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

26TH ANNUAL GENERAL MEETING TO BE HELD ON 23 APRIL 2021
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 26th Annual General Meeting ("AGM") to be held by electronic means on 23 April 2021 at 2:00 pm Singapore time.

The responses to the questions are set out in the Appendix of this announcement. Some questions have been slightly edited for clarity.

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, 23 April 2021

About Olam International Limited

Olam International is a leading food and agri-business supplying food, ingredients, feed and fibre to 17,300 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.

Since June 2020, Olam International has been included in the FTSE4Good Index Series, a global sustainable investment index series developed by FTSE Russell, following a rigorous assessment of Olam's supply chain activities, impact on the environment and governance transparency. The FTSE4Good Index Series identifies companies that demonstrate strong Environmental, Social and Governance (ESG) practices and is used by a variety of market participants to create and assess responsible investment funds.

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

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APPENDIX

FINANCIAL PERFORMANCE

1. What is the difference between Profit After Tax and Minority Interest (PATMI) and Operational Profit After Tax and Minority Interest (Operational PATMI)? Which metric should investors prioritise their focus on?

   ANSWER: PATMI is the Profit for the financial year attributable to the owners of the Company as reported in the Consolidated Profit and Loss Account (page 14 of the Financial Report) while Operational PATMI is PATMI less any exceptional, one-off and non-recurrent gains or losses recorded for the year. While investors focus on PATMI for the actual reported performance for the year in review, they also look at the Operational PATMI to assess if the company has been able to grow its underlying profits on a sustainable basis. In 2020, Olam's recurring net income or Operational PATMI grew 36.0% from S$498.2 million in 2019 to S$677.8 million in 2020.

2. Where does the invested capital go into for the respective operating groups of OFI, OGA and OIL?

   ANSWER: The Group Invested Capital was allocated to the operating groups as shown on page 6 of the Annual Report 2020. In 2020, OFI's invested capital was S$9.4 billion (56.7% of Group Invested Capital); OGA was S$3.8 billion (22.7%) and OIL S$3.4 billion (20.6%) respectively. Invested capital is further broken down into fixed and working capital for each of the reporting segments under OFI and OGA as given on pages 31-33 and 44-46 and into the three subsegments of De-prioritised/Exiting Assets, Gestating Assets and Incubating Businesses for OIL as shown on page 56.

3. I note that revenue, sales volume has increased, but Net Profit After Tax and Minority Interest (PATMI), Net Asset Value (NAV), Profit Before Tax (PBT) and Shareholders' Equity (SE), Earnings Per Share (EPS) and Return on Equity (ROE) and number of customers have all declined. What is the reason for this negative trend? Is the management concerned? What is the company doing to reverse the decline in the PATMI, NAV, PBT, SE, EPS, ROE and number of customers?

   ANSWER: PATMI, PBT, EPS and ROE declined in 2020 compared with 2019 primarily due to the net exceptional losses recorded in 2020. The losses amounted to S$432.1 million mainly due to the one off, non-cash and non-recurring impairment on our investment in Olam Palm Gabon (OPG), partly offset by gains from divestments of other de-prioritised assets. Excluding the non-cash, non-recurring exceptional impairment charges, Operational PATMI has increased by 36.0%, EPS by 40.3% and ROE by 330 basis points compared to 2019 despite the impact of Covid-19 on our business.

SE came down from S$6.2 billion to S$6.0 billion mainly due to OPG's impairment charges explained above, and currency translation effects arising from the depreciation of the functional currency in US dollar against the reporting currency in Singapore dollar.

The number of customers declined in 2020 compared with 2019 as a result of the divestments of de-prioritised assets and the closure of trading operations in sugar, fertiliser, wood products in Latin America, the Fundamental Fund business and Olam Tomato Processors in California.

4. It does seem that the revenue and sales volume (top line) have grown but the Company is not able to enjoy economies of scale. Arguably, and conversely, diseconomies of scale have set in instead. What is the company doing about this phenomenon?

   ANSWER: The Group EBIT margin declined marginally from 3.2% in 2019 to 3.0% in 2020 primarily due to Covid-19 impacts in H1 2020. One of the Company's strategic priorities is to improve its margins by establishing cost competitiveness through sustained cost management and optimising capital productivity, particularly in the management of capital intensive projects and working capital optimisation. In addition, the company has made targeted investments in growing its higher margin value added businesses through innovation and also through channel expansion into private label, food services and ecommerce. This is expected to help us further enhance margins going forward.

5. The Company has been issuing debt over six occasions in just one year. Can the Board elaborate the use of these debts?

   ANSWER: The various debt issuances made and loans raised by the Company in 2020 have been mainly for refinancing debt that that was maturing in the year in the normal course of business.

6. Debt to equity has increased to 1.72 times while ROE has fallen. High gearing in an asset heavy can be a major risk if market turns. What strategies are in place to protect shareholders' interest?

   ANSWER: The increase in gearing is mainly on account of higher working capital deployed in the business due to sharply higher commodity prices, particularly in H2 2020. ROE has declined only on account of a reduction in net earnings due to the one-off, non-recurring and non-cash OPG impairment charges as explained earlier (see Answer to Question 1). Without this one-off non-cash loss, underlying Operational ROE would have improved 330 basis points to 11.2% year on year.

7. How does Olam's gearing compare with those of peers? Have you any plans to reduce the gearing ratio after the proposed de-merger?

ANSWER: Olam's gearing in 2020 stood at 1.72 times. Olam's adjusted gearing net of readily marketable inventories is 0.63x. Based on published reports, the gearing levels of companies operating in the food and agricultural sector range from 0.50 to 2.5 times.

The targeted capital structure for the new operating groups OFI and OGA pre & post IPO is currently being determined.

8. Recently, Olam has been raising funds, from perpetuals to normal bonds, the latest being the additional S$100 million perpetuals announced on 20 April 2021. Why is Olam not borrowing from banks when interest rates are low? Are banks cautious of Olam's rising debt position? Is Olam being aggressive again?

   ANSWER: Olam has been active in securing both bank debt as well as bonds and perpetual issuances for refinancing its maturing debt obligations. As at end-2020, we have available liquidity of S$17.3 billion, including S$7.2 billion of unutilised bank lines. In addition, our sources of funding is well diversified with 34% from bilateral bank lines, 43% from syndicated loans, and the balance 23% from bonds. The share of bank borrowings has increased from 70.7% in 2019 to 77% in 2020.

9. Top 25 Customers' Share of Total Sales Revenue increased to 26.9%, the highest since 2017. Does that not mean higher customer concentration risk? Should the Group focus on further diversifying its customers base considering that number of customers is 17,300, the lowest since 2017?

   ANSWER: We continue to diversify our customer base to ensure that no customer accounts for more than 10% of our revenues. Some changes to our total customer base is attributed to the exit of our de-prioritised businesses and assets. For our continuing businesses, we expect to grow our customer base as we expand into new channels, including private label, co-manufacturing, food service and e-commerce in line with our Strategic Plan. We are also gaining share of wallet from existing customers in our continuing businesses.

OLAM PALM GABON (OPG)

10. For our overall Palm Gabon investments, can you please provide a summary of our share of investments so far and further commitments in the pipeline?

    ANSWER: At the end of 2020, the invested capital for OPG was US$875.5 million (S$1,157.5 million) with a total planted area of 63,322 hectares. Olam's share will be 60% of OPG's total investment.

    As part of the turnaround and restructuring plan, the company will invest in a large scale drip irrigation project, a bio-diesel plant, along with continuing developmental expenditure on the plantations to bring it to full maturity.

11. How does the current performance projections compare with the original investment thesis approved?

ANSWER: OPG is a greenfield palm oil plantation that was set up as a joint venture with the Republic of Gabon (RoG) in 2011. Planting commenced in 2012 and was completed in 2017. OPG has been experiencing moisture deficit in the recent past due to both lower rainfall as well as unfavourable rainfall distribution with prolonged dry spells during the June to September period. In order to mitigate this moisture deficit risk, the Company had decided to invest in a large drip irrigation project in 2019. However, due to the impact of Covid-19, the implementation of the drip irrigation project has been delayed by 12-18 months with a potential adverse impact on yields and returns. As a result, our projected yields and returns are lower than our original Investment Thesis (IT). Following a periodic review of the carrying value of OPG, the Group recorded a one-off, non-cash and non-recurring impairment arising from a reduction in the recoverable value of the Company's investment in OPG amounting to approximately US$350 million in its financial statements for H2 2020 and FY2020.

We have developed a detailed turnaround and restructuring plan to improve yields, costs and returns from the OPG project which we are currently implementing.

12. Once the drip irrigation project is completed and other issues are fixed, the future yields are likely to come back and hence, the negative impact should be only temporary (for a few more years at most). If this assumption is valid, the write-down looks to be disproportional and too pessimistic. Please clarify and also specify the book value of OPG before and after this current write-down (as there are ongoing investments too) as well as the number of hectares of cultivation impacted by the write-down.

ANSWER: The book value of OPG after this current write-down is US$875.5 million (S$1,157.5 million) as described in the answer to question 10 above. This impairment of US$350 million was determined by the investments/assets' recoverable value being the higher of the value in use and fair value less costs of disposal. In calculating the recoverable value of OPG, the valuation model considered certain assumptions including revenues, earnings before interest, tax, depreciation and amortisation ("EBITDA"), long term crude palm oil price, yields, on-going plantation costs, discount rate and fair value of recent market transactions. Based on the above, we therefore believe that this write down is fair, reasonable and prudent. We will closely monitor the impact from the drip irrigation investment and other turnaround measures including the biodiesel investment on the future prospects of OPG. We will also continue to periodically assess the carrying value of all the assets of the group including OPG and report any changes as and when they are determined.

The revised cost and capital structure of OPG following this impairment will provide the project a better cost base going forward and improve its viability. The Group continues to operate OPG as a positive example of environmentally and socially responsible palm production, including being fully RSPO certified.

13. Olam's US$360 million* write-down on its investment in OPG unduly suppresses the intrinsic value of OIL further (adding to the invisible but significant intangibles of OIL created over time with huge future monetisation opportunities). Long-term retail investors are concerned with the suppression of OIL valuations if privatisation is being contemplated as one of the future options. In this regard, it is surprising to hear from the Group CEO (Business Times, 15 March 2021) that OIL will be only around 10% after the carve-out of OFI and OGA! Also, what is confusing is the Group CFO's comment on page 22 of Annual Report that "... as a proactive measure, if there is going to be long-term impacts on yields, it would be prudent to take this impairment and bring down the value of the asset to market with a cost base that is attractive to investors". While it may be attractive to the new investors and to those who plan to take OIL private, we may be missing something important. Kindly clarify these statements by the executive leadership team from the long-term retail investors' attractiveness and value creation perspectives. *(*The figure referred should have been US$350 million)*

ANSWER: The Board has the fiduciary accountability to conduct a periodic review of the carrying values of the assets of the Group. The OPG impairment is an outcome of a periodic review of the carrying values of assets of the Group including OPG. This is also in line with ACRA's financial reporting practice guidance of 2020 that takes into account the higher risks faced by Companies due to the impact of Covid-19. The 3 key reasons that necessitated the OPG impairment are (1) OPG has experienced recurrent moisture deficit over the years due to both lower rainfall as well as unfavourable rainfall distribution with prolonged dry spells, (2) the planned implementation of a large drip irrigation project to mitigate the moisture deficit risk was delayed by 12-18 months due to the impact of Covid-19, with a potential adverse impact on yields and returns and (3) the Company has revised some assumptions on the future performance and prospects for OPG compared to its original IT. This formed the basis of our Group CFO's comment in the Annual Report that the impairment of OPG was prudent, fair, and reasonable. The OPG impairment has no connection with speculation relating to any potential privatisation.

We wish to clarify that in the Business Times article dated 15 March 2021, our Group CEO was quoted as saying that OIL "will be only 10 per cent after the carve-out of OFI and OGA", referring to its contribution to Group Revenues, which in fact was less than 10% at 4.5% in 2020 while OFI and OGA account for the bulk of the revenues and operating earnings of the Olam Group today. The objective of Olam's Re-organisation Plan is to unlock and illuminate the current value of the Olam Group as a whole and to develop additional strategic options to further enhance long term sustainable value for the group.

14. Olam Palm Gabon is still considered a gestating asset and kept with OIL. Will it be transferred to OGA before its IPO or later or not at all? If it is transferred later, will it not create valuation disputes especially if the current write-down is temporary in nature?

ANSWER: We currently have no plans to transfer OPG to OGA as we are looking to partially or fully monetise our investment in OPG and the other two gestating assets over time.

15. Olam has the stated the aim of achieving 100% certified palm by this year (2021) and we are happy to see that we are on track (Page 62 of Annual Report 2020). However, we understand that FSC has commissioned SmartCert Group in April 2020 to provide a retrospective assessment of Olam Palm Gabon's developments (https://fsc.org/en/unacceptable-activities /cases/olam-international). Have the already issued FSC certificates been put on hold or cancelled? Are this re-assessment and Covid-19 causing any delays in your project plans? Is there a need for provision for the expected rectification works after the assessment? If not, are we certain that there would be no further financial impact?

ANSWER: In May 2020, CIB-Olam achieved FSC certification for its Mimbeli-Ibenga forestry concession, which means all of its natural forest concessions in the Republic of Congo (CIB) are now 100% FSC certified. This certification is valid until September 2021, after which we will submit for renewal as in the normal course. CIB today is the largest, contiguous FSC certified forest concession in the world. CIB-Olam is committed to maintaining its certifications as part of its commitment to responsible and sustainable forestry management.

We refute the allegation that Olam breached FSC Policy for Association in the development of our plantation investments in Gabon. We are committed to an open and transparent review process with FSC in this regard which is currently planned. We believe it will demonstrate the rigour that we brought to the planning and implementation of our plantation investments in Gabon by carefully balancing Gabon's development needs with the imperative to conserve the country's forests, landscapes and natural habitats. This is why we planted only 63,322 hectares of palm and set aside 99,000 hectares of High Conservation Value (HCV) areas in OPG and are protecting them permanently at our cost. We have developed our plantation business carefully and in an environmentally and socially responsible way.

In April 2020, we voluntarily commenced a review process with the FSC to independently review how the decisions on our palm plantation development in Gabon were taken and implemented. The process has been slowed down by the challenges of organising field visits in Gabon as result of Covid-19. We do not have any specific update at present on timeframes for the process to be concluded, but it will be expedited as soon as travel restrictions allow. At this stage, there are no indications that there will be significant delays or impact of this on the RSPO certification process.

IMPACT OF COVID-19

16. What are the Board's succession plans if key management personnel are affected by the current pandemic?

ANSWER: The review of key management succession plans is within the purview of the Board's Nomination and Remuneration Committee (NRC). In 2020, the Group CEO and Group CHRO presented the succession plans to the NRC, keeping in mind the Re-organisation Plan, the changing profiles of each new operating entity, the capacity and capability building requirements under the Strategic Plan (2019-2024), and the Full Potential Strategic Plan under the Reorganisation Plan. The succession plans cover multiple scenarios including voluntary and involutory exits, emergency situations, including sudden deaths brought about by illnesses or accidents. Both the Group and the operating entities have deep bench strength to meet our talent requirements going forward. In addition, based on OFI, OGA & OIL's new game plan, we have a granular capability building and talent acquisition plan to meet the talent requirements of the new operating groups. Olam has been recognised in 2020 to be among the best employer and the most admired place to work in 10 countries. We also improved our engagement and inspiration scores from an already high level in 2020 despite the Covid-19 pandemic, all of which helps us attract and retain top talent.

17. How does Olam contribute to Singapore's food security in general and especially in 2020 during the pandemic considering global competing demands for food related essential products and the fact that Singapore is a small country, highly dependent on global trade for its essential food items?

    ANSWER: Although Olam today does not import and distribute food in Singapore, it played a small part in responding to Singapore Government agencies' request for support during the pandemic in redirecting its supply chains to meet some specific requirements during the pandemic.

18. We hear very little about Covid-19 situation in Africa. How is Olam's business impacted there? Are we going to see impairment again in Q4?

    ANSWER: We have been actively monitoring the ongoing Covid-19 situation in Africa, in particularly in markets where we have significant presence, taking steps to ensure the health and safety of our employees and stakeholders and protecting our business with our Business Continuity Plans in place. Overall, we have contributed US$7 million in financial and in-kind donations to benefit over 11.5 million people across 33 countries as part of various Covid-19 relief efforts. The following initiatives are a sample of the support that we provided to various communities in Africa and other emerging markets during the pandemic:

    - **Radio broadcasts** across 30 local stations to 1 million cocoa farmers across Central and West Africa, plus 1,970 posters and push notifications on WHO guidance; 500+ pastors trained to deliver sensitisation to coffee farmers in Papua New Guinea; ~1.4 million farmers reached with health advice via Olam Digital Supplier Engagement apps in **Côte d'Ivoire,** Indonesia & **India**; Communication campaigns in rural communities to disseminate health advice via calls, texts, recorded announcements and posters.

    - **US$600,000** worth of medical supplies to Ministry of Health in Côte d'Ivoire, plus **20,000** testing kits in partnership with Temasek Foundation; **50 ventilators**; **24 thermal cameras**; **10,000 electronic thermometers**; and PPE distributed to partner governments in Africa by ARISE; US$495k committed by CIB to provide PPE, test kits and construct quarantine facilities; 900 hazmat suits, 60,000 masks and 900 face shields were provided for the RSUD Kota Tangerang Hospital in Indonesia; Swab collection kiosk sponsored for local hospital in India.

- **Food packages donated to farmers and communities throughout sourcing origins incl.** Olam packaged food products to to state governments, local hospitals and the Nigeria Centre for Disease Control (NCDC), **freshly baked bread** to frontline workers and patients in Ghana, 35+ tonnes of rice to vulnerable households and key workers in Burkino Faso, India, Dubai, Myanmar & Vietnam; **2 months' supply of food materials** (oil, rice, milk, sugar, soft drinks, bread & flour) and cleaning materials to Orphanage and Children's Hospital in Diamniadio, Senegal; 300+ **food hampers** for vulnerable households in Durban, funded by employee and company matched donations.

On the question regarding potential future impairments, the Board conducts a periodic review of the carrying values of the assets of the Company and will provide updates and disclosures to shareholders as and when there is any reduction in the recoverable value of the Company's assets in comparison to the carrying value of these assets in its books.

<u>RE-ORGANISATION</u>

19. What is the impact of upcoming restructure (of Olam into 2 entities – OFI and OGA) for shareholders?

ANSWER: The Re-organisation Plan involves the carve-out of OFI and OGA by end-2021, the proposed listing and concurrent demerger of OFI from the Olam Group by way of a distribution in specie of shares in OFI to Olam shareholders by H1 2022. Similar strategic options are being pursued for OGA with a potential listing and concurrent demerger of OGA from OIL in H1 2023. As part of the Re-organisation Plan, OIL will play **4 key roles**: i) Provide **active stewardship** to OFI & OGA until carve-out, IPO & demerger; ii) **Responsibly divest non-core businesses** & **assets** earmarked for exit; iii) **Nurture** & **partially/fully monetise gestating businesses** & iv) **Incubate new platforms of growth** (Engine 2).

We expect the Re-organisation Plan to unlock and illuminate the current value of the Olam Group as well as develop strategic pathways to drive long term profitable growth and further enhance long term value for all the new operating entities on a sustainable basis. Existing shareholders of Olam will receive shares directly in OFI and OGA after the demerger of these two new operating entities. They will also be able to actively manage their portfolio of OFI, OGA and OIL shares and participate in the independent growth of OFI & OGA and the remaining value of their investment in OIL.

However, shareholders should note that any such listing, scheme and demerger, including the timing, terms and other details thereof, are subject to all requisite approvals and clearances from the regulatory authorities, relevant approvals of shareholders of the Company, the approval of the Singapore courts, and prevailing market conditions. The Board of Directors may also decide not to proceed with the scheme, listing and/or demerger, even if the said approvals and clearances have been obtained, if the Board deems it not in the interests of the Company and its shareholders to do so, having regard to the prevailing circumstances and relevant factors at the material time. Accordingly, shareholders of the

Company should note that there is no certainty or assurance that such scheme, listing and/or demerger will finally occur or in the form as described here.

20. I note that there is a plan to demerge OFI, then OGA, and what remains is OIL. From page 6 of the Annual Report 2020, I note that OFI is stagnant, or in slight decline. OGA is growing, promising and good. OIL is in decline and unprofitable. What is the rationale for this corporate exercise? Is this a mere cosmetic exercise?

ANSWER: Please refer to the explanation provided in Question 19 for part of the answer to this question. OIL will play **4 key roles**: i) Provide **active stewardship** to OFI & OGA until carve-out, IPO & demerger; ii) **Responsibly divest non-core businesses** & **assets** earmarked for exit; iii) **Nurture** & **partially/fully monetise gestating businesses** & iv) **Incubate new platforms of growth** (Engine 2).

Although OFI's EBIT in 2020 declined slightly compared with 2019, it had bounced back from the impact of Covid-19 in the first half of 2020 to deliver very strong earnings growth in the second half of the year. The positive trajectory of growth in the second half and its resilient all-round performance despite the pandemic was a testament to the underlying strength of the business. OFI has developed an exciting new game plan to pivot its business to a more value-added food ingredients and solutions business that augurs well for its future growth and prospects.

OIL is currently unprofitable as it holds de-prioritised assets earmarked for exit, generating very little profits and also very limited earnings accretion or negative earnings from the gestating assets and investments in Engine 2 new growth initiatives. It will responsibly divest the businesses and assets earmarked for exit thereby releasing the capital invested in these businesses. It will also nurture the gestating assets, while looking to partially or fully monetise its investments in these assets. Once both the above tasks are completed by 2023, OIL will become mostly a Ventures company, incubating new future platform for growth (Engine 2 initiatives). These Engine 2 initiatives will build real option value arising from this portfolio of new ventures.

21. Should shareholders sell off their shares in Olam after this corporate exercise is completed? After the IPO of OFI and OGA, would OIL remain in existent and also listed on SGX? What is the prospect for OIL after this corporate exercise? Ostensibly, OIL is a loss making and declining business that has little prospects, if any.

ANSWER: This has been answered in Questions 19 and 20.

22. Is there even a need for this corporate exercise? Who stands to benefit from this corporate exercise? By having three listed entities, there is a need to pay three separate listing fees, three CEOs, three CFOs and so on. Basically, there is duplication and a waste of resources, with much money going into the pockets of the financial advisors.

ANSWER: The Board of Directors believes that the Re-organisation Plan when fully executed, will unlock and maximise long term value on a sustainable basis for all shareholders even after taking into account the incremental costs arising from this exercise. This is because shareholders will be able to actively manage their portfolio of OFI, OGA and OIL shares and participate in the independent growth and additional value creation of OFI and OGA, the cash release from the de-prioritised exit businesses and assets, the potential monetisation of OIL's investments in the gestating assets, and the development of real option value on the incubating Engine 2 growth initiatives.

23. Have the Board and management considered the option of keeping 51% of OFI and OGA under the parent OIL for synergies while distributing only the balance of around 20 to 25% of OFI and OGA to the existing Olam shareholders during the planned IPO of 25 to 30%, along with dual listing (secondary listing in SGX)? This amalgamated option can not only provide partial relief from holding company discount but also invoke active market forces with familiarity to close the arbitrage. This is also a low-risk option, as anytime in the future further shares could be distributed out to match the announced plan.

ANSWER: The Board has carefully considered the Re-Organisation Plan with the twin objective of unlocking and illuminating the current value of the business while creating new strategic pathways to create additional further long-term value on a sustainable basis across the three new operating entities. By demerging and spinning off these new entities as independent standalone companies, the Board expects to eliminate any 'Holdco discount' that is common in such restructurings. It believes that the re-organisation of the business into two new distinct operating groups with OFI focusing on on-trend, natural, plant based, sustainably sourced and fully traceable value-added food ingredients and solutions, and OGA focuses on consolidating its position as a differentiated and market leading food, feed and fibre agri-business focused on high-growth emerging markets delivering high returns. This will simplify our current portfolio, sharpen focus, and enable investors to participate in two diverse themes post the IPOs. By doing so, OFI and OGA can attract its own unique groups of investors who are aligned with their vision, growth prospects and can better appreciate and value the new entities.

In order to preserve the Olam DNA and culture, the core leadership team embedded in these entities who are steeped in this culture will migrate the parts of this culture that they need to retain in the new entities and build new elements required to realise their new vision and win in the marketplace.

24. Will the management consider Singapore as one of the listing venues for the planned listings to facilitate the trading of shares by retail shareholders? How could Olam shareholders hold OFI shares directly should OFI be listed not in SGX but in overseas exchanges as reported in the media?

ANSWER: The Company is carefully evaluating alternative listing venues for the potential listing of OFI and OGA, including Singapore. The Board will make a determination on the listing venue in due course that will best serve the long-term interest of the new operating entities.

25. After Olam's listing on the Mainboard of the Singapore Exchange Securities Trading Limited move to a new holding company, how would it affect current shareholdings of Olam shareholders?

    ANSWER: It is not expected to have any impact on shareholdings as it would be merely a transfer of shares in Olam International to the new holding company.

26. How is the progress of the IPO preparation for OFI and OGA?

    ANSWER: The execution of the Re-organisation Plan is progressing well and is on schedule. The Company will provide updates to shareholders and stakeholders on the process, listing venue and related developments, and will seek the requisite approvals and clearances from shareholders and the relevant authorities, at the appropriate times, in accordance with applicable laws and regulations and the listing rules of the SGX-ST and other relevant regulators, as applicable.

27. What will be the ownership criteria and sharing criteria for the common capital and initiatives, processes and IP such as At-Source, Jiva, Sustainability Platforms, IT etc? Will OIL retain the rights to these and other similar common capital and offerings? If so, how will OIL make these shared services attractive to the new investors of OFI and OGA with an arm's length relationship?

    ANSWER: OIL currently owns and controls 100% of all Engine 2 initiatives – Jiva, Adva, Green Pass, Carbon Trading & Sustainable Landscapes Investment platform, Digital Sustainability Platform and Purpose Brands.

    We are currently developing an operating model that will allow OFI, OGA & OIL to have full access to the IP developed in AtSource and our various digital initiatives post IPO and demerger on an arms-length basis.

28. How can we ensure that OFI and OGA, while being separate Wholes continue to be also part of the larger whole with OIL?

    ANSWER: As explained on page 2 of the Annual Report 2020, the Re-organisation Plan will lead to the creation of three separate entities of OFI, OGA and OIL independent of one another. These entities however will retain many elements of the Olam DNA and culture as the core leadership teams in these entities will carry the elements of the culture that remain relevant in their new independent futures while developing new elements that will allow them to compete and succeed in the future.

<u>REMUNERATION</u>

29. I note that the (proposed) dividend, Net Asset Value (NAV), Net Profit After Tax and Minority Interest (PATMI), Profit Before Tax (PBT) and Shareholders' Equity are all down, but yet (proposed) Directors' fees remain constant at S$3.3 million. Why have Directors' fees and senior management remuneration not been similarly reduced as part of shareholder alignment? Please explain.

ANSWER: Directors' fees are benchmarked against peers and proposed based on a framework that seeks to provide an equitable and adequate remuneration on account of the responsibilities and average amount of time spent by a Director at Board and Board Committee meetings; their discussions beyond formal meetings and separate discussions with Management, external advisors and consultants; and the review of materials in the discharge of their responsibilities. From 2019, Directors' fees have been aligned with shareholders' interests whereby the total remuneration payable to Non-Executive Directors (excluding certain Non-Executive Directors who, under their separate arrangements with their employers, do not retain their Directors' fees) would include an equity component of approximately 30%. In 2020, although shareholders have approved the payment of Directors' fees at S$3.3 million, the actual remuneration paid was approximately S$2.55 million. While the proposed fees remain up to S$3.3 million, the actual remuneration will depend on the equity component payout under the revised fees framework that was approved at the 25th AGM.

Senior management remuneration is based on a remuneration policy that is aimed at attracting, retaining and motivating Executive Directors and key executives through a framework which rewards performance and achievement of the Company's strategic objectives that are aligned with the interests of its shareholders. This is detailed on page 22 and 23 of the Governance Report. The award of performance shares is based on the achievement of pre-determined targets over a three-year period with three key performance criteria, namely, i) Absolute Total Shareholder Return, ii) ROE; and iii) PATMI.

After the onset of Covid-19, the Group CEO, OFI CEO and the Executive Committees (ExCos) of the operating entities took a voluntary reduction in salary to cope with the uncertainty that the Covid-19 crisis presented.

SUSTAINABILITY

30. What's the impact to Olam's cotton business with recent Xinjiang cotton ban?

ANSWER: Our Cotton business is largely focussed on international trade and merchandising of cotton across global origins and importing markets. Trading of cotton within China accounts for a very small percentage of our total global cotton trading volume. As such any restrictions applicable to Xinjiang cotton will not have a significant impact on our cotton business.

31. What is the overall climate change impact to Olam's businesses? Does the management foresee potential 'stranded' assets which require complete or substantial write-down like the OPG asset?

ANSWER: The Board Corporate Sustainability & Responsibility (CR&S) Committee reviews all global CR&S issues and trends and assess their potential impact on the Group's businesses. In 2020, it approved a climate risk modelling project to determine the impact of climate change on Olam's businesses, including its upstream and supply chain operations, and approved a new, in-depth approach to assess Climate Physical and Transition risks, and resulting impact on our business. This assessment will be completed in 2021.

32. Are there any plans to invest in plantations in countries like Canada which may be potentially a climate change beneficiary?

ANSWER: There is currently no plans for expansion into plantations in Canada in our Strategic Plan.

MISCELLANEOUS

33. What is the extent of impact (so far and likely going forward) of recent shipping container shortages, port contagion, lack of supporting manpower, disruptions and cost increases on OFI and OGA in meeting supply chain commitments? Are we likely to face the situation of absorbing additional costs, penalties and lost opportunities?

ANSWER: Logistics costs are generally passed through in the supply chain to suppliers and customers as the case may be. However, unexpected disruptions or shipment delays can lead to higher inventory carrying costs and longer cycle times. We are actively monitoring the current situation and working closely with our supply chain partners to minimise any impact.

34. As we understand, the Engine 2 Initiative platforms such as Jiva are under BCG Digital Ventures with 'Powered by Olam' signage. Is it just a service fee-based relationship with BCG DV with full ownership rights of the Jiva and others with OIL? If not, please clarify the ownership interests and rights of these co-developed intangible and tangible assets. Has OIL entered into any co-sharing arrangements or rights' agreements for the current and the future 'profit for purpose' value creations?

ANSWER: BCG Digital Ventures ("BCGDV") was engaged as a consultant to support Olam's development of its new Engine 2 initiative – A Farmer Services Platform called 'Jiva'. Olam owns 100% of Jiva and fully owns its IP. BCGDV's support on this project has now ended as the Jiva team is now fully onboarded.

35. How much has been expensed so far in the development (non-implementation nature) of Olam Way, AtSource, Jiva, Sustainability platform, carbon credit and the other digital as well as the common initiatives? Are these being reflected under intangible and other capitals

under holistic financial reporting? How will this accounting of shared initiatives be handled with respect to OIL, OFI and OGA during as well as after the carve-out and separation?

ANSWER: Some common cross cutting initiatives like AtSource are developed for the Olam Group while Jiva, Adva, Green Pass, Carbon Trading & Sustainable Landscapes Investment platform, Digital Sustainability Platform and Purpose Brands are Engine 2 initiatives under OIL's Incubating Businesses. Investments and pre-operational expenses in Engine 2 businesses in 2020 was US$11.7 million (S$16.1 million).

We will determine how the development cost for the common cross cutting initiatives like AtSource, Digital initiatives etc. will be allocated to OFI, OGA and OIL as we complete the carve-out of these groups.

36. Did Olam manage to achieve above industry average yield after embracing agri-tech?

ANSWER: We have found that the adoption of ag-tech solutions across our upstream plantations and farming operations in Vietnam, Australia, USA, Russia, Brazil, Nigeria and Gabon has not only raised our yields and production to reach or exceed industry average but also delivered other key benefits including better reliability of operations, reduced operating costs, improved operating efficiencies, improved work safety, enabled traceability and supply chain provenance, and enabled transparency and measurement of a broad range of sustainability metrics.

For example, in our Australian almond orchards, the installation of 12 communications towers as part of its Smart Orchards Project has enhanced data connectivity across the extensive landscape in Victoria and New South Wales, enabling improved safety for teams working remotely, driverless technologies, irrigation monitoring and remote sensing of soil moisture, canopy humidity and irrigation pump health. All the towers are 100% solar powered for reliability, environmental sustainability and lower build and operational costs. In Russia, the third new dairy farm commissioned in March 2020 will be one of the largest, technologically advanced farms in Russia with a sustainable and full cycle of production. During the year, it increased its total herd size by 25%, passing 30,000 heads of cattle, while achieving the highest per cow productivity in the Russia for farms of this scale, producing over 11,000 litres/cow per year.