Shareholdings and the Register of Substantial Shareholders maintained by the Company as at the Latest Practicable Date, the public float was approximately 10.41%.

Notwithstanding the current level of the public float, the Company believes that having the flexibility to conduct more buybacks under appropriate circumstances will be beneficial to the Company. The Company will continue to closely monitor the public float prior to undertaking any purchases or acquisitions of Shares through Market Purchases pursuant to the Share Buyback Mandate. The Company will consider investor interests when maintaining a liquid market in its securities, and will ensure that there is sufficient public float so that the purchases or acquisitions of Shares will not adversely affect the listing status of the Shares on the SGX-ST, cause market illiquidity or adversely affect the orderly trading of the Shares. **In particular, the Company will not undertake any purchase or acquisition of Shares under the Share Buyback Mandate (if approved) if the public float is below 10%, or if any such purchase or acquisition of Shares will result in the public float falling below 10%.**

## 2.7 Previous Share Buybacks

For the period of 12 months immediately preceding the Latest Practicable Date, the Company had purchased or acquired an aggregate of 4,255,100 Shares pursuant to the Share Buyback Mandate approved at the 2019 AGM by way of Market Purchases only, all of which were kept as treasury Shares upon purchase. The highest and lowest prices paid were S\$2.00 and S\$1.75 per Share respectively, and the total consideration paid was S\$8,266,766.41 (including commission, clearing charges, brokerage and goods and services tax).

### **3. THE PROPOSED AMENDMENTS TO THE SHARE GRANT PLAN**

#### **3.1 Background**

The Share Grant Plan was adopted by Shareholders at the AGM held on 30 October 2014. Awards granted under the Share Grant Plan represent the right of a participant to receive fully paid Shares, their equivalent cash value or combinations thereof, free of charge, provided that certain prescribed target(s) (if any) (including performance targets in the case of a performance-related share grant) are met and upon the expiry of the prescribed vesting periods.

#### **3.2 Proposed Amendments**

Eligibility to participate in the Share Grant Plan is currently limited to employees and executive directors of any member of the Group or Associated Company who (a) have attained the legal age of 21 years on or before the Award Date; and (b) are seconded to any other company outside the Group in which the Company and/or the Group has an equity interest, at the absolute discretion of the committee appointed to administer the Share Grant Plan (the "**Committee**"). The Share Grant Plan is proposed to be amended to enable non-executive directors of the Group (the "**Group Non-Executive Directors**") to participate in the Share Grant Plan. The Company is also taking this opportunity to update the Share Grant Plan to take into account the relevant changes to the Companies Act introduced since the Share Grant Plan was adopted to ensure consistency with the listing rules of the SGX-ST as at the Latest Practicable Date as well as to streamline and rationalise certain other provisions.

The text of the Rules of the Share Grant Plan which are proposed to be amended is set out in Appendix 1 to this Letter, with the proposed additions underlined and proposed deletions struck-through. The proposed amendments to the Share Grant Plan are subject to Shareholders' approval.

#### **3.3 Rationale**

The purpose of the proposed amendments to the Share Grant Plan is to permit grants of fully paid Shares to be made to the Group Non-Executive Directors as part of their remuneration in respect of their office. The incorporation of an equity component in the total remuneration of the Group Non-Executive Directors' fees will help to align the interests of such Group Non-Executive Directors with the interests of the Shareholders.

Where an award is to be made to a Group Non-Executive Director under the Share Grant Plan as part of his directors' remuneration in lieu of cash, the current intention is that approximately 30% (or such other percentage as may be determined for the relevant financial year) of his remuneration for a particular financial year will be paid out in the form of Shares comprised in such awards (with the balance being paid out in cash). The current intention is that these awards will consist of the grant of fully paid Shares outright, with no performance conditions attached and no vesting periods imposed. The Committee may however impose other conditions as it may determine in relation to such awards.

Where Shareholders' approval for directors' fees payable to the non-executive directors of the Company is sought at an AGM and where the intention is that such fees will comprise an equity component, the formula for converting the relevant amount from cash into Shares issued under the Share Grant Plan will be disclosed in the relevant notice of AGM.

### **3.4 Directors' Fees for FY2020**

For the directors' fees payable to the non-executive directors of the Company for the current financial year ending 31 December 2020, subject to the passing of Ordinary Resolution 13 at the 2020 AGM (and Ordinary Resolution 8 on directors' fees), the equity component (comprising approximately 30% of the directors' fees) is intended to be paid after the 2020 AGM with the actual number of Shares to be awarded to each such Group Non-Executive Director holding office at the time of the payment to be determined by reference to the volume weighted average price of a Share on SGX-ST over the 10 trading days after the date of the announcement by the Company of its unaudited full year financial statements for the financial year ending 31 December 2020. The number of Shares to be awarded will be rounded down to the nearest hundred and any residual balance will be settled in cash. In the event any Group Non-Executive Director leaves the Company prior to the acquisition of the Shares, the directors' fees due to him up to his date of cessation will be paid to him in cash. Each such Group Non-Executive Director is committed to holding, during his tenure, Shares awarded under the Share Grant Plan of a value pegged to approximately his annual directors' fees.

## **4. THE PROPOSED ADOPTION OF THE IPT MANDATE**

### **4.1 Introduction**

Chapter 9 of the Listing Manual provides that an issuer may seek a general mandate from its shareholders to enable the Company, its subsidiaries and associated companies which are considered to be "entities at risk" (as that term is defined in Chapter 9 of the Listing Manual) to enter into recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations (the "**IPT Mandate**") with the interested persons named in such IPT Mandate.

The Group envisages that it will enter into Mandated IPTs with the Mandated Interested Persons from time to time and in the ordinary course of business. In view of the time-sensitive and recurrent nature of these commercial transactions and the need for efficient conduct of business, it would be advantageous for the Group to obtain the IPT Mandate for the Group as it will eliminate, among others, the need for the Company to convene separate general meetings on each occasion to seek Shareholders' approval as and when the Mandated IPTs arise, provided that such transactions are on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

**4.2** Appendix 2 sets out greater details of the IPT Mandate, including the names of the Mandated Interested Persons, category of the Mandated IPTs, guidelines and review procedures for determining transaction prices with the Mandated Interested Persons and other general information relating to Chapter 9 of the Listing Manual.

### **4.3 Statement of the Audit Committee**

The Audit Committee of the Company (other than Mr. Yutaka Kyoya who, being a nominee of Mitsubishi Corporation, has abstained from this review) has reviewed the terms of, rationale for and benefits of the IPT Mandate, and confirms that it concurs with the view of the Independent Financial Adviser that the methods or procedures for determining the transaction prices of Mandated IPTs, if adhered to, are sufficient to ensure that such transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

## 5. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

The interests of the Directors and the Substantial Shareholders in the Shares as at the Latest Practicable Date are set out below:

	Direct		Deemed	
	Number of Shares	% of total issued Shares <sup>(1)</sup>	Number of Shares	% of total issued Shares <sup>(1)</sup>
<b><u>Directors</u></b>				
Lim Ah Doo	139,300	0.00436	–	–
Sunny George Verghese	136,530,385	4.27242	–	–
Jean-Paul Pinard	1,143,734	0.03579	–	–
Sanjiv Misra	45,799	0.00143	–	–
Nihal Vijaya Devadas Kaviratne, CBE	23,842	0.00075	–	–
Yap Chee Keong	65,501	0.00205	–	–
Marie Elaine Teo	47,482	0.00149	–	–
Yutaka Kyoya	–	–	–	–
Kazuo Ito	–	–	–	–
Shekhar Anantharaman	16,769,702	0.52477	–	–
Nagi Hamiyeh	–	–	–	–
Ajai Puri	4,117	0.00013	–	–
Joerg Wolle	4,586	0.00014	–	–
<b><u>Substantial Shareholders</u></b>				
Breedens Investments Pte. Ltd. <sup>(2)</sup>	1,394,271,494	43.63	–	–
Aranda Investments Pte. Ltd. <sup>(2)</sup>	312,814,360	9.79	–	–
Seletar Investments Pte Ltd <sup>(2)</sup>	–	–	1,707,085,854	53.42
Temasek Capital (Private) Limited <sup>(2)</sup>	–	–	1,707,085,854	53.42
Temasek Holdings (Private) Limited <sup>(2)</sup>	–	–	1,707,085,854	53.42
Mitsubishi Corporation	554,689,829	17.36	–	–
Allan & Gill Gray (Foundation) (Guernsey) <sup>(3)</sup>	–	–	221,277,796	6.92
Orbis Allan Gray Limited <sup>(3)</sup>	–	–	221,277,796	6.92
Orbis Holdings Limited <sup>(3)</sup>	–	–	221,277,796	6.92
Orbis Investment Management Limited <sup>(3)</sup>	–	–	221,277,796	6.92
Orbis Investment Management (Hong Kong) Limited <sup>(3)</sup>	–	–	181,506,595	5.68
Kewalram Singapore Limited <sup>(4)</sup>	225,019,921	7.04	–	–
Chanrai Investment Corporation Limited <sup>(4)</sup>	–	–	225,019,921	7.04
Kewalram Chanrai Holdings Limited <sup>(4)</sup>	–	–	225,019,921	7.04
GKC Trustees Limited (as trustees of Girdhar Kewalram Chanrai Settlement) <sup>(4)</sup>	–	–	225,019,921	7.04
MKC Trustees Limited (as trustees of Hariom Trust) <sup>(4)</sup>	–	–	225,019,921	7.04
DKC Trustees Limited (as trustees of DKC Settlement) <sup>(4)</sup>	–	–	225,019,921	7.04

**Notes:**

- (1) Percentages of interests are calculated based on the total number of issued ordinary Shares (excluding treasury shares and subsidiary holdings) being 3,195,623,619 as at the Latest Practicable Date.
- (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 43.63%

- (i) Breedens has a direct interest in 43.63% 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 9.79%

- (i) Aranda has a direct interest in 9.79% 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 interest of Temasek 53.42%

- (3) Orbis Holdings, Orbis Allan Gray Limited and Allan & Gill Gray Foundation (Guernsey) are 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 the fund manager for the Orbis funds. OIML has the ability to vote and acquire/dispose of the Company's Shares for and on behalf of the Orbis funds.

OIML has also sub-delegated some of its portfolio management duties, including the authority to dispose of securities, to Orbis Investment Management (Hong Kong) Limited ("**OIMHK**"). By virtue of the sub-delegation, OIMHK has deemed interest in the voting Shares of the Company. However OIML still retains overall investment management oversight, including voting Shares in the Company, held by the portfolios.

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

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

Total deemed interest of Orbis Group 6.92%

- (4) 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, each of CICL and KCHL is deemed to be interested in the 225,019,921 Shares held by KSL.

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 DKC Settlement) ("**DKC Settlement**") are shareholders of KCHL. By virtue of Section 4(5) of the Securities and Futures Act, each of the GKC Settlement, Hariom Trust and DKC Settlement is deemed to be interested in the 225,019,921 Shares in which KCHL has an interest.

CICL, KCHL, GKC Settlement, Hariom Trust and DKC Settlement are deemed interested in the 225,019,921 Shares held by KSL.

Total interest of the Kewalram Group 7.04%

## 6. 2020 AGM

The 2020 AGM will be conducted wholly by electronic means in accordance with the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (the "**Order**") and the Joint Statement of the Accounting and Corporate Regulatory Authority, Monetary Authority of Singapore and Singapore Exchange Regulation issued on 13 April 2020 titled "Additional Guidance on the Conduct of General Meetings During Elevated Safe Distancing Period" (the "**Joint Guidance**") on 20 May 2020 at 2.00 p.m. for the purposes of, *inter alia*, considering and, if thought fit, passing with or without modifications Ordinary Resolutions 12, 13 and 15 as set out in the Notice of 2020 AGM in relation to (a) the proposed renewal of the Share Buyback Mandate; (b) the proposed amendments to the Share Grant Plan; and (c) the proposed adoption of the IPT Mandate.

## 7. DIRECTORS' RECOMMENDATIONS AND ABSTENTIONS FROM VOTING

### 7.1 The Proposed Renewal of the Share Buyback Mandate

The Directors are of the opinion that the proposed renewal of the Share Buyback Mandate is in the best interests of the Company, and accordingly, recommend that Shareholders **vote in favour** of Ordinary Resolution 12 as set out in the Notice of 2020 AGM in respect of the renewal of the Share Buyback Mandate to be proposed at the 2020 AGM.

### 7.2 The Proposed Amendments to the Share Grant Plan

All the Directors will be eligible to participate in the Share Grant Plan (as proposed to be amended). Accordingly, they have refrained from making any voting recommendation to Shareholders in respect of Ordinary Resolution 13.

The Directors will abstain from voting their Shares (if any) on Ordinary Resolution 13 and other than the Chairman of the 2020 AGM who will be voting for proxies pursuant to the Order and the Joint Guidance, the Directors will not be able to accept appointment as proxies. The Company will disregard any votes cast by the Directors in respect of their Shares (if any) in contravention of this requirement.

All persons who are eligible to participate in the Share Grant Plan are required to abstain from voting their Shares on Ordinary Resolution 13. Pursuant to the Order and the Joint Guidance, Shareholders will only be able to vote at the 2020 AGM by appointing the Chairman of the 2020 AGM as proxy to vote on their behalf. In the Proxy Form, a Shareholder should specifically direct the proxy on how he/she is to vote for or vote against (or abstain from voting on) the resolutions to be tabled at the 2020 AGM, in particular, on Ordinary Resolution 13. If no specific direction as to voting for Ordinary Resolution 13 is given in a Proxy Form, the Chairman of the 2020 AGM (being a Director) will abstain from voting on this resolution in respect of the Shares to which that Proxy Form relates. Any votes cast by such persons in contravention of this requirement will be disregarded.

### **7.3 The Proposed Adoption of the IPT Mandate**

The Non-Interested Directors, having considered, among other things, the terms of, rationale for and benefits of the IPT Mandate, the guidelines and review procedures for the interested person transactions covered under the IPT Mandate, the statement of the Audit Committee and the opinion of the Independent Financial Adviser, are of the view that the adoption of the IPT Mandate is in the best interests of the Company and accordingly, recommend that Shareholders **vote in favour** of Ordinary Resolution 15 as set out in the Notice of 2020 AGM in respect of the adoption of the IPT Mandate to be proposed at the 2020 AGM.

In accordance with Rule 920(1)(b)(viii) of the Listing Manual, Mitsubishi Corporation and its Associates shall abstain from voting in respect of each of their shareholdings on Ordinary Resolution 15 as set out in the Notice of 2020 AGM. Further, pursuant to the Order and the Joint Guidance, Mitsubishi Corporation and its Associates will not be able to accept appointment as proxies for any Shareholder to vote in respect of this resolution. Any votes cast by such persons in contravention of this requirement shall be disregarded.

## **8. ACTION TO BE TAKEN BY SHAREHOLDERS**

Shareholders will only be able to vote at the 2020 AGM by appointing the Chairman of the 2020 AGM as proxy to vote on their behalf. Duly completed Proxy Forms must be deposited with the Company (a) via post to the Share Registrar's office at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623; or (b) via electronic mail to [olamagm@olamnet.com](mailto:olamagm@olamnet.com) (e.g. enclosing a clear scanned completed and signed Proxy Form), and must be received by the Company by **Sunday, 17 May 2020, 2.00 p.m. Singapore time** (being 72 hours before the time appointed for the holding of the 2020 AGM). Proxy Forms can be downloaded from SGXNET or the Company's website.

A depositor shall not be regarded as a member entitled to attend, speak and vote at the 2020 AGM unless his name appears in the Depository Register as at 72 hours before the time appointed for holding the 2020 AGM.



## 9. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Letter and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Letter constitutes full and true disclosure of all material facts about the proposed renewal and adoption (where applicable) of the Proposals, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Letter misleading. Where information in this Letter has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Letter in its proper form and context.

## 10. CONSENT

The Independent Financial Adviser has given and has not withdrawn its written consent to the issue of this Letter with the inclusion of its name, the IFA Letter reproduced in Appendix 3 and all references thereto, in the form and context in which they appear in this Letter, and to act in such capacity in relation to this Letter.

## 11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 7 Straits View, Marina One East Tower, #20-01, Singapore 018936, during normal business hours from the date of this Letter up to and including the date of the 2020 AGM:<sup>2</sup>

- (a) the Constitution;
- (b) the Annual Report;
- (c) IFA Letter;
- (d) the letter of consent from the Independent Financial Adviser referred to in paragraph 10 of this Letter; and
- (e) Rules of the Share Grant Plan.

Yours faithfully

For and on behalf of the Board of Directors of  
**OLAM INTERNATIONAL LIMITED**

Lim Ah Doo  
Chairman and Independent Non-Executive Director

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<sup>2</sup> Inspection shall not be available during the period for which the COVID-19 (Temporary Measures) (Control Order) Regulations 2020 is in force, and shall be further subject to any other applicable control order or regulatory restriction relating to safe distancing which may be issued by the relevant authorities.

## SCHEDULE

### DEFINITIONS

In this Letter, the following definitions apply throughout unless otherwise stated:

<b><u>“2019 AGM”</u></b>	:	The annual general meeting of the Company held on 24 April 2019
<b><u>“2020 AGM”</u></b>	:	The annual general meeting of the Company to be held on 20 May 2020
<b><u>“AGM”</u></b>	:	Annual general meeting of the Company
<b><u>“Annual Report”</u></b>	:	The annual report of the Company for the financial year ended 31 December 2019
<b><u>“Associated Company”</u></b>	:	A company in which at least 20% but not more than 50% of its shares are held by the Company or the Group and over whose management the Company has control (as defined in the Listing Manual)
<b><u>“Associates”</u></b>	:	Has the meaning ascribed to it in the Listing Manual
<b><u>“Average Closing Price”</u></b>	:	Has the meaning ascribed to it in paragraph 2.3.4 of this Letter
<b><u>“Award Date”</u></b>	:	In relation to an Award, the date on which the Award is granted pursuant to the Share Grant Plan
<b><u>“Awards”</u></b>	:	Contingent awards of Shares granted under the Share Grant Plan
<b><u>“Board of Directors”</u></b>	:	The board of Directors of the Company for the time being
<b><u>“CDP”</u></b>	:	The Central Depository (Pte) Limited
<b><u>“Chairman of the 2020 AGM”</u></b>	:	The chairman of the 2020 AGM
<b><u>“Committee”</u></b>	:	Has the meaning ascribed to it in paragraph 3.2 of this Letter
<b><u>“Companies Act”</u></b>	:	The Companies Act (Chapter 50 of Singapore), as amended or modified from time to time
<b><u>“Company”</u></b>	:	Olam International Limited
<b><u>“concert parties”</u></b>	:	Has the meaning ascribed to it in paragraph 2.5.2 of this Letter

<b><u>“Constitution”</u></b>	:	The constitution of the Company for the time being in force, as amended or modified from time to time
<b><u>“day of the making of the offer”</u></b>	:	Has the meaning ascribed to it in paragraph 2.3.4 of this Letter
<b><u>“Directors”</u></b>	:	The directors of the Company for the time being
<b><u>“EAR Group”</u></b>	:	Has the meaning ascribed to it in paragraph 3.1 of Appendix 2
<b><u>“EPS”</u></b>	:	Earnings per Share
<b><u>“ESOS 2005”</u></b>	:	The employee share option scheme of the Company which was approved by the Shareholders on 4 January 2005, the rules of which were amended on 29 October 2008. The ESOS 2005 was terminated on 3 January 2015
<b><u>“ESOS 2005 Option”</u></b>	:	Option to subscribe for or purchase Shares granted pursuant to the ESOS 2005
<b><u>“Group”</u></b>	:	The Company and its subsidiaries
<b><u>“Group Non-Executive Directors”</u></b>	:	Has the meaning ascribed to it in paragraph 3.2 of this Letter
<b><u>“IFA Letter”</u></b>	:	The letter dated 28 April 2020 from the Independent Financial Adviser to the Non-Interested Directors in relation to the IPT Mandate, a copy of which is set in Appendix 3
<b><u>“Independent Financial Adviser”</u></b>	:	PricewaterhouseCoopers Corporate Finance Pte Ltd, the independent financial adviser to the Non-Interested Directors in relation to the IPT Mandate
<b><u>“Independent Shareholders”</u></b>	:	Shareholders who are deemed to be independent for the purposes of voting on the IPT Mandate
<b><u>“Joint Guidance”</u></b>	:	Has the meaning ascribed to it in paragraph 6 of this Letter
<b><u>“IPT Mandate”</u></b>	:	Has the meaning ascribed to it in paragraph 4.1 of this Letter
<b><u>“Latest Practicable Date”</u></b>	:	21 April 2020, being the latest practicable date prior to the printing of this Letter
<b><u>“Letter”</u></b>	:	This letter to Shareholders
<b><u>“Listing Manual”</u></b>	:	The listing manual of the SGX-ST, as amended and modified from time to time
<b><u>“Mandated Interested Persons”</u></b>	:	Has the meaning ascribed to it in paragraph 3.1 of Appendix 2

<b><u>“Mandated IPTs”</u></b>	:	Has the meaning ascribed to it in paragraph 3.2 of Appendix 2
<b><u>“Market Day”</u></b>	:	A day on which the SGX-ST is open for trading in securities
<b><u>“Market Purchases”</u></b>	:	Has the meaning ascribed to it in paragraph 2.3.3(a) of this Letter
<b><u>“Maximum Price”</u></b>	:	Has the meaning ascribed to it in paragraph 2.3.4 of this Letter
<b><u>“Non-Interested Directors”</u></b>	:	The Directors who are deemed to be independent for the purposes of making a recommendation on the IPT Mandate, namely Mr. Lim Ah Doo, Mr. Sunny George Verghese, Mr. Jean-Paul Pinard, Mr. Sanjiv Misra, Mr. Nihal Vijaya Devadas Kaviratne, CBE, Mr. Yap Chee Keong, Ms. Marie Elaine Teo, Mr. Shekhar Anantharaman, Mr. Nagi Hamiyeh, Dr. Ajai Puri and Dr. Joerg Wolle
<b><u>“Notice of 2020 AGM”</u></b>	:	The notice of 2020 AGM dated 28 April 2020
<b><u>“NTA”</u></b>	:	Net tangible assets
<b><u>“Off-Market Purchases”</u></b>	:	Has the meaning ascribed to it in paragraph 2.3.3(b) of this Letter
<b><u>“Order”</u></b>	:	Has the meaning ascribed to it in paragraph 6 of this Letter
<b><u>“Proposals”</u></b>	:	Has the meaning ascribed to it in paragraph 1.2 of this Letter
<b><u>“public”</u></b>	:	Has the meaning ascribed to it in the Listing Manual
<b><u>“public float”</u></b>	:	Has the meaning ascribed to it in paragraph 2.6 of this Letter
<b><u>“Registrar”</u></b>	:	The Registrar of Companies
<b><u>“related expenses”</u></b>	:	Has the meaning ascribed to it in paragraph 2.3.4 of this Letter
<b><u>“Relevant Period”</u></b>	:	The period commencing from the date of the 2020 AGM, being the date on which the Share Buyback Mandate is passed (if passed), and expiring on the date the next AGM is held or is required by law to be held, whichever is earlier
<b><u>“Securities Account”</u></b>	:	Securities account maintained by a depositor with CDP but does not include a securities sub-account maintained with a depository agent
<b><u>“Securities and Futures Act”</u></b>	:	The Securities and Futures Act (Chapter 289 of Singapore), as amended or modified from time to time

<b><u>“SGX-ST”</u></b>	:	Singapore Exchange Securities Trading Limited
<b><u>“Share Buyback Mandate”</u></b>	:	General and unconditional mandate given by Shareholders to authorise the Directors to purchase Shares in accordance with the terms set out in Ordinary Resolution 12 as set out in the Notice of 2020 AGM, as more particularly described in this Letter and in accordance with the rules and regulations set forth in the Companies Act and the Listing Manual
<b><u>“Share Grant Plan”</u></b>	:	The Olam Share Grant Plan adopted by the Company at the AGM held on 30 October 2014, as modified or altered from time to time
<b><u>“Shareholders”</u></b>	:	Registered holders of Shares, except that where the registered holder is CDP, the term <b><u>“Shareholders”</u></b> shall, in relation to such Shares, mean the persons named as depositors in the Depository Register and whose Securities Accounts maintained with CDP are credited with Shares
<b><u>“Shares”</u></b>	:	Ordinary shares in the capital of the Company
<b><u>“Substantial Shareholder”</u></b>	:	A Shareholder who has an interest or interests in one or more voting Shares (excluding treasury shares) in the Company, and the total votes attached to that Share, or those Shares, is not less than 5% of the total votes attached to all the voting Shares (excluding treasury shares) in the Company
<b><u>“Take-over Code”</u></b>	:	The Singapore Code on Take-overs and Mergers, as amended or modified from time to time
<b><u>“S\$”</u></b> and <b><u>“cents”</u></b>	:	Singapore dollars and cents respectively
<b><u>“%”</u></b>	:	Per centum or percentage

The terms **“depositor”**, **“depository agent”** and **“Depository Register”** shall have the meanings ascribed to them respectively in Part IIIA of the Securities and Futures Act. The term **“subsidiary”** shall have the meaning ascribed to it in Section 5 of the Companies Act.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall, where applicable, include individuals, firms and corporations.

Any reference in this Letter to any statute or enactment is a reference to that statute or enactment for the time being amended or re-enacted. Any term defined under the Companies Act, the Listing Manual, the Take-over Code or any modification thereof and used in this Letter shall have the meaning assigned to it under the Companies Act, the Listing Manual, the Take-over Code or any modification thereof, as the case may be, unless otherwise provided.

Summaries of the provisions of any laws and regulations (including the Take-over Code and the Listing Manual) contained in this Letter are of such laws and regulations (including the Take-over Code and the Listing Manual) as at the Latest Practicable Date.

Any reference to a time of day and date in this Letter is a reference to Singapore time and date, respectively, unless otherwise stated. Any reference to currency set out in this Letter is a reference to S\$, unless otherwise stated.

Any discrepancies in tables included in this Letter between the amounts in the columns of the tables and the totals thereof are due to rounding. Accordingly, figures shown as totals in certain tables in this Letter may not be an arithmetic aggregation of the figures that precede them.

## THE PROPOSED AMENDMENTS TO THE SHARE GRANT PLAN

Set out below are Rules 2 to 7, 12 and 18 of the Share Grant Plan, with the proposed additions underlined and proposed deletions struck-through.

### 1. RULE 2

#### 2. DEFINITIONS

2.1 Except where the context otherwise requires, the following words and expressions shall have the following meanings:

<b><u>“Acceptance Period”</u></b>	:	Shall have the meaning ascribed to it in Rule 5.8
<b><u>“Act”</u></b>	:	The Companies Act (Chapter 50 of Singapore), as amended and modified from time to time
<b><u>“Adoption Date”</u></b>	:	The date on which the Plan is adopted by the Company in general meeting
<b><u>“Articles”</u></b>	:	<del>The articles of association of the Company for the time being in force, as amended or modified from time to time</del>
<b><u>“Associated Company”</u></b>	:	A company in which at least 20% but not more than 50% of its shares are held by the Company or the Group and over whose management the Company has control (as defined in the Listing Manual)
<b><u>“Associates”</u></b>	:	Shall have the meaning ascribed to it in the Listing Manual
<b><u>“Auditors”</u></b>	:	The auditors of the Company for the time being
<b><u>“Award”</u></b>	:	<del>A contingent</del> <u>An</u> award of Shares granted under the Plan
<b><u>“Award Date”</u></b>	:	In relation to an Award, the date on which the Award is granted pursuant to Plan
<b><u>“Award Letter”</u></b>	:	A letter in such form as the Committee shall approve confirming an Award granted to a Participant by the Committee
<b><u>“Board”</u></b>	:	The board of Directors
<b><u>“CDP”</u></b>	:	The Central Depository (Pte) Limited.
<b><u>“Committee”</u></b>	:	A committee comprising directors duly authorised and appointed by the Board to administer the Plan



<b><u>“Company”</u></b> or <b><u>“Olam”</u></b>	:	Olam International Limited
<b><u>“Constitution”</u></b>	:	<u>The Constitution of the Company, as amended from time to time</u>
<b><u>“Controlling Shareholder”</u></b>	:	Shall have the meaning ascribed to it in the Listing Manual
<b><u>“Directors”</u></b>	:	The directors of the Company for the time being
<b><u>“Group”</u></b>	:	The Company and its subsidiaries
<b><u>“Group Employee”</u></b>	:	An executive director, <u>non-executive director</u> , or an employee, of any member of the Group or Associated Company
<b><u>“Group Non-Executive Director”</u></b>	:	<u>A director of the Company or any member of the Group, as the case may be, who performs a non-executive function</u>
<b><u>“Independent Director”</u></b>	:	An independent Non-Executive Director for time being
<b><u>“Listing Manual”</u></b>	:	The Listing Manual of the SGX-ST, as amended, modified and supplemented from time to time
<b><u>“Market Day”</u></b>	:	A day on which the SGX-ST is open for trading in securities
<b><u>“Market Value”</u></b>	:	In relation to a Share, on any day: <ul style="list-style-type: none"> <li>(a) the volume-weighted average price of a Share on the SGX-ST over the three (3) immediately preceding Market Days; or</li> <li>(b) if the Committee is of the opinion that the Market Value as determined in accordance with (a) above is not representative of the value of a Share, such price as the Committee may determine, such determination to be confirmed in writing by the auditors of the Company (acting only as experts and not as arbitrators) to be, in their opinion, fair and reasonable</li> </ul>
<b><u>“Memorandum”</u></b>	:	The memorandum of association of the Company for the time being in force, as amended or modified from time to time
<b><u>“Participant”</u></b>	:	The holder of an Award under the Plan
<b><u>“Performance-related Award”</u></b>	:	An Award in relation to which a Performance Condition is specified

<b><u>“Performance Condition”</u></b>	:	In relation to a Performance-related Award, the condition specified on the Award Date in relation to that Award
<b><u>“Performance Period”</u></b>	:	In relation to a Performance-related Award, a period, the duration of which is to be determined by the Committee on the Award Date, during which the Performance Condition is to be satisfied
<b><u>“Plan”</u></b>	:	The Olam Share Grant Plan, as the same may be modified or altered from time to time
<b><u>“Record Date”</u></b>	:	The date as at the close of business (or such other time as may have been prescribed by the Company) on which Shareholders must be registered in order to participate in the relevant dividends, rights, allotments or other distributions (as the case may be)
<b><u>“Release”</u></b>	:	In relation to an Award, the release at the end of the Vesting Period relating to that Award ( <u>if applicable</u> ) of all or some of the Shares to which that Award relates in accordance with Rule 7 and, to the extent that any Shares which are the subject of the Award are not released pursuant to Rule 7, the Award in relation to those Shares shall lapse accordingly, and <b><u>“Released”</u></b> shall be construed accordingly
<b><u>“Release Schedule”</u></b>	:	In relation to an Award, a schedule (if any) in such form as the Committee shall approve, in accordance with which Shares which are the subject of that Award shall be Released
<b><u>“Released Award”</u></b>	:	An Award in respect of which the Vesting Period relating to that Award has ended ( <u>if applicable</u> ) and which has been Released in accordance with Rule 7
<b><u>“Retention Period”</u></b>	:	In relation to an Award, such period commencing on the Vesting Date in relation to that Award as may be determined by the Committee on the Award Date
<b><u>“Rules”</u></b>	:	The rules of the Plan, as may be amended, modified or altered from time to time
<b><u>“Security Device”</u></b>	:	Any smartcard, digital certificate, digital signature, encryption device, electronic key, logon identifier, password, personal identification number, and/or other code or any access procedure incorporating any one or more of the foregoing, designated by the Company for use in conjunction with the Plan
<b><u>“SGX-ST”</u></b>	:	Singapore Exchange Securities Trading Limited

<b><u>“Shareholders”</u></b>	:	Registered holders of Shares, except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares, mean the persons named as depositors in the Depository Register and whose Securities Accounts maintained with CDP are credited with Shares
<b><u>“Shares”</u></b>	:	Ordinary shares in the capital of the Company
<b><u>“subsidiaries”</u></b>	:	The subsidiaries (as defined in the Act) of the Company and any subsidiaries whose shares may be listed on the SGX-ST or any other recognised stock exchange after the Adoption Date and their respective subsidiaries
<b><u>“Vesting”</u></b>	:	In relation to Shares which are the subject of a Released Award, the absolute entitlement to all or some of the Shares which are the subject of a Released Award and <b><u>“Vest”</u></b> and <b><u>“Vested”</u></b> shall be construed accordingly
<b><u>“Vesting Date”</u></b>	:	In relation to Shares which are the subject of a Released Award, the date (as determined by the Committee and notified to the relevant Participant) on which those Shares shall be Vested pursuant to Rule 7
<b><u>“Vesting Period(s)”</u></b>	:	In relation to an Award, a period or periods (if any), the duration of which is to be determined by the Committee at the Award Date, after the expiry of which Shares which are subject to the applicable period shall be Vested to the relevant Participant on the relevant Vesting Date, subject to Rule 7
<b><u>“\$”</u></b>	:	Singapore dollar
<b><u>“%”</u></b>	:	Per centum or percentage

2.2 The terms **“depositor”**, **“depository agent”** and **“Depository Register”** shall have the meanings ascribed to them respectively in Section 130A of the Act.

2.3 Words importing the singular number shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall, where applicable, include individuals, firms and corporations.

2.4 Any reference in the Plan to any statute or enactment is a reference to that statute or enactment for the time being amended or re-enacted. Any term defined under the Act, the Listing Manual or any modification thereof and used in the Plan shall have the meaning assigned to it under the Act, the Listing Manual or any modification thereof, as the case may be, unless otherwise provided.

2.5 Any reference to a time of day and date in the Plan is a reference to Singapore time and date, respectively, unless otherwise stated. Any reference to currency set out in the Plan is a reference to S\$ unless otherwise stated.

## 2. **RULE 3**

### 3. **OBJECTIVES OF THE PLAN**

The Plan is proposed on the basis that it is important to retain staff whose contributions are essential to the well-being and prosperity of the Group and to give recognition to outstanding employees, and executive directors of the Group who have contributed to the growth of the Group. The Plan will also enable grants of fully paid Shares to be made to the Group Non-Executive Directors, including as part of their remuneration in respect of their office as such in lieu of cash or otherwise. The Plan will give Participants an opportunity to have a personal equity interest in the Company and will help to achieve the following positive objectives:

- (a) motivate Participants to optimise their performance standards and efficiency, maintain a high level of contribution to the Group and strive to deliver long-term shareholder value;
- (b) align the interests of employees, non-executive and executive directors with the interests of the Shareholders of the Company;
- (c) retain key employees and executive directors of the Group whose contributions are key to the long-term growth and profitability of the Group;
- (d) instill loyalty to, and a stronger identification by employees with the long-term prosperity of, the Company; and
- (e) attract potential employees with relevant skills to contribute to the Group and to create value for the Shareholders of the Company.

## 3. **RULE 4**

### 4. **ELIGIBILITY**

4.1 Individuals who are:

- (a) full time Group Employees (including executive Directors) and Group Non-Executive Directors who have attained the age of 21 years on or before the Award Date; and
- (b) employees who qualify under Rule 4.1(a) above and are seconded to any other company outside the Group in which the Company and/or the Group has an equity interest,

shall be eligible to participate in the Plan at the absolute discretion of the Committee.

- 4.2 For the purposes of Rule 4.1(a) above, the secondment of an employee to another company shall not be regarded as a break in his employment or his having ceased by reason only of such secondment to be a full-time employee of the Group.
- 4.3 Controlling Shareholders and/or their Associates shall not be eligible to participate in the Plan.
- 4.4 There shall be no restriction on the eligibility of any Participant to participate in any other share option or share schemes implemented by any other companies within the Group or by any Associated Company or otherwise.

- 4.5 Subject to the Act and any requirement of the SGX-ST, the terms of eligibility for participation in the Plan may be amended from time to time at the absolute discretion of the Committee, which would be exercised judiciously.
- 4.6 All Shareholders (including Directors who are Shareholders) who are eligible to participate in the Plan shall abstain from voting on any resolution relating to the Plan. Such Shareholders should not accept appointment as proxy or otherwise for voting on any resolution relating to the Plan unless specific instructions have been given in the Proxy Form on how the Shareholders wish their votes to be cast for each of such resolutions.

#### 4. **RULE 5**

##### 5. **GRANT OF AWARDS**

- 5.1 The Committee may, subject as provided in Rule 4 and Rule 8, grant Awards to a Participant, as the Committee may select, in its absolute discretion, at any time during the period when the Plan is in force.
- 5.2 The selection of a Participant and the number of Shares which are the subject of each Award to be granted to a Participant in accordance with the Plan shall be determined at the absolute discretion of the Committee, which shall take into account such relevant criteria as it considers fit, including (but not limited to) in the case of a Group Employee, his rank, past performance, job performance, creativity, innovativeness, entrepreneurship, years of service and potential for future development, his Board and board committee of the Company (if any) appointment and attendance, his contribution to the success and development of the Group and (in the case of a Performance-related Award) the extent of effort and resourcefulness required to achieved the Performance Condition within the Performance Period and, in the case of a Group Non-Executive Director, his board and board committee appointments, attendance and responsibilities, and his contribution to the Group. No Performance Condition may be specified in relation to Awards granted to Group Non-Executive Directors under the Plan.
- 5.3 The Committee shall decide, in relation to an Award:
- (a) the Participant;
  - (b) the Award Date;
  - (c) the number of Shares which are the subject of the Award;
  - (d) in the case of a Performance-related Award:
    - (i) the Performance Condition;
    - (ii) the Performance Period; and
    - (iii) the extent to which Shares which are the subject of that Award shall be Released on the Performance Condition being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the Performance Period;

- (e) the Vesting Period(s), if any;
- (f) the Vesting Date(s), if any;
- (g) where applicable, whether the Release of an Award will be, wholly or partly, in the form of cash rather than Shares;
- (h) the Release Schedule;
- (i) the Retention Period, if any; and
- (j) any other condition which the Committee may determine in relation to that Award.

5.4 The Committee may amend or waive the Vesting Period(s), the Release Schedule and any condition applicable to an Award and, in the case of a Performance-related Award, the Performance Period and/or the Performance Condition in respect of an Award:

- (a) in the event of a take-over offer being made for the Shares or a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies being approved by Shareholders of the Company and/or sanctioned by the court under the Act or in the event of an order being made or a resolution passed for the winding-up of the Company (other than as provided in Rule 6.1(a) or for reconstruction or amalgamation) or a proposal to sell all or substantially all of the assets of the Company; or
- (b) in the case of a Performance-related Award, if anything happens which causes the Committee to conclude that:
  - (i) a changed Performance Condition would be a fairer measure of performance, and would be no less difficult to satisfy; or
  - (ii) the Performance Condition should be waived,

and shall notify the Participants of such change or waiver.

5.5 As soon as reasonably practicable after making an Award the Committee shall send to each Participant an Award Letter confirming the Award and specifying in relation to the Award:

- (a) the Award Date;
- (b) the number of Shares which are the subject of the Award;
- (c) in the case of a Performance-related Award:
  - (i) the Performance Condition;
  - (ii) the Performance Period; and
  - (iii) the extent to which Shares which are the subject of that Award shall be Released on the Performance Condition being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the Performance Period;

- (d) the Vesting Period(s), if any;
- (e) where applicable, whether the Release of an Award will be, wholly or partly, in the form of cash rather than Shares;
- (f) the Release Schedule; and
- (g) any other condition which the Committee may determine in relation to that Award.

5.6 Participants are not required to pay for the grant of Awards.

5.7 An Award or Released Award shall be personal to the Participant to whom it is granted and, prior to the allotment and/or transfer to the Participant of the Shares to which the Released Award relates, shall not be transferred (other than to a Participant's personal representative on the death of that Participant), charged, assigned, pledged or otherwise disposed of, in whole or in part, except with the prior approval of the Committee and if a Participant shall do, suffer or permit any such act or thing as a result of which he would or might be deprived of any rights under an Award or Released Award in breach of the foregoing restriction, that Award or Released Award shall immediately lapse.

5.8 The closing date for the acceptance of the Award shall be not less than 15 days and not more than 30 days from the date of the Award Letter (the "**Acceptance Period**").

5.9 If an Award is not accepted by the Acceptance Period, the Award shall automatically lapse and become null, void and of no effect, unless otherwise determined by the Committee in its absolute discretion.

5.10 No Performance-related Awards shall be granted to Group Non-Executive Directors under the Plan.

5.11 The formula for determining the actual number of Shares comprising an Award to be granted to a Non-Executive Director of the Company as part of his directors' remuneration in lieu of cash will be disclosed in the relevant notice of general meeting of the Company in connection with the resolution proposing such directors' remuneration for that particular year or financial period.

## **5. RULE 6**

### **6. EVENTS PRIOR TO THE VESTING DATE**

6.1 Unless otherwise decided in the absolute discretion of the Committee, an Award shall, to the extent not yet Released, immediately lapse without any claim whatsoever against the Company in any of the following events, namely:

- (a) an order is made or a resolution is passed for the winding-up of the Company on the basis, or by reason, of its insolvency;
- (b) the Participant who is a Group Employee (including an executive Director) ceases at any time to be in the employment of the Group or the relevant Associated Company, as the case may be, for any reason whatsoever;
- (c) the bankruptcy of a Participant or the happening of any other event which results in his being deprived of the legal or beneficial ownership of the Award;



- (d) in the event of misconduct on the part of a Participant as determined by the Committee in its absolute discretion; or
- (e) in the event that the Committee shall, at its absolute discretion, deem it appropriate that such Award granted to the Participant shall so lapse on the grounds that any of the objectives of the Plan (as set out in Rule 3) has not been met.

6.2 In any of the following events, namely:

- (a) the Participant (being a Group Employee) ceasing to be employed by the Group and/or the relevant Associated Company, as the case may be, by reason of:
  - (i) ill health, injury or disability (in each case, evidenced to the satisfaction of the Committee) or death;
  - (ii) redundancy;
  - (iii) retirement at or after the legal retirement age;
  - (iv) retirement before the legal retirement age with the consent of the Committee; or
  - (v) any other reason approved in writing by the Committee;
- (b) the completion of a fixed term contract for a Participant (being a Group Employee) on a fixed term contract;
- (c) the Participant (being a Group Employee) ceasing to be employed by the Group and/or the relevant Associated Company, as the case may be, by reason of:
  - (i) a transfer of employment to an/another Associated Company; or
  - (ii) the (whole or partial) disposal of the Company's interest in the employer of the Participant; or
- (d) where the Participant is a Group Non-Executive Director, such Participant ceasing to be a director of the Company or any member of the Group as the case may be for any reason whatsoever; or

~~(d)~~(e) any other event approved by the Committee,

the Committee may, in its absolute discretion, preserve all or any part of any Award and decide as soon as reasonably practicable following such event either to Vest some or all of the Shares which are the subject of the Award or to preserve all or part of any Award until the end of each Vesting Period and subject to the provisions of the Plan. In exercising its discretion, the Committee will have regard to all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that Participant and, in the case of Performance-related Awards, the extent to which the Performance Condition has been satisfied.

6.3 If a Participant dies and at the date of his death holds any Award, such Award may, at the absolute discretion of the Committee, be Released to the duly appointed personal representatives of the Participant.

- 6.4 For the purpose of Rule 6, a Participant shall be deemed to have ceased to be employed by the Company or any of its subsidiaries or Associated Companies (as the case may be) as of the last day of his employment with such company.
- 6.5 For the avoidance of doubt, if, for any reason whatsoever, a Participant who is an executive director within the Group or of an Associated Company on the Offering Date, ceases to be an executive director within the Group or of an Associated Company, as the case may be, but remains a Group Employee, all Awards granted to such Participant will, notwithstanding such cessation, continue to be Released within the relevant Release Schedule.
- 6.6 Without prejudice to the provisions of Rule 5.4, if before the Vesting Date, any of the following occurs:
- (a) a take-over offer for the Shares becomes or is declared unconditional;
  - (b) a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies being approved by Shareholders of the Company and/or sanctioned by the court under the Act; or
  - (c) an order being made or a resolution passed for the winding-up of the Company (other than as provided in Rule 6.1(a) or for amalgamation or reconstruction),

the Committee will consider, at its absolute discretion, whether or not to Release any Award, and will take into account all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that Participant. If the Committee decides to Release any Award, then in determining the number of Shares to be Vested in respect of such Award, the Committee will (if applicable) have regard to the proportion of the Vesting Period(s) which has elapsed and, in the case of Performance-related Awards, the extent to which the Performance Condition has been satisfied. Where Awards are Released, the Committee will, as soon as practicable after the Awards have been Released, procure the allotment or transfer to each Participant of the number of Shares so determined, such allotment or transfer to be made in accordance with Rule 7. If the Committee so determines, the Release of Awards may be satisfied in cash as provided in Rule 7.5.

## **6. RULE 7**

### **7. RELEASE OF AWARDS**

#### **7.1 Review of Performance Condition in relation to Performance-related Awards:**

- (a) in relation to each Performance-related Award, the Committee shall, as soon as reasonably practicable after the end of the relevant Performance Period, review the Performance Condition specified in respect of each Award and determine at its absolute discretion whether it has been satisfied and, if so, the extent to which it has been satisfied, and (subject to Rule 6) provided that the relevant Participant has continued to be a Group Employee from the Award Date up to the end of the Performance Period, shall Release to that Participant all or part (as determined by the Committee at its absolute discretion in the case where the Committee has determined that there has been partial satisfaction of the Performance Condition) of the Shares to which his Award relates in accordance with the Performance Condition specified in respect of his Award on the Vesting Date (if any). If not, the Awards shall lapse and be of no value. If the Committee determines in its

absolute discretion that the Performance Condition has not been satisfied or (subject to Rule 6) if the relevant Participant has not continued to be a Group Employee from the Award Date up to the end of the relevant Performance Period, that Award shall lapse and be of no value and the provisions of Rules 7.2 to 7.4 shall be of no effect; and

- (b) the Committee shall have the absolute discretion to determine whether the Performance Condition has been satisfied (whether fully or partially) or exceeded and in making any such determination, the Committee shall have the right to make reference to the audited results of the Company or the Group to take into account such factors as the Committee may determine to be relevant, such as changes in accounting methods, taxes and extraordinary events, and further, the right to amend the Performance Condition if the Committee decides that a changed performance target would be a fairer measure of performance.

## 7.2 Vesting Period(s):

- (a) subject to the Committee having determined that, in relation to a Performance-related Award, the Performance Condition and, in relation to all Awards, any condition applicable thereto have been satisfied and (subject to Rule 6) provided, in relation to all Awards, that the relevant Participant has continued to be a Group Employee from the Award Date up to the end of the relevant Vesting Period (if any) and provided further that, in the opinion of the Committee, the job performance of the relevant Participant has been satisfactory, upon the expiry of each Vesting Period (if any) in relation to an Award, the Company shall Release to the relevant Participant the Shares to which his Award relates in accordance with the Release Schedule specified in respect of his Award on the Vesting Date;
- (b) subject to the Committee having determined that, in relation to an Award granted to a Group Non-Executive Director, any condition applicable thereto have been satisfied and (subject to Rule 6) provided that the relevant Participant has continued to be a Group Non-Executive Director from the Award Date up to the Vesting Date (if any), the Company shall Release to the relevant Participant the Shares to which his Award relates in accordance with the Release Schedule specified in respect of his Award on the Vesting Date (if any);
- ~~(b)~~(c) Shares which are the subject of a Released Award shall be Vested to a Participant on the Vesting Date, which shall be a Market Day falling as soon as practicable after the last day of the relevant Vesting Period and, on the Vesting Date, the Committee will procure the allotment or transfer to each Participant of the number of Shares (which may, in the case of a transfer of Shares, include Shares held by the Company as treasury shares) so determined;
- (d) in the case of a Performance-related Award which is not subject to any Vesting Period, such Shares shall be Vested to a Participant on the Vesting Date, which shall be a Market Day falling as soon as practicable after the relevant Performance Period;
- (e) in the case of an Award (other than a Performance-related Award) which is not subject to any Vesting Period, such Shares shall be Vested to a Participant on the Vesting Date, which shall be a Market Day falling as soon as practicable after the relevant Award Date; and

- (e)(f) where new Shares are allotted upon the Vesting of any Award, the Company shall, as soon as practicable after such allotment, apply to the SGX-ST for permission to deal in and for quotation of such Shares.

### 7.3 Release of Award

Shares which are allotted and issued or transferred on the Release of an Award to a Participant shall be allotted and issued in the name of, or transferred to, CDP to the credit of the securities account of that Participant maintained with CDP or the securities sub-account of that Participant maintained with a depository agent, in each case, as designated by that Participant.

### 7.4 Ranking of Shares

New Shares allotted and issued, and existing Shares procured by the Company for transfer, on the Release of an Award shall:

- (a) be subject to all the provisions of the ~~Memorandum and Articles~~Constitution; and
- (b) rank in full for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Shares, the Record Date for which is on or after the later of (a) the relevant Vesting Date; and (b) the date of issue of the Shares, and shall in all other respects rank *pari passu* with other existing Shares then in issue.

### 7.5 Cash Awards

The Committee may determine to make a Release of an Award (other than an Award granted to a Non-Executive Director as part of his directors' remuneration in lieu of cash), wholly or partly, in the form of cash rather than Shares, in which event the Participant shall receive, as soon as practicable after the Vesting Date, in lieu of all or part of the Shares which would otherwise have been allotted or transferred to him on Release of his Award, the aggregate Market Value of such Shares on the Vesting Date.

## 7. RULE 12

### 12. MODIFICATIONS TO THE PLAN

12.1 Any or all the provisions of the Plan may be modified and/or altered at any time and from time to time by resolution of the Committee, except that:

- (a) no modification or alteration shall alter adversely the rights attached to any Award granted prior to such modification or alteration except with the prior written consent of such number of Participants under the Plan who, if their Awards were Released to them upon the expiry of all the Vesting Periods applicable to their Awards, would thereby be entitled to not less than three-quarters in number of all the Shares which would fall to be Vested upon Release of all outstanding Awards upon the expiry of all the Vesting Periods applicable to all such outstanding Awards;
- (b) the definitions of "Associated Company", "Committee", "Controlling Shareholder", "Group", "Group Employee", "Group Non-Executive Director", "Participant", "Performance Period" and "Vesting Period" and the provisions of Rules 4, 5, 6, 7,

8, 9, 10 and this Rule 12 shall not be altered to the advantage of Participants except with the prior approval of the Company's Shareholders in general meeting; and

- (c) no modification or alteration shall be made without due compliance with the Listing Manual and the prior approval of the SGX-ST or any other stock exchange on which the Shares are quoted or listed, and such other regulatory authorities as may be necessary.

For the purposes of Rule 12.1(a), the opinion of the Committee as to whether any modification or alteration would adversely alter the rights attached to any Award shall be final, binding and conclusive. For the avoidance of doubt, nothing in this Rule 12.1 shall affect the right of the Committee under any other provision of the Plan to amend or adjust any Award.

12.2 Notwithstanding anything to the contrary contained in Rule 12.1, the Committee may at any time by resolution (and without any other formality, save for the prior approval of the SGX-ST) amend or alter the Plan in any way to the extent necessary to cause the Plan to comply with, or take into account, any statutory provision (or any amendment or modification thereto, including amendment of or modification to the Companies Act) or the provision or the regulations of any regulatory or other relevant authority or body (including the SGX-ST).

12.3 Written notice of any modification or alteration made in accordance with this Rule 12 shall be given to all Participants.

## **8. RULE 18**

### **18. DISCLAIMER OF LIABILITY**

Notwithstanding any provisions herein contained, the Board, the Committee and the Company shall not under any circumstances be held liable for any costs, losses, expenses and damages whatsoever and howsoever arising in any event, including but not limited to the Company's delay in issuing, or procuring the transfer of, the Shares or applying for or procuring the listing of new Shares on the SGX-ST in accordance with Rule 7.2(e)(f) (and any other stock exchange on which the Shares are quoted or listed).

## THE IPT MANDATE

### 1. BACKGROUND

The rationale for the IPT Mandate and its benefit to the Group, the classes of interested persons and the category of interested person transactions covered under the IPT Mandate, and the guidelines and review procedures for such transactions under the IPT Mandate, are set out below.

### 2. CHAPTER 9 OF THE LISTING MANUAL

Chapter 9 of the Listing Manual applies to transactions which an “entity at risk” proposes to enter into with a counterparty who is an “interested person” of the listed company. Such transactions are known as “interested person transactions”.

#### 2.1 Definitions

A “transaction” includes (a) the provision or receipt of financial assistance, (b) the acquisition, disposal or leasing of assets, (c) the provision or receipt of goods or services, (d) the issuance or subscription of securities, (e) the granting of or being granted options, and (f) the establishment of joint ventures or joint investments; in each case, whether or not in the ordinary course of business, and whether or not entered into directly or indirectly (for example, through one (1) or more interposed entities).

An “entity at risk” means the listed company, any of its subsidiaries (other than subsidiaries that are listed on the SGX-ST or an approved exchange) or any of its associated companies (other than associated companies that are listed on the SGX-ST or an approved exchange or over which the listed group and/or its interested person(s) have no control).

An “approved exchange” means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles to Chapter 9 of the Listing Manual.

An “associated company” means a company in which at least twenty per cent. (20%) but not more than fifty per cent. (50%) of its shares are held by the listed company and/or the listed company’s subsidiaries.

The term “control” refers to the capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company.

An “interested person” in the case of a company means (a) a director, chief executive officer or controlling shareholder of the listed company; or (b) an associate of such director, chief executive officer or controlling shareholder.

A “controlling shareholder” means a person who (a) holds (directly or indirectly) fifteen per cent. (15%) or more of the total voting rights in the company (provided that the SGX-ST may determine that a person who satisfies the foregoing is not a controlling shareholder); or (b) in fact exercises control over a company.

An “**associate**” of a director, chief executive officer, substantial shareholder or controlling shareholder of a listed company (being an individual) includes his immediate family (that is, the spouse, child, adopted child, stepchild, sibling or parent) of such director, chief executive officer, substantial shareholder or controlling shareholder, the trustees of any trust of which such director, chief executive officer, substantial shareholder or controlling shareholder or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object, and any company in which such director, chief executive officer, substantial shareholder or controlling shareholder and his immediate family has an aggregate interest (directly or indirectly) of thirty per cent. (30%) or more; and, where a substantial shareholder or controlling shareholder is a company, “**associate**” means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of thirty per cent. (30%) or more.

## **2.2 Announcement and Shareholders’ Approval Requirements under Chapter 9**

A listed company will generally be required to make an immediate announcement of, or make an immediate announcement of and seek shareholders’ approval for, interested person transactions if certain financial thresholds (which are based on the value of the transaction as compared with the listed company’s latest audited consolidated net tangible assets, where positive), are reached or exceeded. In particular, shareholders’ approval is required where:

- (a) the value of such transaction is equal to or exceeds five per cent. (5%) of the latest audited consolidated net tangible assets of the listed company; or
- (b) the value of such transaction when aggregated with the values of all other transactions previously entered into with the same interested person (as defined in Rule 908 of the Listing Manual) in the same financial year of the listed company is equal to or exceeds five per cent. (5%) of the latest audited consolidated net tangible assets of the listed company. However, a transaction which has been approved by shareholders, or is the subject of aggregation with another transaction that has been approved by shareholders, need not be included in any subsequent aggregation.

For the purposes of Chapter 9 of the Listing Manual, the “**value**” of an interested person transaction is the amount at risk to the listed company, as determined in accordance with Rule 909 of the Listing Manual.

## **2.3 General Mandate for Interested Person Transactions**

Chapter 9 of the Listing Manual permits a listed company to seek a general mandate from its shareholders for recurrent transactions with interested persons of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials, but not in respect of the purchase or sale of assets, undertakings or businesses. A general mandate is subject to annual renewal.

## **3. THE IPT MANDATE**

The IPT Mandate, if approved, will authorise the Company, its subsidiaries and associated companies that are considered to be “entities at risk” within the meaning of Chapter 9 of the Listing Manual, to enter into any of the Mandated IPTs (as defined in paragraph 3.2 below), with the Mandated Interested Persons as set out in paragraph 3.1 below, provided that such transactions are entered into in accordance with the relevant review procedures for such Mandated IPTs. The said review procedures seek to ensure that Mandated IPTs are carried out on normal commercial terms and are not prejudicial to the Company and its minority Shareholders.



### 3.1 Names of Mandated Interested Persons

The IPT Mandate, if approved, applies to the Mandated IPTs (as described in paragraph 3.2 below) between the Company, its subsidiaries and associated companies that are considered to be “entities at risk” within the meaning of Chapter 9 of the Listing Manual (collectively, the “**EAR Group**”), and the list of interested persons as set out in the Annex to this Appendix 2 (the “**Mandated Interested Persons**”).

### 3.2 Category of Mandated IPTs

The category of interested person transactions which are covered by the IPT Mandate (the “**Mandated IPTs**”), if approved, is the sale of goods including (but not limited to) commodities such as coffee, cocoa, edible nuts, spices, sesame, grains and other food products to the Mandated Interested Persons.

### 3.3 Rationale for the IPT Mandate and Benefit to the Group

The Mandated IPTs are a category of transactions which are entered into or likely to be entered into by the EAR Group in the ordinary course of business, and are likely to be recurrent transactions which will occur with some degree of frequency, and for this reason, may be transacted at any time and from time to time. The Company expects that the Mandated IPTs, if carried out on normal commercial (or, in the absence of other similar comparable transactions, commercially reasonable) terms in accordance with the review procedures set out in paragraph 3.4 below, will be of benefit to the Group, for the reasons set out below.

Mitsubishi Corporation is a global integrated business enterprise incorporated in Japan that develops and operates businesses across a variety of sectors with operations and business interests all around the world, including natural gas, industrial materials, petroleum and chemicals, mineral resources, industrial infrastructure, automotive and mobility, food, consumer, power solution and urban development. As stated in the Company’s announcement dated 28 August 2015, the Company is of the view that Mitsubishi Corporation’s significant investment in the Company since 2015 has set a strong platform for a long-term strategic partnership between the Company and Mitsubishi Corporation, with mutually beneficial potential collaboration opportunities.

Mitsubishi Corporation and its group of companies are customers that the Company would supply to as part of its business, which adds to the earnings of the Company with an increased customer base. Since its collaboration with Mitsubishi Corporation, the Company has expanded its products, geography and value chain footprint.

The IPT Mandate is intended to enhance the Group’s ability to pursue business opportunities which are time-sensitive in nature as well as to facilitate the Mandated IPTs, provided that they are carried out on normal commercial terms and are not prejudicial to the Company and the minority Shareholders, given that the IPT Mandate, if approved, will eliminate, among others, the need for the Company to convene separate general meetings on each occasion to seek Shareholders’ approval as and when potential Mandated IPTs arise. This will reduce substantially the administrative time, inconvenience and expenses associated with the convening of such meetings, without compromising the corporate objectives of the Group or adversely affecting the business opportunities of the Group.



### **3.4 Guidelines and Review Procedures for Mandated IPTs**

#### **3.4.1 General Review Procedures**

The methods and procedures outlined in this paragraph 3.4.1 for determining transaction prices have been established and shall be implemented by the Company for the review and approval of Mandated IPTs under the IPT Mandate to ensure that such Mandated IPTs are undertaken on an arm's length basis and on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

The EAR Group shall ensure that all contracts or transactions entered into with the Mandated Interested Persons for the sale of goods by the EAR Group shall be (i) at the prevailing market rates or prices of the relevant goods, and (ii) on terms which are no more favourable to the relevant Mandated Interested Person than the usual commercial terms extended by the EAR Group to unrelated third parties. In determining the price payable and terms offered to the relevant Mandated Interested Persons for such goods, factors including quality, grade, quantity, volume, rebates or discount accorded for bulk purchases, customer requirements and specifications, and delivery timelines are also considered.

Where the prevailing market rates or prices for the goods are not available or cannot be practicably ascertained for whatever reason (for example, due to the nature or specifications of the goods to be sold, or if meaningful comparisons cannot be practicably obtained for any commercial reasons), any member of the senior management staff of the relevant entity within the EAR Group (or deputy or assistant head) (who shall not have an interest in the Mandated IPT under review or any business or personal connection with the Mandated Interested Persons) shall evaluate and weigh the benefits of, and rationale for, transacting with the relevant Mandated Interested Person. The evaluation will include considerations of the efficiencies and flexibilities derived by the EAR Group in transacting with the relevant Mandated Interested Person, compared with transacting with unrelated third parties, the prevailing industry norms (including the reasonableness of the terms), as well as the prevailing market price of the same or reasonably comparable type of goods which is publicly available on an established commodities exchange, if any, to determine whether the relevant Mandated IPT is undertaken at an arm's length and on the EAR Group's usual business practices, commercial terms and/or pricing policies, and where applicable, consistent with the usual margin to be obtained by the EAR Group for the same or reasonably comparable type of contract or transaction with unrelated third parties.

#### **3.4.2 Threshold Limits**

All Mandated IPTs shall be subject to strict adherence to the EAR Group's policies governing credit and counterparty risk limits (including in respect of sales) and the authority limits for transaction approval set by the respective companies in the Group, as amended from time to time.

Mandated IPTs shall additionally be subject to review and approval based on the transaction threshold limits set out in the table below.

<b>Value of Mandated IPT (based on per transaction limit)</b>	<b>Reviewed and approved by (Approving Authority)</b>
Below S\$30 million	Chief Financial Officer of any Business Unit of the Group
Equivalent to or exceeding S\$30 million but below S\$50 million	Head of any Business Unit of the Group
Equivalent to or exceeding S\$50 million	Group Chief Executive Officer or Group Chief Financial Officer of the Company

(Note: The transaction threshold limits set out in the table above took into consideration a basket of commodities that were typically sold to the Mandated Interested Persons and therefore also had regard to the historical transaction prices across the basket of commodities to ensure that the transaction threshold limits were efficient to the time-sensitive nature of the Mandated IPTs, yet not excessive.)

In the event that any member of the relevant approving authority (as referred to in the above table) has an interest in a Mandated IPT under review or any business or personal connection with the relevant Mandated Interested Person, then the relevant person shall not participate in any decision-making procedure in respect of that Mandated IPT, and the review and approval of that Mandated IPT will be undertaken only by a non-interested member of that approving authority where applicable. If there is only one member of that approving authority or where all the members of the relevant approving authority of the IPT Mandate are conflicted, then the approval from the next higher approving authority shall be sought. For the avoidance of doubt, any persons who are employees or nominees of Mitsubishi Corporation shall be deemed to be conflicted for the foregoing purposes and shall not participate in the decision of any approval authority. Further, any person who is a director of a Mandated Interested Person (regardless of whether he is a nominee or employee of the Group) shall not participate in the decision of any approving authority.

The EAR Group shall not enter into or agree to enter into any Mandated IPT unless all necessary internal approvals have been obtained, and in particular, the additional approval based on the above threshold limits. The review procedures set out in paragraph 3.4 shall be strictly adhered to ensure that Mandated IPTs will be undertaken on an arm's length basis and on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

### **3.4.3 Register of Interested Person Transactions to include Mandated IPTs**

All Mandated IPTs and their respective values, the basis for determining the transaction prices and supporting evidence and quotations obtained to support such basis shall be reported to the Group Chief Financial Officer of the Company at the end of each month.

The Group Chief Financial Officer of the Company or such other personnel of the Company (who shall not be interested in any of the Mandated IPTs or have any business or personal connection with the relevant Mandated Interested Person) duly delegated to do so by the Audit Committee shall prepare, maintain and monitor two registers, one for recording Mandated IPTs and one for recording interested person transactions other than Mandated IPTs. The Group Chief Financial Officer of the Company shall compile in these registers, details of all interested person transactions (distinguished between Mandated IPTs and other interested person transactions), the basis for determining the transaction prices and supporting evidence and quotations obtained to support such basis, for submission to the Audit Committee on a quarterly basis.

The Head of Internal Audit of the Group shall review and verify the list of Mandated IPTs and the bases and reasons for entering into such Mandated IPTs prior to its submission to the Audit Committee for its review and ratification. In the event that a member of the Audit Committee has a conflict of interests in any Mandated IPT, he shall fully declare the same and abstain from reviewing that particular Mandated IPT. The Audit Committee shall escalate the review of any Mandated IPT to the Board if deemed appropriate.

#### **3.4.4 Review by Audit Committee**

The Audit Committee shall review quarterly reports on the Mandated IPTs to ascertain that the established review procedures for Mandated IPTs have been complied with. For the avoidance of doubt, any member of the Audit Committee who is an employee or nominee of Mitsubishi Corporation shall not participate in such review. If during these quarterly reviews by the Audit Committee, the Audit Committee is of the view that the review procedures as stated above have become inappropriate or insufficient in view of changes to the nature of, or the manner in which, the business activities of the EAR Group are conducted, the Audit Committee will, in consultation with the Board, take such actions as it deems proper in respect of such procedures and/or modify or implement such procedures as may be necessary and direct the Company to seek a fresh general mandate from the Shareholders based on the revised guidelines and procedures for Mandated IPTs to ensure that the Mandated IPTs will be conducted on an arm's length basis and on normal commercial terms and hence, will not be prejudicial to the interests of the Company and its minority Shareholders.

#### **3.4.5 Validity Period of the IPT Mandate**

The IPT Mandate will take effect from the passing of Ordinary Resolution 15 as set out in the Notice of 2020 AGM and will (unless revoked or varied by the Company in general meeting) continue to be in force until the next AGM or the date by which the next AGM is required by law to be held, whichever is earlier. Approval from the Independent Shareholders will be sought for the renewal of the IPT Mandate at the next AGM and at each subsequent AGM or the date by which the next AGM of the Company is required by law to be held, subject to satisfactory review by the Audit Committee of its continued relevance and application and sufficiency of the guidelines and review procedures under the IPT Mandate to ensure that the Mandated IPTs will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

## LIST OF MANDATED INTERESTED PERSONS

The list of Mandated Interested Persons, with which the EAR Group intends to undertake transactions, pursuant to the IPT Mandate is as follows:

S/N	Entity Name	Nature of Relationship	Principal Business
1.	Mitsubishi Corporation	Controlling Shareholder	Mitsubishi Corporation is a global integrated business enterprise incorporated in Japan with businesses in natural gas, industrial materials, petroleum & chemicals, mineral resources, industrial infrastructure, automotive & mobility, food, consumer, power solution and urban development.
2.	Mitsubishi International Corporation <sup>3</sup>	Associate of Mitsubishi Corporation	Mitsubishi International Corporation is a company incorporated in the United States of America with businesses related to global trading of industrial products & commodities, marketing, distribution, materials procurement, technology transfer, product sourcing and supply-chain management.
3.	MC Agri Alliance Limited <sup>4</sup>	Associate of Mitsubishi Corporation	MC Agri Alliance Limited is a company incorporated in Japan with business activities in the import and distribution of coffee, cocoa, sesame, edible nuts, spices and vegetable ingredients in the Japanese market.

<sup>3</sup> Mitsubishi International Corporation is an indirect wholly-owned subsidiary of Mitsubishi Corporation.

<sup>4</sup> MC Agri Alliance Limited is a joint venture between the Company and Mitsubishi Corporation, whereby the Company owns 30% of the joint venture and Mitsubishi Corporation owns the remaining 70%.

## IFA LETTER

28 April 2020

The Audit Committee and The Non-Interested Directors  
 Olam International Limited  
 7 Straits View  
 Marina One East Tower, #20-01  
 Singapore 018936

Dear Sir / Madam

### THE PROPOSED ADOPTION OF THE IPT MANDATE

*Unless otherwise defined or the context otherwise requires, all terms and expressions used in the IFA Letter shall have the same meanings as those defined in the Letter.*

#### 1. INTRODUCTION

This letter (“**IFA Letter**”) has been prepared for inclusion in the Letter to Shareholders dated 28 April 2020 (“**Letter**”) to be issued in relation to the proposed adoption of a general mandate for interested person transactions (the “**IPT Mandate**”).

Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the “**SGX-ST Listing Manual**”) provides that the Company may seek a general mandate from its shareholders for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations that may be carried out with interested persons, which is subject to annual renewal.

Transactions between Entities At Risk (“**EAR**”) and interested persons (as such term is defined in the SGX-ST Listing Manual) conducted under such a general mandate are not separately subject to Rules 905 and 906 of the SGX-ST Listing Manual, which require respectively an immediate announcement to be made and/or shareholders’ approval for an interested person transaction if the value of the transaction is equal to or exceeds certain thresholds.

For the purposes of the IPT Mandate, the following entities are considered EARs based on Rule 904(2) of the SGX-ST Listing Manual:

- a) the issuer;
- b) a subsidiary of the issuer that is not listed on the Exchange or an approved exchange; or
- c) an associated company of the issuer that is not listed on the Exchange or an approved exchange, provided that the listed group, or the listed group and its interested person(s), has control over the associated company.

(collectively, the “**EAR Group**”)

The EAR Group envisages that it will, from time to time in the ordinary course of business, enter into transactions under the scope of the IPT Mandate as set out in paragraph 3.2 of Appendix 2 in the Letter (the “**Mandated IPTs**”) with the interested persons (“**Mandated Interested Persons**”) as set out in paragraph 3.1 of Appendix 2 and Annex to Appendix 2 in the Letter. As such, the Directors are seeking for the IPT Mandate to be approved and adopted so that any member of the EAR Group may enter into the Mandated IPTs with Mandated Interested Persons without being subjected to the requirements in Rules 905 and

906 of the SGX-ST Listing Manual. Based on the foregoing, PricewaterhouseCoopers Corporate Finance Pte Ltd (“PwCCF”) has been appointed as the independent financial adviser (“IFA”) to provide an opinion on whether the methods or procedures for determining transaction prices of Mandated IPTs, if adhered to, are sufficient to ensure that the Mandated IPTs will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

## **2. TERMS OF REFERENCE**

PwCCF has been appointed as the IFA in relation to the proposed adoption of the IPT Mandate pursuant to Rule 920(1)(b)(v) of the SGX-ST Listing Manual as well as to provide an opinion to the Audit Committee and the Non-Interested Directors on whether the methods or procedures for determining transaction prices of Mandated IPTs, if adhered to, are sufficient to ensure that the Mandated IPTs will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

We are not and were not involved in any aspect of the negotiations in connection with the Mandated IPTs contemplated under the IPT Mandate, nor were we involved in the deliberations leading up to the decision of the Directors to propose the IPT Mandate. Accordingly, we do not, by this IFA Letter, make any representation or warranty in relation to the commercial risks or merits of the IPT Mandate.

Our terms of reference do not require us to evaluate the strategic or long-term commercial merits or risks of the Mandated IPTs, or the future performance or prospects of the EAR Group. Such evaluations remain the sole responsibility of the Directors and/or the management of the Company, although, we may draw upon their views to the extent deemed necessary or appropriate by us in arriving at our opinion.

We have held discussions with the management of the Company and have examined information, both written and verbal, provided by the management of the Company. We have not independently verified such information, whether written or verbally, and accordingly cannot and do not make any representation or warranty, express or implied, in respect of, and do not accept any responsibility for, the accuracy, completeness or adequacy of such information. We have nevertheless made reasonable enquiries and exercised our judgment as we deemed necessary or appropriate when reviewing such information and are not aware of any reason to doubt the accuracy or reliability of such information.

We have relied upon the assurance that the Directors have collectively and individually accepted full responsibility for the accuracy of the information in the Letter, and have made all reasonable enquiries that, to the best of their knowledge and belief, the Letter constitutes full and true disclosure of all material facts about the IPT Mandate. The Company and the Directors are not aware of any facts the omission of which would make any statement in the Letter misleading. The foregoing is as set out in Section 9 of the Letter entitled “Directors’ Responsibility Statement”.

The Company has been separately advised by its own professional advisers in the preparation of the Letter (other than this IFA Letter). We have had no role or involvement and have not and will not provide any advice in the preparation, review and verification of the Letter (other than this IFA Letter). Accordingly, we take no responsibility for and express no views, whether express or implied, concerning the accuracy, completeness or adequacy of all

such information, provided or otherwise made available to us or relied upon by us as described in the Letter (other than this IFA Letter).

Conditions may change significantly over a short period of time and accordingly we assume no responsibility to update, revise or reaffirm our view in light of any subsequent development after the Latest Practicable Date that may affect our opinion contained herein. Shareholders should take note of any announcements relevant to their consideration of the IPT Mandate, which may be released by the Company and other sources after the Latest Practicable Date.

In preparing this IFA Letter, we have not had regard to the specific investment objectives, financial situations, tax positions and/or unique needs and constraints of any individual shareholder. As each shareholder may have different investment objectives and considerations, we advise the Non-Interested Directors to recommend that any individual shareholder who may require specific advice in relation to his share(s) should consult their own stockbroker, bank manager, solicitor, accountant or other professional advisers.

Our opinion in this IFA Letter is required under Listing Rule 920(1)(b)(v) of the SGX-ST Listing Manual as well as addressed to and for the use and benefit of the Audit Committee and the Non-Interested Directors in their evaluation on whether the methods or procedures for determining transaction prices of Mandated IPTs, if adhered to, are sufficient to ensure that the Mandated IPTs will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders. While a copy of this letter may be reproduced in the Letter, the statements, opinions and / or recommendations made by the Audit Committee and the Non-Interested Directors shall remain the responsibility of the Audit Committee and the Non-Interested Directors.

Our opinion in relation to the above should be considered in the context of the entirety of this IFA Letter and the Letter.

### 3. THE IPT MANDATE

#### 3.1 Names of Mandated Interested Persons

The IPT Mandate, if approved, applies to the Mandated IPTs (as described in paragraph 3.2 of Appendix 2 in the Letter) between the EAR Group and the Mandated Interested Persons. The names of the Mandated Interested Persons are set out in the Annex to Appendix 2 in the Letter, which is reproduced in *italics* below.

<b>S/N</b>	<b>Entity Name</b>	<b>Nature of Relationship</b>	<b>Principal Business</b>
1.	<i>Mitsubishi Corporation</i>	<i>Controlling Shareholder</i>	<i>Mitsubishi Corporation is a global integrated business enterprise incorporated in Japan with businesses in natural gas, industrial materials, petroleum &amp; chemicals, mineral resources, industrial infrastructure, automotive &amp; mobility, food, consumer, power solution and urban development.</i>



2.	<i>Mitsubishi International Corporation<sup>3</sup></i>	<i>Associate of Mitsubishi Corporation</i>	<i>Mitsubishi International Corporation is a company incorporated in the United States of America with businesses related to global trading of industrial products &amp; commodities, marketing, distribution, materials procurement, technology transfer, product sourcing and supply-chain management.</i>
3.	<i>MC Agri Alliance Limited<sup>4</sup></i>	<i>Associate of Mitsubishi Corporation</i>	<i>MC Agri Alliance Limited is a company incorporated in Japan with business activities in the import and distribution of coffee, cocoa, sesame, edible nuts, spices and vegetable ingredients in the Japanese market.</i>

<sup>3</sup> *Mitsubishi International Corporation is an indirect wholly-owned subsidiary of Mitsubishi Corporation.*

<sup>4</sup> *MC Agri Alliance Limited is a joint venture between the Company and Mitsubishi Corporation, whereby the Company owns 30% of the joint venture and Mitsubishi Corporation owns the remaining 70%.*

### 3.2 Category of Mandated IPTs

The category of the Mandated IPTs is set out in paragraph 3.2 of Appendix 2 in the Letter, which is reproduced in *italics* below:

*The category of interested person transactions which are covered by the IPT Mandate (the "**Mandated IPTs**"), if approved, is the sale of goods including (but not limited to) commodities such as coffee, cocoa, edible nuts, spices, sesame, grains and other food products to the Mandated Interested Persons.*

Accordingly, any transaction entered into pursuant to the IPT Mandate will be included for the purposes of aggregation for the thresholds as stated in paragraph 3.4.2 of Appendix 2 in the Letter. For the avoidance of doubt, the IPT Mandate will cover Mandated IPTs below S\$100,000 in value, notwithstanding that the threshold and aggregation requirements of Rule 905 and 906 of the SGX-ST Listing Manual do not apply to such transactions.

### 3.3 Rationale for the IPT Mandate and Benefit to the Group

The rationale of the IPT Mandate and benefit to the Group are set out in paragraph 3.3 of Appendix 2 in the Letter, which is reproduced in *italics* below:



*The Mandated IPTs are a category of transactions which are entered into or likely to be entered into by the EAR Group in the ordinary course of business, and are likely to be recurrent transactions which will occur with some degree of frequency, and for this reason, may be transacted at any time and from time to time. The Company expects that the Mandated IPTs, if carried out on normal commercial (or, in the absence of other similar comparable transactions, commercially reasonable) terms in accordance with the review procedures set out in paragraph 3.4 below, will be of benefit to the Group, for the reasons set out below.*

*Mitsubishi Corporation is a global integrated business enterprise incorporated in Japan that develops and operates businesses across a variety of sectors with operations and business interests all around the world, including natural gas, industrial materials, petroleum and chemicals, mineral resources, industrial infrastructure, automotive and mobility, food, consumer, power solution and urban development. As stated in the Company's announcement dated 28 August 2015, the Company is of the view that Mitsubishi Corporation's significant investment in the Company since 2015 has set a strong platform for a long-term strategic partnership between the Company and Mitsubishi Corporation, with mutually beneficial potential collaboration opportunities.*

*Mitsubishi Corporation and its group of companies are customers that the Company would supply to as part of its business, which adds to the earnings of the Company with an increased customer base. Since its collaboration with Mitsubishi Corporation, the Company has expanded its products, geography and value chain footprint.*

*The IPT Mandate is intended to enhance the Group's ability to pursue business opportunities which are time-sensitive in nature as well as to facilitate the Mandated IPTs, provided that they are carried out on normal commercial terms and are not prejudicial to the Company and the minority Shareholders, given that the IPT Mandate, if approved, will eliminate, among others, the need for the Company to convene separate general meetings on each occasion to seek Shareholders' approval as and when potential Mandated IPTs arise. This will reduce substantially the administrative time, inconvenience and expenses associated with the convening of such meetings, without compromising the corporate objectives of the Group or adversely affecting the business opportunities of the Group.*

### **3.4 Methods or Procedures for Determining Transaction Prices of Mandated IPTs**

To ensure that the Mandated IPTs will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders, the Company has established and shall implement the following methods and procedures to determine transaction prices for Mandated IPTs.

Details of the methods and procedures for determining transaction prices of Mandated IPTs, threshold limits, and additional procedures established and shall be implemented by the Company are set out in paragraph 3.4 of Appendix 2 in the Letter, which is reproduced in *italics* below:

### **3.4.1 General Review Procedures**

*The methods and procedures outlined in this paragraph 3.4.1 for determining transaction prices have been established and shall be implemented by the Company, for the review and approval of Mandated IPTs under the IPT Mandate to ensure that such Mandated IPTs are undertaken on an arm's length basis and on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.*

*The EAR Group shall ensure that all contracts or transactions entered into with the Mandated Interested Persons for the sale of goods by the EAR Group shall be (i) at the prevailing market rates or prices of the relevant goods, and (ii) on terms which are no more favourable to the relevant Mandated Interested Person than the usual commercial terms extended by the EAR Group to unrelated third parties. In determining the price payable and terms offered to the relevant Mandated Interested Persons for such goods, factors including quality, grade, quantity, volume, rebates or discount accorded for bulk purchases, customer requirements and specifications, and delivery timelines are also considered.*

*Where the prevailing market rates or prices for the goods are not available or cannot be practicably ascertained for whatever reason (for example, due to the nature or specifications of the goods to be sold, or if meaningful comparisons cannot be practicably obtained for any commercial reasons), any member of the senior management staff of the relevant entity within the EAR Group (or deputy or assistant head) (who shall not have an interest in the Mandated IPT under review or any business or personal connection with the Mandated Interested Persons) shall evaluate and weigh the benefits of, and rationale for, transacting with the relevant Mandated Interested Person. The evaluation will include considerations of the efficiencies and flexibilities derived by the EAR Group in transacting with the relevant Mandated Interested Person, compared with transacting with unrelated third parties, the prevailing industry norms (including the reasonableness of the terms), as well as the prevailing market price of the same or reasonably comparable type of goods which is publicly available on an established commodities exchange, if any, to determine whether the relevant Mandated IPT is undertaken at an arm's length and on the EAR Group's usual business practices, commercial terms and/or pricing policies, and where applicable, consistent with the usual margin to be obtained by the EAR Group for the same or reasonably comparable type of contract or transaction with unrelated third parties.*

### **3.4.2 Threshold Limits**

*All Mandated IPTs shall be subject to strict adherence to the EAR Group's policies governing credit and counterparty risk limits (including in respect of sales) and the authority limits for transaction approval set by the respective companies in the Group, as amended from time to time.*

*Mandated IPTs shall additionally be subject to review and approval based on the transaction threshold limits set out in the table below.*

<b>Value of Mandated IPT (based on per transaction limit)</b>	<b>Reviewed and approved by (Approving Authority)</b>
<i>Below S\$30 million</i>	<i>Chief Financial Officer of any Business Unit of the Group</i>
<i>Equivalent to or exceeding S\$30 million but below S\$50 million</i>	<i>Head of any Business Unit of the Group</i>
<i>Equivalent to or exceeding S\$50 million</i>	<i>Group Chief Executive Officer or Group Chief Financial Officer of the Company</i>

*(Note: The transaction threshold limits set out in the table above took into consideration a basket of commodities that were typically sold to the Mandated Interested Persons and therefore also had regard to the historical transaction prices across the basket of commodities to ensure that the transaction threshold limits were efficient to the time-sensitive nature of the Mandated IPTs yet not excessive.)*

*In the event that any member of the relevant approving authority (as referred to in the above table) has an interest in a Mandated IPT under review or any business or personal connection with the relevant Mandated Interested Person, then the relevant person shall not participate in any decision-making procedure in respect of that Mandated IPT, and the review and approval of that Mandated IPT will be undertaken only by a non-interested member of that approving authority where applicable. If there is only one member of that approving authority or where all the members of the relevant approving authority of the IPT Mandate are conflicted, then the approval from the next higher approving authority shall be sought. For the avoidance of doubt, any persons who are employees or nominees of Mitsubishi Corporation shall be deemed to be conflicted for the foregoing purposes and shall not participate in the decision of any approval authority. Further, any person who is a director of a Mandated Interested Person (regardless of whether he is a nominee or employee of the Group) shall not participate in the decision of any approving authority.*

*The EAR Group shall not enter into or agree to enter into any Mandated IPT unless all necessary internal approvals have been obtained, and in particular, the additional approval based on the above threshold limits. The review procedures set out in paragraph 3.4 shall be strictly adhered to ensure that Mandated IPTs will be undertaken on an arm's length basis and on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.*

### **3.4.3 Register of Interested Person Transactions to include Mandated IPTs**

*All Mandated IPTs and their respective values, the basis for determining the transaction prices and supporting evidence and quotations obtained to support such basis shall be reported to the Group Chief Financial Officer of the Company at the end of each month.*

*The Group Chief Financial Officer of the Company or such other personnel of the Company (who shall not be interested in any of the Mandated IPTs or have any*

*business or personal connection with the relevant Mandated Interested Person) duly delegated to do so by the Audit Committee shall prepare, maintain and monitor two registers, one for recording Mandated IPTs and one for recording interested person transactions other than Mandated IPTs. The Group Chief Financial Officer of the Company shall compile in these registers, details of all interested person transactions (distinguished between Mandated IPTs and other interested person transactions), the basis for determining the transaction prices and supporting evidence and quotations obtained to support such basis, for submission to the Audit Committee on a quarterly basis.*

*The Head of Internal Audit of the Group shall review and verify the list of Mandated IPTs and the bases and reasons for entering into such Mandated IPTs prior to its submission to the Audit Committee for its review and ratification. In the event that a member of the Audit Committee has a conflict of interests in any Mandated IPT, he shall fully declare the same and abstain from reviewing that particular Mandated IPT. The Audit Committee shall escalate the review of any Mandated IPT to the Board if deemed appropriate.*

#### **3.4.4 Review by Audit Committee**

*The Audit Committee shall review quarterly reports on the Mandated IPTs to ascertain that the established review procedures for Mandated IPTs have been complied with. For the avoidance of doubt, any member of the Audit Committee who is an employee or nominee of Mitsubishi Corporation shall not participate in such review. If during these quarterly reviews by the Audit Committee, the Audit Committee is of the view that the review procedures as stated above have become inappropriate or insufficient in view of changes to the nature of, or the manner in which, the business activities of the EAR Group are conducted, the Audit Committee will, in consultation with the Board, take such actions as it deems proper in respect of such procedures and/or modify or implement such procedures as may be necessary and direct the Company to seek a fresh general mandate from the Shareholders based on the revised guidelines and procedures for Mandated IPTs to ensure that the Mandated IPTs will be conducted on an arm's length basis and on normal commercial terms and hence, will not be prejudicial to the interests of the Company and its minority Shareholders.*

#### **3.4.5 Validity Period of the IPT Mandate**

*The IPT Mandate will take effect from the passing of Ordinary Resolution 15 as set out in the Notice of 2020 AGM and will (unless revoked or varied by the Company in general meeting) continue to be in force until the next AGM or the date by which the next AGM is required by law to be held, whichever is earlier. Approval from the Independent Shareholders will be sought for the renewal of the IPT Mandate at the next AGM and at each subsequent AGM or the date by which the next AGM of the Company is required by law to be held, subject to satisfactory review by the Audit Committee of its continued relevance and application and sufficiency of the guidelines and review procedures under the IPT Mandate to ensure that the Mandated IPTs will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.*

#### 4. OPINION

In arriving at our opinion as to whether the methods or procedures for determining transaction prices of Mandated IPTs, if adhered to, are sufficient to ensure that the Mandated IPTs will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders, we have given due consideration to the following factors in relation to the IPT Mandate:

- Names of Mandated Interested Persons;
- Category of Mandated IPTs;
- Rationale for the IPT Mandate and benefit to the Group; and
- Method or procedures for determining transaction prices of Mandated IPTs.

Having considered the factors and the assumptions set out in this IFA Letter, and subject to the qualifications set out herein, we are of the opinion that the methods or procedures for determining transaction prices of Mandated IPTs, if adhered to, are sufficient to ensure that the Mandated IPTs will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

This IFA Letter has been prepared pursuant to Rule 920(1)(b)(v) of the SGX-ST Listing Manual for the inclusion in the Letter as well as addressed to and for the use and benefit of the Audit Committee and the Non-Interested in their evaluation of the IPT Mandate. The statements, opinions and / or recommendations made by the Audit Committee and the Non-Interested Directors remains the responsibility of the Audit Committee and the Non-Interested Directors.

While a copy of this IFA Letter may be reproduced in the Letter, neither the Company nor the Directors may reproduce, disseminate or quote this IFA Letter (or any part thereof) for any other purpose at any time and in any manner without the prior written consent of PwCCF in each specific case except in relation to the IPT Mandate.

This IFA Letter is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully

For and on behalf of

**PricewaterhouseCoopers Corporate Finance Pte Ltd**

Ling Tok Hong  
Managing Director