



OLAM INTERNATIONAL LIMITED
(the "Company")
(Company registration number: 199504676H)
(Incorporated in the Republic of Singapore)

25TH ANNUAL GENERAL MEETING TO BE HELD ON 20 MAY 2020

RESPONSES TO QUESTIONS

Olam International Limited ("Olam" or the "Company") would like to thank all shareholders who have submitted their questions ahead of the Company's 25th Annual General Meeting ("AGM") to be held by electronic means this afternoon at 2:00 pm Singapore time.

The responses to the questions are set out in the Appendix of this announcement.

Mr. Sunny Verghese, Co-founder and Group Chief Executive Officer and Executive Director will deliver a presentation to shareholders at the AGM. A copy of the presentation along with the results of the AGM will be made available after the conclusion of the AGM. Minutes of the AGM will be available on the Company's website on our Investors page at <https://www.olamgroup.com/investors.html> within a month from the date of the AGM.

By Order of the Board

Michelle Tanya Kwek
Company Secretary

Singapore, 20 May 2020

About Olam International Limited

Olam International is a leading food and agri-business supplying food, ingredients, feed and fibre to 25,200 customers worldwide. Our value chain spans over 60 countries and includes farming, processing and distribution operations, as well as a sourcing network of an estimated 5 million farmers.

Through our purpose to 'Re-imagine Global Agriculture and Food Systems', Olam aims to address the many challenges involved in meeting the needs of a growing global population, while achieving positive impact for farming communities, our planet and all our stakeholders.

Headquartered and listed in Singapore, Olam currently ranks among the top 30 largest primary listed companies in terms of market capitalisation on SGX-ST.

More information on Olam can be found at www.olamgroup.com. Follow @olam:



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APPENDIX

IMPACT OF COVID-19

1. Please elaborate on the impact of COVID-19, the risks as well as the resilience in the various upstream, midstream/downstream key products.

ANSWER: Olam continues to play an important role in providing essential food staples, food ingredients, feed and fibre to customers around the world in a safe, responsible and sustainable way. Whilst maintaining business continuity and strictly adhering to local regulations in all our operations, our primary focus has been to ensure employee health and food safety.

In many of our locations around the world, Olam has been deemed to be providing a valuable and essential service and as a result, we were able to operate most of our global facilities at or near capacity in Q1 2020. We were largely able to use our global sourcing reach and local operational and supply chain capabilities to ensure that we continued to serve our customers and minimise disruptions to their supply chains during these unprecedented times.

The impact on demand from COVID-19 varied across products. We experienced lower demand in some of our non-food categories like Cotton and in food products with significant out-of-home consumption like Edible Oils and Coffee. We also saw lower demand in Almonds and Dairy due to the lockdown in China in Q1 2020. However, demand for most food staples was generally resilient and spiked in some cases due to the pantry restocking effect both at the household and retail level.

With 80-85% of the Group's revenues in the food category where demand is less sensitive to recession or economic downcycles, the Group believes that it will be able to better navigate the demand led uncertainties around COVID-19.

However, the impact of COVID-19 on Q2 2020 and the rest of the year remains very uncertain with a wide range of outcomes that could impact demand and supply conditions across different geographies, businesses and financial markets.

The Group has been proactive in controlling costs and conserving cash to mitigate against potential adverse impact from the COVID-19 crisis. It will continue to monitor and assess this impact on a more dynamic basis rather than on a fixed planning cycle basis and provide an assessment along with unaudited financial statements for the first-half ending June 30, 2020 or earlier, if material developments arise.

2. Are we facing any counterparty risks including hedging and from supply chain partners?

ANSWER: There have been some counterparty defaults in edible oils and cotton which took place after prices of these products fell significantly, partly caused by COVID-19. However, there was no credit risk as we still held titles to the stocks and we were able to re-route these for sale into other destinations, thereby mitigating the impact. In some cases where it became a credit risk, in addition to covering some of the loss through insurance, we were able to put forth these cases to international arbitration for contract resolution.

In hedging, as the counterparties are essentially the exchanges, counterparty risks are low and have not materialised.

3. Please elaborate on the insurance coverage we have to mitigate such risks and the claims we have made or expected to make.

ANSWER: We have insurance to cover us for employee medical expenses; thefts or damages to inventories in storage; damages that could arise out of lockdowns or limited access to warehouses and office premises; and damages to goods in marine transit due to delays in port on account of lockdowns. Some medical insurance claims have been made by us, but none so far for inventories or property.

4. There is a triple whammy of increased price volatility, counterparty risk and supply chain disruptions. What is the self-assessment of Olam with respect to competition in these regards?

ANSWER: About 80-85% of the Group's revenues are in the food category where demand is less sensitive to recession or economic downcycles. Our business is also diversified across 12 businesses (four others have been identified for divestments), with more than 40 products, 25,200 customers and operating presence in over 60 countries. Each business is differentially integrated across the upstream, midstream and downstream parts of the value chain. We believe we have a uniquely differentiated and defensible portfolio from competition which allows us to better navigate the demand led uncertainties around COVID-19.

2019-2024 STRATEGIC PLAN

5. On divestments, please highlight the learning from the PureCircle episode. Is it a distress sale which we should be careful to avoid? This appears to be a significant loss overall considering our overall investment and over a decade it has locked up the opportunity cost of capital. How should Olam avoid similar situation for its Fertiliser, Rubber and other proposed divestments?

ANSWER: We believe the proposed acquisition of 75% stake in PureCircle by Ingredion represents the best possible option available to PureCircle shareholders given the company's circumstances, including its current financial position. Olam and the remaining significant shareholders of PureCircle have each irrevocably undertaken to vote (or procure the voting) in favour of the proposed scheme of arrangement at the court meeting and the resolutions to be proposed at the general meeting of PureCircle (or in the event that the acquisition is implemented by way of a takeover offer, to accept, or procure the acceptance of, the takeover offer) and to elect to receive new shares in Bidco, the wholly-owned subsidiary of Ingredion set up to acquire the shares in PureCircle, in each case, in respect of all of their respective holdings in PureCircle.

Hence the proposed acquisition is an opportunity for Ingredion to inject new capital into PureCircle and turn around its business for the benefit of continuing shareholders. In the event that minority shareholders do not accept the offer, significant shareholders may have the opportunity to offer part of their holdings in the company to satisfy the 75% stake condition as required under the proposed acquisition. This would be in line with our Strategic Plan to exit de-prioritised assets and businesses, release capital and focus on those with sustainable growth potential.

We will carry out the divestments/de-consolidation of the de-prioritised businesses and assets in a responsible and orderly manner over the course of the Strategic Plan. We will do so from a position of strength and avoid any fire sale of these assets.

RE-ORGANISATION OF OLAM

6. With the carving out of Olam into three entities, the already challenged senior management bench strength would be further challenged. How does the Company view this as well as how it is preparing its succession development plan, especially with respect to before and after re-organisation, including its cost impacts?

ANSWER: To-date, we have initiated the re-organisation of Olam's business into two distinct groups Olam Food Ingredients (OFI) and Olam Global Agri (OGA) with Olam International (OIL) as the parent holding these two groups. OIL provides stewardship and acts as an accelerator incubating new growth engines. We have started on Step 2 by appointing senior management and executive teams for the respective operating groups and will be reporting their financials and key performance metrics along with our first half results ending 30 June 2020 in August. Step 3 is to explore and evaluate the potential carve-out of the two groups sequentially which we expect to do so from end-2020.

As we have appointed senior management and executive teams for the respective operating groups, there is now more clarity on the new roles and responsibilities, and the deployment of additional human resources to support the growth objectives of each group. This has given rise to more career and growth prospects for our managers and employees and a larger management bench strength with greater bandwidth as a result of the re-organisation, rather than further stretching the existing management team.

On succession planning, the Board Human Resources and Compensation Committee (HRCC) Chairman Lim Ah Doo carries out regular discussions with the Group CEO Sunny Verghese on succession planning at the senior management level including that for the latter. The HRCC also engages external consultants to advise on its remuneration policy and to restructure the remuneration policy where necessary. Review of the senior leadership structure in light of the re-organisation plan has been carried out by the HRCC Chairman and Group CEO with recommendations made to the Board.

To minimise cost impact from management dis-synergies and duplication that may arise from the re-organisation, we have clearly defined the key roles of OIL as a provider of shared services to OFI/OGA, to execute Group-wide initiatives (including key enablers) and also act as an accelerator/incubator to develop new growth platforms.

MISCELLANEOUS

7. The Straits Times and Statista have published a list of 150 Best Singapore Employers on 22 April this year. This was based on an online survey of 8,000 employees. However, Olam is not on the list. Is there a plan to actively strive for Olam to get included in this and similar lists of best places to work?

ANSWER: The 150 Best Singapore Employers list was based on direct survey of employees from various organisations in Singapore, and our employees were not part of it. We do actively participate in such surveys, and we have had particular success in enhancing our employer brand through these recognitions in locations where we might have been relatively less well known earlier. In recent years we have received “Best Employer” and “Best Places to Work For” recognitions multiple times in different countries across the world, such as Indonesia, Vietnam, China and Brazil. Our leadership and talent development practices have also been recognised previously at the global level. We definitely look forward to participating in such surveys and featuring among the topmost employers in Singapore.

8. C16 Biosciences funded by Bill Gates is planning to synthesise palm oil in a sustainable way. In your view, is it a challenge for our Gabon oil palm plantation investments? The Company may be the first one to be impacted as its cost structure is higher than other developers in Indonesia and Malaysia.

ANSWER: While sustainable palm oil is available in the market today, it generally commands a premium and its production is still small compared with non-certified palm oil. That is why startups, such as C16, are hoping to produce synthetic palm oil in a cheap and yet sustainable way. C16 uses microbes to convert food waste and industrial by-products into synthetic palm oil. It is reported that it can make about 10 kilogrammes of its synthetic palm oil each week, which it plans to ramp up to 1,000 kilogrammes using the US\$20 million from investors. However, palm oil is not easy to replace as it is produced in a large scale of 75 million MT annually for use not only in food but also in many industrial and other consumer applications.

According to researchers at the University of Bath’s Centre for Integrated Bioprocessing Research (CIBR) and Centre for Sustainable and Circular Technologies (CSCT), the team has reviewed existing alternatives to palm oil from a technical, environmental and economic perspective and concluded that alternative crop oils such as sunflower, rapeseed, or exotic oils like coconut oil and shea butter have presented significant sustainability and technical challenges and that the only viable large-scale direct replacements are microbial single cell oils from algae or yeast. However, the latter require significant further development before being economically viable. The team is studying the development of these palm oil alternatives and is expected to conclude that current technology isn’t economic on a commercial scale. The highest expense is in extracting the palm oil once the microbes have produced a synthetic version. Until this is overcome, palm oil alternatives might remain a niche product. The team is also working to understand the lowest theoretical cost of a microbial oil, and the further technological development required to produce a competitive alternative to palm oil. They aim to publish the research later in 2020.

At Olam, we are committed to sustainable palm oil production and sourcing, and to protecting forests and areas of high conservation value both in our own plantations and through our third-party supply chain. Our Sustainable Palm Oil Policy and our Living Landscapes Policy set out our commitment and vision for oil palm plantations to co-exist with natural ecosystems and communities in carefully planned and managed landscapes, and ultimately to have a net positive impact.

We are fully supportive of the Roundtable on Sustainable Palm Oil (RSPO) and we are committed to working towards a traceable and transparent palm oil supply chain that supports: No deforestation of high carbon stock (HCS) or high conservation value (HCV) forests and ecosystems; no development of peatland; zero burning and responsible labour practices and respects the rights of local communities.

In 2011 we were the first company to meet the RSPO’s new plantings requirements in Africa for our Awala plantation. To date 55,385 ha of our palm plantations in Gabon are RSPO certified and we are on track to achieve 100% RSPO certification of our operations in Gabon by 2021. Additionally, three of our facilities in the UK and Gabon have achieved RSPO certification.

In Gabon we have invested in a Centre of Excellence which undertakes testing and analysis of plant tissues, soils, fertilisers and water. We are collaborating with research organisations, such as Temasek Life Sciences Laboratory (TLL) and the National University of Singapore (NUS), the Agropolis Fondation in France, and the Commonwealth Organisation (CSIRO) in Australia to carry out research and development in oil palm to improve operational efficiencies, productivity and yields.

Source: <https://www.bloomberg.com/news/articles/2020-03-02/bill-gates-led-fund-invests-in-synthetic-palm-oil-startup>;
<https://www.bath.ac.uk/announcements/palm-oil-must-be-made-more-sustainable-while-replacements-are-made-scalable-bath-engineers-warn/>