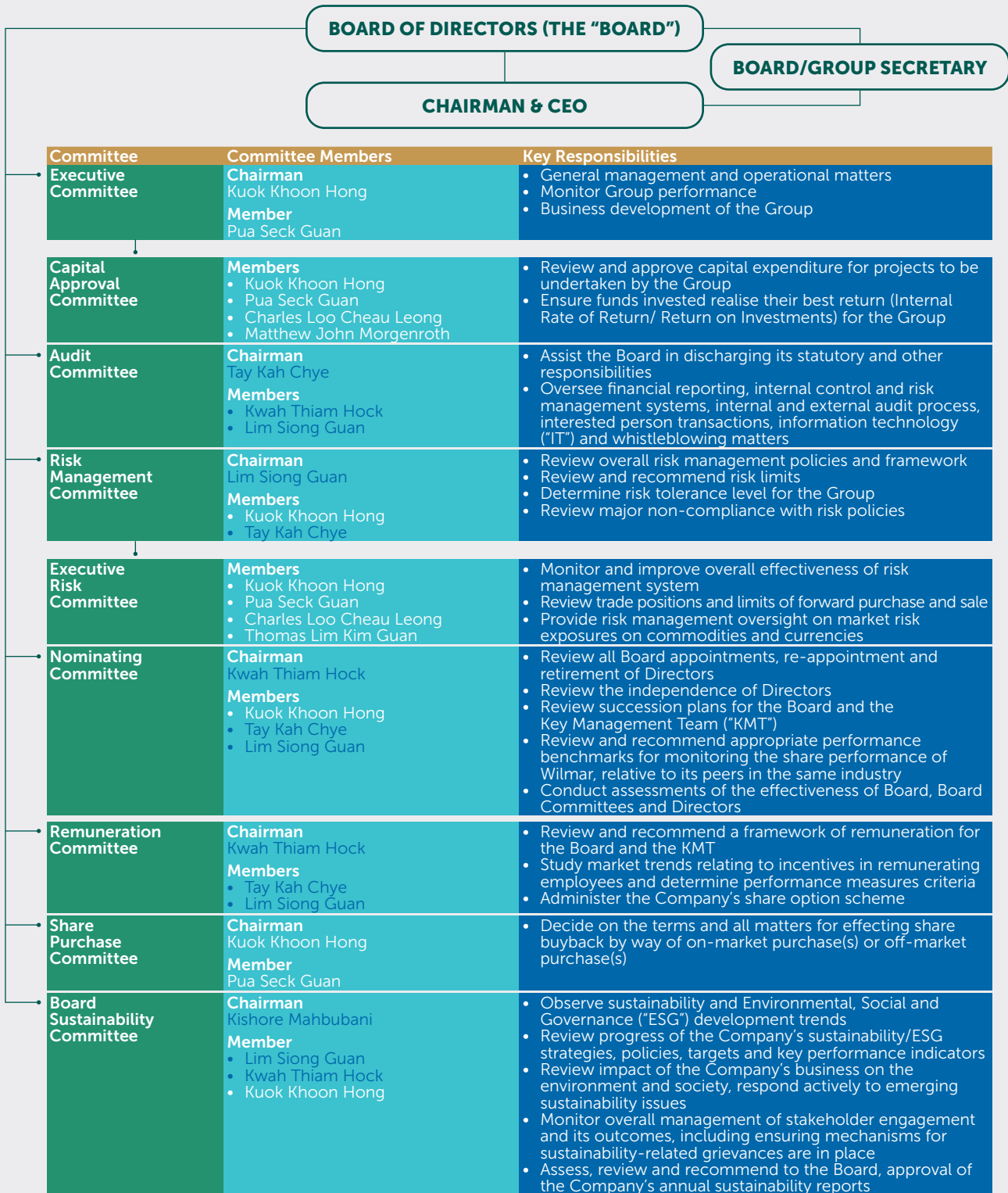


CORPORATE GOVERNANCE

WILMAR GOVERNANCE FRAMEWORK



Wilmar International Limited (the “Company” or “Wilmar” and together with its subsidiaries, the “Group”) affirms its commitment to upholding a high standard of corporate governance to safeguard the interests of all its stakeholders. This report sets out the Company’s corporate governance practices and activities in 2021, with specific reference to the express disclosure requirements in the principles and provisions of the Singapore Code of Corporate Governance 2018 (the “Code”). The Company has complied with the Code’s principles of corporate governance and also substantially with the provisions underlying the principles of the Code. In so far as any provision has not been complied with, the rationale for varying from the provision is set out in this report.

A. BOARD MATTERS

Principle 1: The Board’s Conduct of Affairs

The primary role of the Board is to provide entrepreneurial leadership and set the overall business direction of the Group. The Board constantly seeks to protect long term shareholder value and enhance the returns to the Company. The Board is committed to continually sustaining value creation and broadening the Group’s revenue stream. This is done through diversification into new businesses which are complementary to Wilmar’s core businesses as well as expansion of existing businesses with good prospects for long term growth. In addition, the Board sets appropriate tone-from-the-top for the Group in respect of ethics, conduct, regulatory compliance and desired organisational culture through the adoption of various Group policies endorsed by the Board.

The Board’s principal duties and responsibilities (besides statutory responsibilities) are to:

1. set strategic goals (with focus on value creation, innovation and sustainability) of the Group and ensure that the necessary financial and human resources (“HR”) are in place for the Group to meet its objectives;
2. decide on matters in relation to the Group’s operations which are of a significant nature, consistent with medium and long term goals to achieve sustainable business performance, taking into account stakeholders’ interests;
3. oversee the process for evaluating the adequacy of internal controls, risk management, financial reporting and compliance;
4. review the performance of the KMT (or “Management”, as set out in the Key Management Team section of the Company’s Annual Report 2021) who are responsible for ensuring the timely and effective execution of business strategies and running operations;
5. instil an ethical corporate culture and ensure that the Company’s values, standards, policies and practices are consistent with the culture;
6. ensure transparency and accountability to key stakeholders groups; and
7. consider sustainability issues, in particular environmental, social and governance factors, in the formulation of the business strategies and corporate policies of the Group.

Matters Requiring Board Approval

Matters that require the Board’s decision and approval include:

1. strategies and major business proposals of the Group;
2. acquisitions and disposals of investments, businesses and assets exceeding authorisation limits granted to the Executive Committee (“Exco”);
3. new lines of businesses which complement the core business activities of the Group;
4. loans and credit lines from banks and financial institutions and market fund-raising exercises for amounts exceeding authorisation limits granted to the Exco;
5. Group written policies (including policies which set out authorisation limits) and terms of reference of the various Board committees (“Board Committees”); and
6. share issuances, interim dividends and other returns to shareholders.

All Directors are expected to objectively discharge their duties and responsibilities as fiduciaries in the best interest of the Company and avoid conflicts of interest. Directors are updated on the latest relevant statutory and legal requirements to enable them to discharge their responsibilities effectively and be familiar with current corporate governance best practices to ensure proper accountability within the Company.

CORPORATE GOVERNANCE

Conflicts of Interest

The Board has clear procedures for dealing with conflicts of interest. Where a Director faces a conflict of interest, he or she should disclose this and recuse himself or herself from meetings, deliberations and making decisions involving the issue that is the subject of conflict.

Delegation of Duties by the Board

To assist in the execution of its duties, the Board has delegated specific authority to seven Board Committees, which function within the respective terms of reference approved by the Board. These terms of reference set out the composition, authority and duties of the respective Board Committees.

Executive Committee

The Exco comprises two Executive Directors ("EDs") namely, Mr Kuok Khoon Hong (Chairman and Chief Executive Officer ("CEO")), who is the Exco Chairman and Mr Pua Seck Guan (Chief Operating Officer ("COO")). The Exco oversees the management of the business and affairs of the Group and its duties and responsibilities include the following:

1. evaluate new business opportunities and submit strategic business proposals, with due consideration given for value creation and upholding sustainability, for approval by the Board;
2. recommend proposed acquisitions and disposals of investments, businesses and assets, which are not within Exco's authorisation limits, for approval by the Board;
3. ensure that the Group operates within the approved budgets, business direction and the approved internal controls put in place by the Group;
4. formulate the Company's core values, mission and culture to ensure that obligations to stakeholders are understood and met;
5. set the direction for the KMT to manage engagements with key stakeholder groups and recognise and mitigate adverse perceptions which would affect the Company's business and reputation;
6. general management and operational matters; and
7. monitor Group performance.

Share Purchase Committee

The Share Purchase Committee ("SPC") comprises two EDs namely, Mr Kuok Khoon Hong (Chairman) and Mr Pua Seck Guan. The SPC decides on the terms and all matters relating to share buyback by way of on-market purchase(s) or off-market purchase(s).

Board Sustainability Committee

Having regard to the importance of ESG issues to Wilmar and to the Board's commitment to integrating sustainability within the Wilmar business model, the Board approved the establishment of a Board Sustainability Committee ("BSC") in 2021 which was operative from 1 January 2022.

The BSC has an independent majority and its members are Mr Kishore Mahbubani (Chairman), Mr Lim Siong Guan, Mr Kwah Thiam Hock and Mr Kuok Khoon Hong. The BSC's primary responsibilities include providing specific oversight of the Company's sustainability strategy and of sustainability/ESG trends to ensure that the Company's position in these areas are current and compliant with regulatory requirements and international standards, providing input to the Board on ESG issues and sustainability performance and governance over implementation and communications of the Company's sustainability activities with its stakeholders.

In addition to the Exco, SPC and BSC, the following Board Committees, which comprise entirely independent members or of an independent majority, provide further safeguards to prevent an uneven concentration of power, authority or decision in a single individual:

1. Audit Committee ("AC") – (Principle 10)
2. Risk Management Committee ("RMC") – (Principle 9)
3. Nominating Committee ("NC") – (Principle 4)
4. Remuneration Committee ("RC") – (Principle 6)

Details of these Board Committees are set out further below in this report.

Key Features of Board Processes

The Board conducts regular scheduled meetings on a quarterly basis. Ad-hoc meetings are convened, if requested by the Board or if warranted by circumstances deemed appropriate by the Board. All regular Board and Board Committee meetings are planned and scheduled well in advance, in consultation with the Directors. In between scheduled meetings, matters that require the Board or a Board Committee's approval are circulated to all Directors, or Board Committee members, as the case may be, for their consideration and decision. As provided in the Company's Constitution, Directors may also participate in Board and Board Committee meetings by tele-conferencing and/or video-conferencing.

Four Board meetings were held in the financial year ended 31 December 2021 (FY2021) to review and to approve, inter alia, the Company's and the Group's financial results for the first quarter, half year, third quarter and full year. The deliberations and discussions taken at the Board and Board Committee meetings are minuted. The Company Secretary attends all Board and Board Committee meetings and minutes the proceedings. The agenda for Board and Board Committee meetings are prepared in consultation with the respective Chairman.

All materials for Board and Board Committee meetings are sent to Directors at least one week prior to each meeting, to allow them sufficient time to prepare for the meetings and to enable discussions on questions or issues that they have arising from their meeting preparation. The meeting materials are also uploaded onto a secure online portal which can be readily accessed on tablet devices by Directors, in line with the Company's ongoing commitment to minimise paper waste and to reduce its carbon footprint.

As part of good corporate governance, all Directors are invited to attend meetings held by the AC and the RMC. RC and NC meetings are attended only by Independent Directors but with the Board Chairman and CEO participating by invitation of the RC and as a member of the NC.

All written resolutions passed and minutes of meetings held by the various Board Committees are circulated to the Board for information and review.

CORPORATE GOVERNANCE

Attendance at Board and Board Committee Meetings

The attendance of Directors at the Board and Board Committee meetings held in FY2021 is as follows:

	BOARD OF DIRECTORS	AUDIT COMMITTEE	RISK MANAGEMENT COMMITTEE	REMUNERATION COMMITTEE	NOMINATING COMMITTEE
No. of meetings held	4⁽¹⁾	4⁽¹⁾	4⁽¹⁾	1	1
Name of Director	Member Attendance	Member Attendance	Member Attendance	Member Attendance	Member Attendance
Executive Directors					
Kuok Khoo Hong	4/4	–	4/4	–	1/1
Pua Seck Guan	4/4	–	–	–	–
Teo La-Mei	4/4	–	–	–	–
Non-Executive and Non-Independent Directors					
Kuok Khoo Ean	4/4	–	–	–	–
Kuok Khoo Hua	4/4	–	–	–	–
Raymond Guy Young (or in his absence, Juan Ricardo Luciano)	4/4	–	–	–	–
Non-Executive and Independent Directors					
Lim Siong Guan	4/4	3/3	4/4	1/1	1/1
Tay Kah Chye	4/4	3/3	4/4	1/1	1/1
Kwah Thiam Hock	4/4	3/3	–	1/1	1/1
Kishore Mahbubani	4/4	–	–	–	–
Weijian Shan ⁽²⁾	1/1	–	–	–	–
Teo Siong Seng ⁽³⁾	3/4	–	–	–	–
Soh Gim Teik	4/4	–	–	–	–
Chong Yoke Sin ⁽⁴⁾	2/2	–	–	–	–

Notes:

- (1) Four meetings were held in FY2021 to review and to approve, inter alia, the Company's and the Group's financial results for the first quarter, half year, third quarter and full year.
- (2) Mr Weijian Shan retired from the Board at the conclusion of the Annual General Meeting held on 15 April 2021.
- (3) Mr Teo Siong Seng was unable to attend one of the Board meetings due to a prior engagement.
- (4) Dr Chong Yoke Sin was appointed as a Non-Executive and Independent Director of Wilmar on 7 May 2021.

The Exco and the SPC conducted all matters by written resolution and did not convene meetings in FY2021.

Orientation and Training for Directors

We have an orientation framework to facilitate Directors' understanding of our business and their directorship duties. Newly-appointed Directors receive a letter of appointment from the Company which sets out the roles and responsibilities of Directors, together with a set of guidance notes which explain their duties and obligations under the Singapore Companies Act 1967 (the "Act"), the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST") and the Securities and Futures Act 2001 of Singapore. Induction sessions are arranged for newly-appointed Directors to be briefed by Management on the business, operations and financial performance of the Group, including corporate governance practices such as disclosure of interests in transactions and securities, prohibitions on dealings in the Company's securities and restrictions on disclosure of price and trade sensitive information.

New Directors with no prior experience as a director of a listed company will undergo mandatory training on their roles and responsibilities as prescribed by the SGX-ST. Such training included attending directors' training courses organised by the Singapore Institute of Directors.

Dr Chong Yoke Sin, who was appointed Non-Executive and Independent Director on 7 May 2021, was provided a briefing by the Chief Information Officer (“CIO”) of the Company on the Group’s IT landscape, cybersecurity threats, security framework and future plans. Dr Chong, who has extensive experience in various areas of IT, also used the opportunity to share her experience with the Wilmar IT team. Dr Chong has prior experience as a listed-company Director.

On an ongoing basis, Directors are provided with opportunities to develop and refresh their skills and knowledge. The Company encourages Directors to participate in seminars, conferences and training programmes which are relevant to their role as Directors, at the Company’s expense. The professional development programmes attended by some Directors in the course of FY2021 include the ACRA-SGX-SID Audit Committee Seminar 2021, SGX Regulatory Symposium 2021, SGX Sustainability Reporting Review 2021, The Institute of Policy Studies (IPS) Women’s Conference and briefings by the Singapore Institute of Directors, Singapore International Chamber of Commerce, SGX-ST and other consultants such as external counsel and auditors.

The Board is regularly briefed on the strategic and business development of the Group at each Board meeting by the CEO. The Board is also briefed on changes to the accounting standards and regulatory updates by the external auditor, Management and the Company Secretary. From time to time, the Company organises on-site visits for Directors to the Group’s key operating facilities located overseas so as to enable them to gain a better understanding of the Group’s businesses. For safety reasons, on-site visits were put on hold during the Covid-19 pandemic and will be arranged when the situation improves.

As part of the Company’s continuing efforts to share relevant business updates with the Directors, the Company’s Corporate Communications Department circulates to the Board a daily media monitoring featuring news articles and reports relevant to the Group’s businesses to keep Directors updated on current industry trends and issues. News releases and newsletters issued by the SGX-ST, the Monetary Authority of Singapore, the Accounting and Corporate Regulatory Authority (“ACRA”), the Company’s external auditor and professional advisors, which are relevant to Directors, are also circulated to the Board.

The Board Chairman and the NC Chairman may jointly and regularly review and agree with each Director on his or her training and professional development needs.

Access to Complete, Adequate and Timely Information

Access to Information – Directors receive complete and adequate reports and discussion papers about a week before scheduled Board and Board Committee meetings, enabling them to be prepared for the meetings and to make timely and informed decisions. Amongst other reports, the Board is also provided with reports from the internal and external auditors and the Risk Management teams containing key findings arising from interim and completed financial, operations, compliance and IT audits and risk assessment reports on key businesses of the Group for review and evaluation.

The Board is briefed by the CEO at every Board meeting and relevant Management personnel are required to attend meetings of the Board and Board Committees to provide insight into matters being discussed at these meetings and to respond to any questions that the Directors may have.

Access to Management, Company Secretary and Independent Advisers – The Board has direct, independent and unrestricted access to the KMT, including the CEO, COO, Chief Financial Officer (“CFO”), Group Financial Controller, Group Treasurer, Chief Sustainability Officer, Group Head, Human Resources (“HR Head”), CIO and Company Secretary at all times.

The Board is kept updated on changes to the senior management organisation structure. An updated organisational chart of the KMT is circulated to the Board, together with the contact details of the KMT, to enable Directors to contact them directly to address any questions the Directors may have. This is to ensure direct access to the KMT at all times, to promote and facilitate good information flow between the Board and the KMT. Requests for information from the Board are dealt with promptly by the KMT. Informal gatherings between the KMT and the Board are also organised from time to time, to enable the Directors to get better acquainted with the KMT. However, due to the Covid-19 pandemic, it has not been possible to have in-person gatherings for the Board and the KMT in 2021.

CORPORATE GOVERNANCE

The Company Secretary supervises and advises the Board on all governance issues, corporate and administrative matters, as well as facilitating orientation of new Directors and assisting with professional development of existing Directors as required. She is also responsible for, among other things, ensuring that Board procedures are observed and that the Company's Constitution and applicable laws and regulations are complied with. The Company Secretary assists the Chairman in ensuring good information flows within the Board and its Board Committees and between the KMT and Non-Executive Directors. The approval of the Board is required in respect of the appointment and removal of the Company Secretary.

To enable Directors to discharge their duties effectively, they are free to seek independent professional advice, if necessary, at the Company's expense.

Principle 2: Board Composition and Guidance Board Size and Board Composition

The Board, through regular reviews by the NC, seeks to ensure an appropriate balance of experience, competencies and knowledge among the Directors to provide effective entrepreneurial leadership to the Company and is guided by its Board Diversity Policy (a copy of which is posted on the Company's website), which advocates meritocracy and endorses the principle of having a Board with the appropriate and right balance of skills, knowledge, experience and diversity of perspectives which can contribute effectively to the strategy and growth of the Company. In reviewing Board composition and succession planning, the NC considers the benefits of all aspects of diversity, including diversity of skills, age, experience, gender, independence, cultural ethnicity and industry knowledge of the Company. A key requirement is that only individuals with broad based experiences and right skills set will be appointed to the Board. The NC reviews the Company's progress towards achieving these objectives.

The Board will consider opportunities to increase the proportion of members from different areas of expertise, nationalities, ethnicities, gender and age groups over time when selecting and making recommendation on suitable candidates for Board appointments in order to ensure that an appropriate balance of diversity is achieved with reference to stakeholders' expectation and international and local recommended best practices.

The Board made progress in achieving greater gender and skillset diversity with the appointment of Dr Chong Yoke Sin as Non-Executive and Independent Director on 7 May 2021. Dr Chong is the second female Director appointed to the Company's Board. Her appointment also widened the Board's diversity of expertise of experience and brings new areas of expertise to the Board with her background in leading transformation of people and systems, artificial intelligence, Internet of Things (IoT), cybersecurity forensics advisory, systems integration and monitoring, and digital platform business.

As at the date of this report, the Board comprises 13 Directors – two female and 11 male Directors as well as one male alternate Director. Taking into account the complex nature and wide scope of the Group's business and operations, the Board considers a Board size of 13 members appropriate.

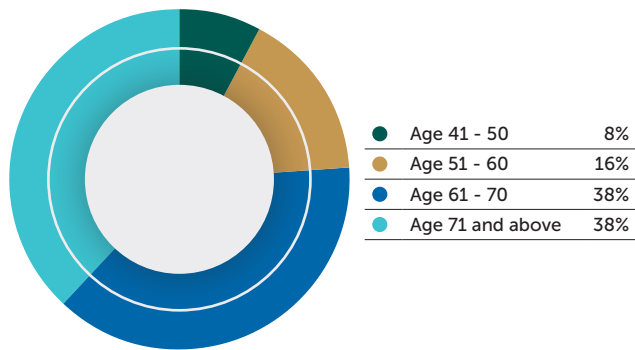
Mr Weijian Shan, who served for three years as a Non-Executive and Independent Director, retired from the Board at the conclusion of the Annual General Meeting ("AGM") held on 15 April 2021.

The Board is made up of Directors of different nationalities and cultural ethnicities, with a wide range in age and skills, experience and qualifications, ranging from banking, finance, insurance, corporate restructuring, strategy and analytics, accounting, legal, IT and risk management expertise to industry knowledge, entrepreneurial and management experience relevant to the Group's business. Reflecting the global reach of the Group's business, most of Wilmar's Directors have extensive experience in jurisdictions outside Singapore such as China, South East Asia, Australia, India, Africa and the USA. Their collective diverse experience and in-depth knowledge of the Group's business operations enable Wilmar to continue to meet the challenges and demands of the global markets in which it operates. The Board's diversity and balance are illustrated by the infographics on the next page.

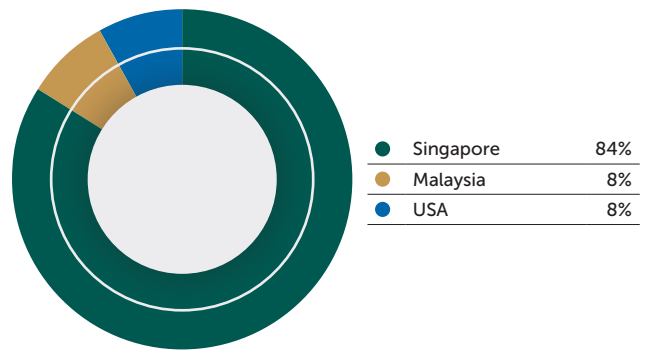
Key information on Directors is presented in the section entitled "Board of Directors" in the Company's Annual Report 2021.

The following charts set out the diversity and balance in the composition of the Wilmar Board as at the end of FY2021:

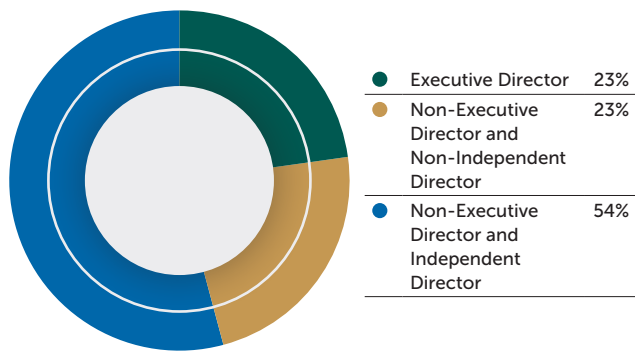
AGE SPREAD



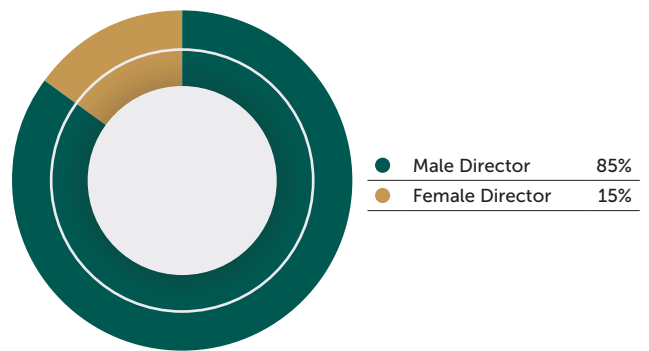
NATIONALITY SPREAD



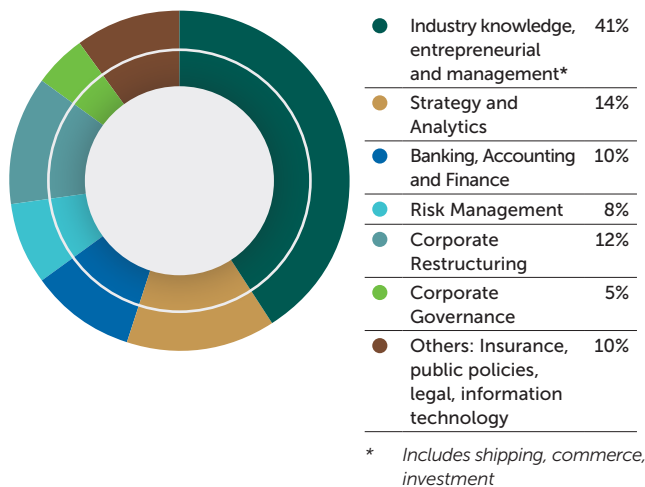
BOARD INDEPENDENCE



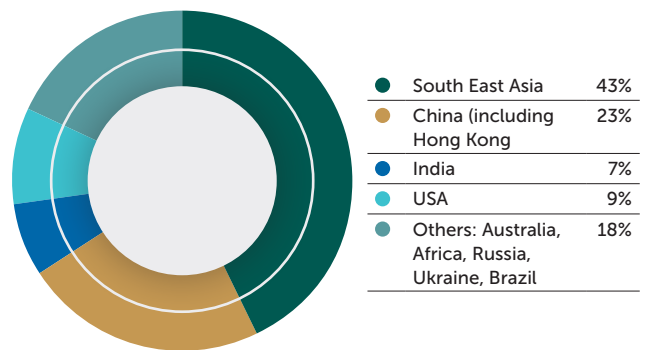
GENDER DIVERSITY



EXPERTISE AND EXPERIENCE MATRIX



EXPERTISE AND EXPERIENCE BY GEOGRAPHY



Note:
The above charts do not include the Alternate Director.

CORPORATE GOVERNANCE

Non-Executive Directors make up a majority of the Board. With their knowledge and competency in their respective fields, Non-Executive Directors provide constructive advice and good governance guidance for the Board to discharge its principal functions effectively. Non-Executive and Independent Directors provide an independent and constructive check on Management. EDs provide insights on the Company's day-to-day operations, as appropriate, and also provide Management's views without undermining Management's accountability to the Board and collaborate closely with Non-Executive Directors for the long term success of the Company.

The Independent Directors, led by the Lead Independent Director (the "Lead ID"), are free to discuss company matters without Management being present. The Lead ID may provide feedback to the Board Chairman after such discussions.

Board Independence

The NC reviews and determines annually whether each Director is independent in accordance with the requirements of the Listing Manual of the SGX-ST, the Code and where relevant, the recommendations set out in the Corporate Governance Practice Guidance 2021 ("CGPG"). Under the Code, an Independent Director is one who is independent in conduct, character and judgement, and has no relationship with the Company, its related corporations, its substantial shareholders or its officers, that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement in the best interest of the Company.

For the year under review, each Independent Director completed a declaration of independence form ("Declaration Form"), whereby they were required to assess their independence and submit it to the NC for review. The Independent Directors are required to disclose to the Board their relationships with the Company, its related corporations, its substantial shareholders or its officers, if any, which may affect their independence. If the Board, having taken into consideration the views of the NC, determines that such Directors are still independent, notwithstanding the existence of such relationships, it will disclose the reasons for maintaining its view.

Pursuant to Rule 210(5)(d)(iii) of the Listing Manual of the SGX-ST which took effect on 1 January 2022, the continued appointment as an Independent Director of two long-serving Independent Directors, namely Mr Kwah Thiam Hock and Mr Tay Kah Chye, who were both first appointed to the Board on 14 July 2006, were approved in separate resolutions by shareholders at the Company's AGM held on 12 June 2020. Their re-appointment is valid until their retirement or resignation, or the conclusion of the third AGM following the passing of the resolution, whichever is the earliest. Based on an assessment of their performance for FY2021, the NC is satisfied that Mr Kwah and Mr Tay have continued to maintain independence in their oversight role. They have demonstrated strong independence in judgement and professionalism, as well as displayed objectivity in their conduct in the discharge of their duties and responsibilities as Independent Directors of the Company.

One of the Company's Independent Directors, Mr Teo Siong Seng, is the Executive Chairman and Managing Director of Pacific International Lines (Private) Limited ("PIL"), a container shipping company. In his annual Declaration Form, Mr Teo declared that PIL provided shipping services to Raffles Shipping International Pte. Ltd. ("RSI"), which is an indirect wholly-owned subsidiary of Wilmar and that all contracts between PIL and RSI were negotiated independently. For FY2021, PIL received freight charges amounting to US\$5.38 million from RSI.

In assessing Mr Teo's independence, the NC took into account that:

1. there is an adequate internal control process in place to appoint the most suitable container liner for the business of RSI in particular and Wilmar in general, and all liner services booked by RSI (including those provided by PIL) are transacted on arm's length terms and at market price; and
2. Mr Teo was not involved in the decisions by RSI or Wilmar to use PIL or for that matter, any container liner company for shipping services.

The NC is of the view that Mr Teo should be considered independent, notwithstanding that the value of the transactions between RSI and PIL exceeded the S\$200,000 threshold for any financial year as set out in the CGPG. Mr Teo has demonstrated strong independence in judgement and professionalism, as well as displayed objectivity in his conduct in the

discharge of his duties and responsibilities as an Independent Director of the Company. The business relationship between RSI and PIL does not interfere with the exercise of Mr Teo's independent business judgement in the best interest of Wilmar.

Based on their respective annual Declaration Forms, Mr Lim Siong Guan, Mr Kishore Mahbubani, Mr Soh Gim Teik and Dr Chong Yoke Sin do not have any relationships identified in the Listing Manual of the SGX-ST, the Code and CGPG which may affect their independent judgement. The NC is satisfied that the abovementioned Directors have continued to maintain independence in their oversight role. They have demonstrated strong independence in judgement and professionalism, as well as displayed objectivity in their conduct in the discharge of their duties and responsibilities as Independent Directors of the Company.

Taking into account the above, the Board concurred with the NC that Mr Lim Siong Guan, Mr Tay Kah Chye, Mr Kwah Thiam Hock, Mr Kishore Mahbubani, Mr Teo Siong Seng, Mr Soh Gim Teik and Dr Chong Yoke Sin be considered Independent Directors. Each of the Directors recused himself or herself in the assessment of his or her own independence in this review.

The number of Independent Directors of the Company made up more than half of the Board, providing a strong and independent majority element which facilitates the exercise of independent and objective judgement. This is in line with the Code which prescribes that, where the Chairman of the Board is also the CEO, the Independent Directors should make up a majority of the Board.

The Board is also satisfied that in FY2021, all Directors exercised independent judgement and made decisions objectively in the best interest of the Group.

Principle 3: Chairman and Chief Executive Officer

Wilmar's Chairman and CEO positions are filled by the same individual, Mr Kuok Khoon Hong. Combining the roles of Chairman and CEO has brought about exceptional leadership, clear accountability and unparalleled depth of knowledge to deal with the Group's strategic challenges and growth opportunities.

In his capacity as the Chairman of the Board, Mr Kuok is responsible for leading the Board in an effective, strategic manner and ensuring high standards of corporate governance. As CEO, Mr Kuok delivers the execution of the Company's strategic plans and running the day-to-day management of the Company. Mr Kuok is assisted by the COO, Mr Pua Seck Guan, in overseeing and managing the existing businesses of the Group and in developing new businesses. There is no familial relationship between Mr Kuok and Mr Pua.

In his dual role as Chairman and CEO, Mr Kuok is responsible for the management of the Wilmar Group, including risk management of its operations as well as business development. Because of the enormous opportunities available to the Group coupled with Mr Kuok's long years of experience in the business, the dual role that he holds enables him to tap maximum potential for the Group and grow the business more effectively. The effectiveness of this arrangement is proven by the fact that Wilmar became a Fortune 500 company in 2009 and is one of Asia's largest agribusiness groups, less than 20 years after its inception and has continued to grow its operations with consistent profit, even during difficult times. This is amply demonstrated by the fact that Wilmar achieved its highest profit in 2021, whilst the world was still grappling with Covid-19.

As the Chairman of the Board, Mr Kuok leads all Board meetings and sets the agenda. He ensures that Board members receive accurate and timely information to enable them to be fully cognizant of the affairs of the Group. He also promotes a culture of openness and debate at the Board and solicits contributions from the Board members to facilitate constructive discussions.

All strategic and major decisions relating to the business and management of the Group are jointly and collectively made by the Board. As such, there is a balance of power and authority and no one individual controls or dominates the decision-making process of the Company.

CORPORATE GOVERNANCE

The role of the Chairman and CEO is not separate as there is adequate accountability and transparency reflected by internal controls established within the Group as well as the fact that the Board and all Board Committees each have at least an independent majority, which ensures an element of independence in the decision-making of the Board and Board Committees and to prevent an uneven concentration of power and authority in a single individual.

Lead Independent Director

Mr Lim Siong Guan, the Lead ID plays an additional facilitative role within the Board, and where necessary, he may facilitate communication between the Board and shareholders or other stakeholders of the Company. He avails himself to address stakeholders' concerns through his email address siongguan.lim@sg.wilmar-intl.com for circumstances in which contact through the normal channels of communication with the Chairman and Management are inappropriate or inadequate. Mr Lim acts as a counter-balance on management issues in the decision-making process. The role of Mr Lim as the Lead ID may include chairing Board meetings in the absence of the Chairman, working with the Chairman in leading the Board, and providing a channel to Non-Executive Directors for confidential discussions on any concerns and to resolve conflicts of interest should these arise. As Lead ID, Mr Lim may help the NC conduct annual performance evaluation and develop succession plans for the Chairman and CEO and help the RC design and assess the Chairman and CEO's remuneration.

The Board is of the opinion that there is sufficient independence in its exercise of objective judgement on business affairs of the Group and no one individual has unfettered powers of decision-making, notwithstanding that the roles of Chairman and CEO are not separate.

Principle 4: Board Membership

The members of the NC are:

1. Mr Kwah Thiam Hock (NC Chairman) – Non-Executive and Independent Director;
2. Mr Kuok Khoon Hong – Executive and Non-Independent Director;
3. Mr Tay Kah Chye – Non-Executive and Independent Director; and
4. Mr Lim Siong Guan – Non-Executive and Lead ID.

The NC met once in 2021. The NC's role is set out in its written terms of reference. The functions of the NC include the following:

1. review and recommend to the Board, all appointments, re-appointments and retirement of Directors (including Alternate Directors, if applicable);
2. determine annually, and as and when circumstances require, the independence of the Independent Directors;
3. review the balance and mix of relevant experience, knowledge, skills as well as attributes of the Directors as well as the size and composition of the Board to meet the business and governance needs of the Group;
4. evaluate whether or not a Director is able to and has been adequately carrying out his or her duties as a Director of the Company when he or she holds multiple listed company board representations and other principal commitments;
5. develop a process to conduct formal assessments of the effectiveness of the Board, the Board Committees and Directors;
6. review and recommend training needs (including professional development programmes) for the Board and its Directors;
7. review the succession plans for the Board and KMT; and
8. review and recommend to the Board, the appropriate performance benchmarks for monitoring the share performance of Wilmar, relative to its peers in the same industry and movements in the Singapore Straits Times Index ("SSTI").

Directors' Time Commitment and Multiple Directorships

In determining annually whether Directors who hold other non-Group board appointments are able to, and have adequately carried out their duties as Directors of the Company, the NC takes into account each Director's commitments, attendance record at meetings of Board and Board Committees, as well as conduct and contributions (including preparedness, participation and candour) at the Board and Board Committees meetings, the results of the assessment of the competencies, commitment and contributions of the individual Director.

The Board acknowledges that setting a prescriptive limit on listed company board representations may help to address the issue of competing time commitments of Directors and while the Board has not set a maximum number of listed company board representations a Director may hold, all Directors appreciate the high level of commitment required of a Director. The Board is of the opinion that a more meaningful measure is the quality of time spent on the Company's matters and the ability to contribute effectively to the Board.

The NC and the Board are satisfied that in FY2021, each of the Directors was able to devote sufficient time and attention to the affairs of the Company and has diligently discharged his or her duties as a Director of the Company.

Succession Planning

The Board embraces the philosophy that a good Board needs the support of a strong and effective key management team. The Company is supportive of gender and workforce diversity and will continually train and groom capable staff to fill key positions to bolster the overall strength and depth of the key management team for the Group's global operations.

Process for Selection and Nomination of New Directors

The NC identifies potential Director candidates by tapping on its network of contacts and recommendations from Directors and/or may engage external professionals to identify and short-list the most competent individuals who are capable of contributing to the success of the Group. In the selection process, the NC takes into consideration diversity in skills, experience, gender, age and industry knowledge as well as the desired competencies of the potential Director while being guided by the Board Diversity Policy. The objective is to boost the Board's competency in its leadership strength and to add diversity of skills to the existing attributes of the Board.

The NC then interviews the short-listed candidates and makes its recommendations to the Board for approval. All Board appointments are based on merit, taking into account the contributions the candidates can bring to the Board to enhance its effectiveness. Upon the appointment of a new Director, the NC may recommend to the Board his or her appointment to the appropriate Board Committee(s) after matching the Director's skillset to the needs of each Board Committee.

Rotation and Re-election of Directors

Prior to each AGM, the Company Secretary proposes to the NC which Directors are required to retire by rotation at that AGM. The NC will then review the composition of the Board and the need for progressive Board renewal to decide whether to recommend to the Board the re-election of these Directors, after taking into account factors such as their attendance, participation, contribution, expertise and competing time commitments.

One-third (or the number nearest one-third) of the Directors (including EDs) who have been longest in office since their last re-election, are required to retire by rotation at each AGM at least once every three years. These Directors are eligible for re-election, subject to approval by shareholders at the AGM. The Directors who are retiring and wish to be re-elected are required to provide their consent to seek re-election at the AGM.

As required under the Company's Constitution, new Directors appointed by the Board during the financial year will hold office only until the next AGM following their appointments and they will be eligible for re-election. Newly appointed Directors are not taken into account in determining the number of Directors who are to retire by rotation.

Principle 5: Board Performance

The NC conducts an annual formal assessment of the effectiveness of the Board, Board Committees and the contributions of Directors on an annual basis. The purpose of the annual evaluation is to seek the respective views of the Directors on various aspects of the Board's performance and effectiveness of the contributions of Directors. In the FY2021 assessment, an additional section on sustainability and an evaluation of the Exco were introduced.

The Board, with the assistance of the NC, approves the objective performance criteria and process, which includes comparison of key performance indicators of the Company with its peers and the Company's share price performance vis-à-vis the SSTI. This collective process has also provided an opportunity to obtain insightful feedback from each Director on suggestions to enhance the effectiveness of the Board.

CORPORATE GOVERNANCE

Board assessment is done on a collective basis by requiring each Director to complete an electronic evaluation form which covers areas such as Board processes, Board accountability, Board knowledge of key risk management and internal control issues as well as guidance to Management.

The assessment of the effectiveness of Board Committees is done by the respective Board Committee members. As for the appraisal of the contributions of Directors, the evaluation is done collectively based on several factors including Directors' effective contributions and their knowledge of the Group's business operations and regulatory requirements. The reason for adopting a collective evaluation instead of peer evaluation by each Director is to maintain and promote unity amongst Board members through constructive communication within the Board functioning as a whole. The assessment of the Board Chairman is done through assessment of him in his concurrent role as CEO.

The responses to the assessment are discussed at the NC and Board meetings and the summarised results are presented to the NC and the Board for review and decision to implement appropriate actions to enhance key areas (if any) that have been identified for improvement.

The NC, having assessed the performance of the Board, Board Committees and the contributions of Directors for FY2021 through its formal annual evaluation process, is pleased to report that there were no significant issues that warrant the Board's attention. The results of the assessments were satisfactory and accepted by the Board.

B. REMUNERATION MATTERS

Principle 6: Procedures for Developing Remuneration Policies

The Remuneration Committee assists the Board to ensure competitive compensation policies and packages are in place. The scope of the RC covers review of remuneration packages for individual Directors and key management personnel and executive share option schemes. The RC is chaired by Mr Kwah Thiam Hock and its members comprise Mr Tay Kah Chye and Mr Lim Siong Guan. All RC members are Independent Directors. No Director is involved in deciding his own remuneration.

In accordance with the RC's terms of reference, the RC's responsibilities are to:

1. review and recommend to the Board a framework of remuneration for the Board and key management personnel. The framework covers all aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, grant of shares and share options and benefits-in-kind;
2. review and determine the specific remuneration packages for each Director as well as for the key management personnel;
3. implement and administer the Company's share options schemes;
4. review the Group's obligations arising in the event of termination of the Executive Directors' and key management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses; and
5. review the development of senior staff and assess their strengths and development needs based on the Group's leadership competencies framework, with the aim of building talent and maintaining strong and sound leadership for the Group.

RC members are assisted by the Company's HR Head, who provides useful inputs from surveys conducted by independent HR consultants on market expectation of salary increments and bonuses for senior executives. The HR Head provides benchmarks of remuneration packages offered by comparable companies in various industries in order to ensure that the remuneration level of the Group's employees is market-competitive.

Principle 7: Level and Mix of Remuneration

The Group's remuneration philosophy is aimed at attracting, retaining and motivating Executive Directors and key management personnel of the highest calibre through a framework which aligns rewards with performance and the achievement of strategic objectives.

The framework consists of a fixed and a variable component. The variable component includes an annual bonus tied to the performance of the individual and the Company, as well as short and long-term incentives in the form of share options designed to strengthen the pay-for-performance framework which serves to reward and recognise key executives' contributions to the growth of the Company. The RC seeks to ensure that key criteria, namely, company profitability, competitiveness, reasonableness and linkage to performance are satisfied for the executives' remuneration package.

The fixed component is determined by benchmarking against similar industries, taking into consideration the individual's responsibilities, performance, qualification and experience. This fixed base may be presented in a combination of cash and non-cash benefits, at the Group's discretion.

These benefits aim to directly align the interests of Directors and Management with the interests of shareholders, to improve performance and achieve sustainable growth for the Company and to strengthen the ownership culture among Management in times of rapid globalisation.

Non-Executive Directors and Independent Directors of the Company do not receive any salary. They receive annual Directors' fees, which are subject to the approval of shareholders at the Company's AGM. To align the interests of Non-Executive and Independent Directors with the interests of shareholders, they also participate in the Company's share option scheme. The RC ensures that the Independent Directors are not over-compensated to the extent that their independence may be compromised.

The structure of Directors' fees for FY2021 is as follows:

1. a single base fee of S\$80,000 for serving as Non-Executive Director;
2. additional fee of S\$20,000 for serving as Lead Independent Director; and
3. additional fee for serving as Chairman/Member on the following Board Committees:

Chairman's Fee S\$

Name of Board Committee	FY2021 S\$
Audit Committee	40,000
Risk Management Committee	40,000
Nominating Committee	20,000
Remuneration Committee	20,000

Member's Fee S\$

Name of Board Committee	FY2021 S\$
Audit Committee	20,000
Risk Management Committee	20,000
Nominating Committee	10,000
Remuneration Committee	10,000

To drive management behaviour and performance as well as to reflect the Company's commitment to protecting shareholder value and to ensure accountability for actions, the remuneration of key management personnel and selected senior executives is subject to a clawback scheme which was implemented in 2014. The clawback scheme allows the Company to reclaim, in exceptional circumstances, the incentive components of the remuneration from these key employees where negligence, misconduct or fraud has resulted in financial or reputational loss to the Company. The list of key executives subject to the clawback scheme is reviewed on a yearly basis.

CORPORATE GOVERNANCE

Principle 8: Disclosure on Remuneration

The breakdown of the remuneration of the Directors and the top five Key Executives of the Company for FY2021 is as follows:

Directors

Name of Director	Proposed Directors' Fee	Salary*	Benefits	Amortisation of Share Option Expenses**	Variable Bonus	Total
Executive Directors	S\$	S\$	S\$	S\$	S\$	S\$
Kuok Khoon Hong	Nil	1,207,650	51,590	370,440	10,000,000	11,629,680
Pua Seck Guan (part-time)	Nil	625,260	41,312	246,960	2,200,000	3,113,532
Teo La-Mei	Nil	681,180	600	185,220	1,350,000	2,217,000
Non-Executive Directors						
Kuok Khoon Ean	80,000	–	–	147,500	–	227,500
Kuok Khoon Hua	80,000	–	–	147,500	–	227,500
Raymond Guy Young ^(Note 1)	80,000	–	–	147,500	–	227,500
Juan Ricardo Luciano ^(Note 2)	–	–	–	–	–	–
Lim Siong Guan (Lead Independent Director)	180,000	–	–	147,500	–	327,500
Tay Kah Chye	160,000	–	–	147,500	–	307,500
Kwah Thiam Hock	140,000	–	–	147,500	–	287,500
Kishore Mahbubani	80,000	–	–	147,500	–	227,500
Weijian Shan (Retired: 15 April 2021)	23,333	–	–	–	–	23,333
Teo Siong Seng	80,000	–	–	147,500	–	227,500
Soh Gim Teik	80,000	–	–	88,500	–	168,500
Chong Yoke Sin (Appointed: 7 May 2021)	52,063	–	–	–	–	52,063

Notes:

* The remuneration reported includes all forms of remuneration from the Group. Save as disclosed, they do not receive any other remuneration from the Group.

** The fair values of the options are estimated at the respective grant dates using trinomial option pricing in the Bloomberg Executive Option Valuation Module.

Note 1 – Fee is payable to Archer Daniels Midland Company.

Note 2 – No fee is payable.

Top 5 Key Executives (Names In Alphabetical Order)

Name	Salary inclusive of employer's CPF	Bonus and other benefits	Amortisation of Share Option Expenses	Total
Jean-Luc Bohbot				
Matthew John Morgenroth				
Mu Yankui	23%	73%	4%	100%
Rahul Kale				
Thomas Lim Kim Guan				

The aggregate remuneration of the top five key executives is S\$17,586,880. The remuneration of the Company's top five key executives takes into account the pay and employment conditions within the industry and is performance-related. The Company is of the opinion that it is not in the best interest of the Company to disclose the details of their remuneration due to the competitiveness of the industry for key talent.

Remuneration of Immediate Family Member(s) of Director(s), CEO or Substantial Shareholder

No substantial shareholder or immediate family of a Director, the CEO or a substantial shareholder, whose remuneration exceeds S\$100,000 during the year, is an employee of the Company.

Ms Kuok Yit Li, the sister of Mr Kuok Khoon Hong (Chairman and CEO), is employed as an Executive in the Finance Department and Mr Kuok Meng Yuan, the son of Mr Kuok Khoon Hong (Chairman and CEO), is an Executive in the Business Development Department. Each of their remuneration for FY2021 is in the range of S\$50,000 to S\$100,000.

C. ACCOUNTABILITY & AUDIT

Principle 9: Risk Management and Internal Controls

The Board, with the assistance of the RMC and AC, is responsible for the governance of risk by ensuring that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the Group's assets, and determines the nature and extent of the significant risks which the Board is willing to take in achieving strategic objectives.

The RMC is chaired by Mr Lim Siong Guan, the Lead ID. It comprises two other Board members, namely Mr Kuok Khoon Hong and Mr Tay Kah Chye. The RMC met four times during FY2021.

The RMC assists the Board in overseeing market, credit and operational risk governance in the Group to ensure that Management maintains a sound system of risk management to safeguard shareholders' interests and the Group's assets. It proposes to the Board for determination, the nature and extent of the significant risks which the Company is willing to take to achieve its strategic objectives and value creation. Details of the Group's risk governance processes are set out in the Risk Management Report on Page 62 of the Company's Annual Report 2021.

The function and objectives of the RMC include the following:

1. review the overall risk management policies and framework including sustainability* issues;
2. review and recommend risk limits;
3. determine risk tolerance level for the Group; and
4. review major non-compliance with risk policies.

* *Sustainability issues came under the purview of the newly established Board Sustainability Committee with effect from 1 January 2022.*

In carrying out its duties, the RMC is assisted by the Executive Risk Committee ("ERC") which comprises Mr Kuok Khoon Hong (Chairman and CEO), Mr Pua Seck Guan (COO), Mr Charles Loo Cheau Leong (CFO) and Mr Thomas Lim Kim Guan (Group Head, Edible Oils). The principal duties of the ERC are:

1. responsible for the monitoring and improvement of the overall effectiveness of the Group's risk management policies and systems;
2. review and oversee the implementation of trade positions and limits to manage the Group's overall market, credit and operational risk exposures;
3. provide risk management oversight on market risk exposures on commodities and currencies; and
4. establish principal considerations in relation to the type of trading partners/customers of the Group and other merchandising policies (with due consideration given to the prevailing sustainability policies mandated by the Group) to ensure that business activities are within the risk tolerance thresholds approved by the Board.

CORPORATE GOVERNANCE

Principle 10: Audit Committee

The AC comprises three Independent Directors, namely Mr Tay Kah Chye (Chairman), Mr Kwah Thiam Hock and Mr Lim Siong Guan, all of whom have accounting or financial management qualifications, expertise and experience. None of the AC members were former partners or directors of Ernst & Young LLP ("EY"), the Company's external auditor and they do not hold any financial interest in EY.

The Board is of the view that members of the AC have the appropriate qualifications and the relevant accounting, finance, business management and risk management expertise and experience to collectively discharge the AC functions competently.

During FY2021, the AC was briefed regularly by the external auditor on changes in Financial Reporting Standards which are relevant to the Group's businesses.

The main responsibilities of the AC are to assist the Board in discharging its statutory and other responsibilities in overseeing four main areas, namely financial reporting, internal control and risk management systems, internal and external audit processes and interested person transactions ("IPTs").

The AC's role is set out in its written terms of reference. The duties of the AC include the following:

1. review significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Group and any formal announcements relating to the Group's financial performance before their submission to the Board;
2. review and report to the Board at least annually on the adequacy and effectiveness of the Group's risk management systems and internal controls to address material financial, operations, IT and compliance risks which are relevant to the Group's operations;
3. review the adequacy, effectiveness and independence of the Group's internal audit ("IA") function at least annually, including the adequacy of IA resources and its appropriate standing within the Group, as well as the scope and the results of the IA procedures;
4. review terms of engagement, the scope and results of the external audit work, the cost-effectiveness of the audit, and the independence and objectivity of the external auditor;
5. recommend to the Board the appointment, re-appointment, remuneration and removal of the external auditor to be approved by the shareholders of the Company;
6. review the Whistleblowing Policy and arrangements by which staff of the Group and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters and ensure that arrangements are in place for such concerns to be raised and independently investigated and for appropriate follow up actions to be taken; and
7. review IPTs in accordance with the requirements of the Listing Manual of the SGX-ST and the mandate for IPTs approved by the shareholders of the Company ("IPT Mandate").

The AC has the explicit authority to investigate any matter within its terms of reference and is at liberty to obtain independent professional advice. It has full access to and the co-operation of Management, as well as reasonable resources to enable it to discharge its duties properly. It has full discretion to invite any Director or executive officer or any other person to attend its meetings.

The principal activities of the AC during FY2021 are summarised below.

Financial Reporting

All Directors (who are not AC members) and the external auditor are invited to attend AC meetings. Various members of the KMT are required to attend AC meetings, as appropriate, to present reports or answer queries.

The AC met four times during FY2021 to review, inter alia, the following:

1. the financial results and statements of the Company and the Group before each of the announcements of the Company's first and third quarters' Executive Financial Summary and half and full year's financial results and statements as well as the auditor's report on the annual financial statements. During the process, the AC reviewed, among other things, the key areas of management judgement applied for adequate provision and disclosure, critical accounting policies and any significant changes made that would have an impact on the financial statements; and
2. the external auditor's plans for the purpose of discussing the scope of the audit and reporting obligations before the audit commences. All significant audit findings and recommendations made by the external auditor were discussed, and where appropriate, implementation of such recommendations was followed up with Management.

In the review of the financial statements for FY2021, the AC has discussed with Management, the accounting principles that were applied and their judgement of items that might affect the integrity of the financial statements. The following key audit matters impacting the financial statements were discussed with Management and the external auditor and were reviewed by the AC:

KEY AUDIT MATTERS	HOW AC REVIEWED THESE MATTERS AND WHAT DECISIONS WERE MADE
Impairment assessment on goodwill and brands	<p>The AC considered the approach and methodology applied to the valuation model in goodwill and brands impairment assessment.</p> <p>The AC reviewed the reasonableness of cash flow forecasts, the long term growth rate and discount rate.</p> <p>The impairment review was also an area of focus for the external auditor. The external auditor has included this item as a key audit matter in its audit report for FY2021. Details can be found on page 104 of the Company's Annual Report 2021.</p>
Accounting for derivative transactions	<p>The AC considered and reviewed the methodology and assumptions applied to the valuation of the derivative transactions.</p> <p>The accounting for derivative transactions was also an area of focus for the external auditor. The external auditor has included this item as a key audit matter in its audit report for FY2021. Details can be found on page 105 of the Company's Annual Report 2021.</p>

Following the review and discussions on the financial statements, the AC recommended to the Board to approve the full year financial statements for FY2021.

During FY2021, the AC had one meeting with the external auditor and internal auditor separately, without the presence of Management. Such meetings enable the external auditor and Group Head, Internal Audit ("IA Head") to raise issues encountered in the course of their work directly with the AC, in a free and frank manner.

CORPORATE GOVERNANCE

Assurance from the CEO and CFO in respect of FY2021 Financial Statements and Records

The AC reviews the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company. In addition, the Board has received and reviewed a formal assurance from the CEO and CFO that the financial records of the Group have been properly maintained and the financial statements in respect of FY2021 give a true and fair view of the Group's operations and finances.

Opinion on the Adequacy and Effectiveness of Internal Control and Risk Management Systems

The Board has also received assurance from the CEO and CFO that the system of risk management and internal controls in place within the Group is adequate and effective in addressing the material risks faced by the Group in its current business and operating environment, including material financial, operations, compliance and IT risks.

Internal control processes are regularly strengthened to take into account changes to the business needs of the Group. Audit checks are performed by the internal and external auditor, while regular reviews are done by Management, the Board and relevant Board Committees. On these bases, the Board, with the concurrence of the AC, is of the opinion that the Group's internal control and risk management systems were adequate and effective as at 31 December 2021 to address financial, operations, IT and compliance risks which are relevant and material to the Group's operations.

The Board notes that the system of internal controls provides reasonable, but not absolute assurance that the Group will not be affected by any event that could be reasonably foreseen as it strives to achieve its business objectives. Further, the Board also notes that no system can provide absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, fraud or other irregularities.

External Audit Processes

The AC manages the relationship with the Group's external auditor, on behalf of the Board. During FY2021, the AC carried out its annual assessment of the cost-effectiveness of the audit process, together with external auditor's approach to audit quality and transparency. The AC concluded that the external auditor demonstrated appropriate qualifications and expertise and that the audit process was effective.

The AC has recommended to the Board, the re-appointment of EY, a firm registered with ACRA, as the Company's external auditor at the forthcoming AGM, taking into consideration the Audit Quality Indicators Disclosure Framework published by ACRA.

The Board and AC have reviewed and are satisfied that the appointment of different audit firms for certain subsidiaries, joint ventures and associated companies would not compromise the standard and effectiveness of the audit of the Group. Accordingly, the Company has complied with Rule 712 and Rule 715 (read with Rule 716) of the Listing Manual of the SGX-ST.

Auditor Independence

In order to maintain the independence of the external auditor, the Group has a specific policy which governs the conduct of non-audit work by the external auditor. This policy prohibits the external auditor from:

1. performing services which would result in the auditing of their own work;
2. participating in activities normally undertaken by Management; and
3. acting as advocate for the Group.

The AC undertook a review of the independence and objectivity of the external auditor through discussions with the external auditor as well as reviewing the non-audit fees paid to the external auditor. An analysis of fees paid in respect of audit and non-audit services provided, by breakdown for the past two years, is disclosed in note 10 of the notes to the financial statements found on page 137 of the Company's Annual Report 2021.

Having undertaken a review of the non-audit services provided during the year, the AC remains confident that the objectivity and independence of the external auditor are not in any way impaired by reason of the non-audit services which they provide to the Group. The AC is also satisfied that these services were provided efficiently by the external auditor as a result of their existing knowledge of the business.

Internal Audit

The IA Department conducts audit of companies within the Group and oversees the work being carried out in the respective key operational jurisdictions by the local IA department. IA is an independent function within the Group and reports directly to the AC with unrestricted access to the AC, without the presence of CEO or Management, at least annually.

The IA Department is staffed by suitably qualified and experienced IA staff including the IA Head, who reports directly to the AC functionally, has open communication with the AC and is able to report any risks or control issues directly to the AC Chairman.

The IA Head has been with the Company since 2001 and is a Chartered Accountant with the Institute of Singapore Chartered Accountants ("ISCA") and also a member of the Institute of Internal Auditors, Singapore ("IIA"). Prior to that, he was with the WBL Group of Companies from 1995 to 2001. He was with an international accounting firm from 1992 to 1995. The IA staff have professional qualifications and are either members of the ISCA, IIA or the Information Systems Audit and Control Association.

The Company provides training and development opportunities to maintain internal auditors' professional competence and enable them to perform their engagements with due care, proficiency and in accordance with professional standards.

The IA function adopts the International Standards for the Professional Practice of Internal Auditing (the "IIA Standards") issued by the IIA.

The AC approves the appointment, termination, evaluation and compensation of the IA Head. The scope of authority and responsibility of the IA function is defined in the AC Terms of Reference.

The primary role of the IA function is to assist the Board and Management to meet the strategic and operational objectives of the Group, by providing an independent and objective evaluation of the adequacy and effectiveness of risk management, internal controls and governance processes. The Group's IA approach is aligned with its risk management objectives by focusing on key financial, operations, compliance and IT risks. The annual IA plan is established in consultation with, but independent of, Management. The annual IA plan is reviewed and approved by the AC. Significant IA findings, recommendations and status of remediation, are circulated to the AC, the Board, the external auditor and relevant KMT members.

The IA Head presents the IA findings to the AC and the Board at the AC and Board meetings on a half-yearly basis. The AC meets with the IA Head once a year, without the presence of Management, to allow the internal and external auditors to speak freely with the AC on matters that may be difficult or sensitive to raise or to discuss in the presence of Management. The internal auditors have unfettered access to all the Group's documents, records, properties and personnel, including the AC and have appropriate standing within the Group.

The AC reviewed and is satisfied that the IA function is independent, effective and adequately resourced with persons with the relevant qualifications and experience and complies with IIA Standards.

CORPORATE GOVERNANCE

Interested Person Transactions

The AC reviewed the Group's IPTs for FY2021 to ensure that the transactions were carried out on normal commercial terms and are not prejudicial to the interests of the Company or its non-controlling shareholders. On a half-yearly basis, Management reports to the AC on the Group's IPTs in accordance with the IPT Mandate.

The IA Head informed the AC that the internal control procedures for determining the transaction prices of IPTs have not changed since the date of the 2021 AGM, at which the IPT Mandate was last renewed.

The AC is satisfied that the internal controls in respect of the identification, evaluation, review, approval and reporting of IPTs are effective.

The aggregate value of transactions entered into by the Group with interested persons ("IP") as defined in the Listing Manual of the SGX-ST for FY2021 is as follows:

Name of Interested Persons	Nature of relationship	Aggregate value of all Interested Person Transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all Interested Person Transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
		FY2021 US\$'000	FY2021 US\$'000
Archer Daniels Midland Group	Controlling shareholder and its associates	NIL	1,230,060
Associates of Kuok Khoon Ean & Kuok Khoon Hua [#]	Associates of Directors	65,112	148,876
Kuok Khoon Hong's Associates	Associates of Director	12,033	6,637
PPB Group Berhad	Controlling shareholder and its associates	229,724	NIL
Kuok Brothers Sdn Bhd	Associates of Director	559	NIL

[#] The IP associates for Mr Kuok Khoon Ean and Mr Kuok Khoon Hua are substantially the same and are not disclosed separately to avoid duplication.

Whistleblowing Policy

The Company has in place a Whistleblowing Policy which covers employees and external parties including customers, suppliers, contractors and anyone who is a stakeholder of the Group. The objective of the Whistleblowing Policy is to provide an avenue for employees and external parties to raise concerns about dishonesty, fraudulent acts, corruption and improper conduct, with the assurance that they will be protected from reprisals or victimisation for whistleblowing in good faith and this assurance is set out in the policy. Where whistleblowing results in prevention or recovery of what would otherwise have been monetary damage to the Company, the whistle-blower may be given a reward.

Whistleblowing cases reported are objectively assessed. Investigation and appropriate remedial measures are taken where warranted, and if substantiated, they are reported to the AC in accordance with the guidelines set out in the Company's Whistleblowing Policy and as directed by the AC.

The implementation of the Whistleblowing Policy has been communicated to employees of the Group and it is posted on the Group's intranet, accessible by all staff. The Whistleblowing Policy is also posted on the Company's website where it is available to the public. On an ongoing basis, the Whistleblowing Policy is covered during staff training as part of the Group's efforts to promote awareness of possible corporate improprieties.

Dealings in Securities

The Company has in place a written Securities Trading Policy approved by the Board setting out procedures and best practices on the prohibition of dealings in securities of the Company by all Directors and employees of the Group, which include the following:

1. all Directors and employees of the Group are prohibited from dealing in the Company's securities during the period commencing two weeks prior to the announcement of the Group's first and third quarters' Executive Financial Summary, and one month prior to the announcement of the Group's half and full years financial results;
2. the Company is prohibited from dealing in the Company's securities such as share buyback pursuant to its Share Purchase Mandate during the abovementioned trade blackout periods;
3. to further prevent insider trading of Wilmar securities, the trade blackout periods are extended by two weeks for certain members of Management and staff including CEO, COO and EDs, who by virtue of their positions or job functions, may have access to confidential, unpublished information on the Group's financial results and statements. This group of employees is prohibited from dealing in Wilmar securities during the period commencing four weeks (instead of two weeks) prior to the announcement of the Group's first and third quarters' Executive Financial Summary and one month plus two weeks (instead of one month) prior to the announcement of the Group's half and full years' financial results; and
4. the prohibition against dealings in securities by Directors and employees of the Group extends not only to the securities of the Company and its listed subsidiaries but also to the securities of other companies, whether listed in Singapore or elsewhere, while they are in possession of price or trade sensitive information or have access to unpublished price or trade sensitive information relating to such securities, including information which is acquired in the course of work with the Company.

A copy of the Company's Securities Trading Policy is posted on the Company's intranet accessible by all staff.

Directors and employees of the Group are reminded on a quarterly basis to refrain from dealing in the Company's securities on short term considerations and to observe insider trading laws at all times, even when dealing in securities during the permitted trading period. A set of guidance notes on laws against insider trading is made available to employees of the Group through various communication channels, including dissemination by internal circulars and posting on the Company's intranet. These procedures and best practices are reviewed and updated from time to time and further strengthened for good corporate governance.

Compliance-Related Policies

In addition to the Whistleblowing Policy and the Securities Trading Policy, the Company has in place other compliance-related policies such as the Code of Conduct, Code of Ethics, Anti-Bribery and Corruption Policy and Anti-Fraud Policy, which set out the principles and standards of behaviour that are expected of employees of the Group when dealing with customers, suppliers, business associates and colleagues as well as how the Group deals with fraud incidents.

These policies have been communicated to employees of the Group and are also available on the Group's intranet and website. To ensure compliance with these policies, compulsory refresher sessions on compliance-related topics are organised for employees on a regular basis via an e-learning application developed by the Company's HR Department.

CORPORATE GOVERNANCE

D. SHAREHOLDER RIGHTS AND ENGAGEMENT

Principle 11: Shareholder Rights and Conduct of General Meetings

Shareholder Rights

The Company is committed to treating all shareholders fairly and equitably to enable them to exercise their ownership rights and to provide them with adequate, timely and sufficient information pertaining to changes in the Group's business which could have a material impact on the Company's share price.

The Company's annual report which gives shareholders a balanced and understandable assessment of its performance, position and prospects, is available on Wilmar's corporate website. Printed copies of the annual report are sent to shareholders only upon request, which is in line with Wilmar's commitment to environmental conservation. Notice of AGM and notice(s) of extraordinary general meeting(s) (where applicable) are made available on Wilmar's corporate website within the prescribed notice periods set out in the Company's Constitution and the prevailing laws and regulations together with their respective circular(s) and letter(s) to shareholders. The notices are also released via SGXNet and published in local newspapers.

Besides exercising their voting rights at the general meetings convened by the Company, shareholders are encouraged to participate actively and communicate their views on any matters relating to the Company and the Group.

Conduct of General Meetings

The Board supports and encourages effective shareholder participation at general meetings. Shareholders are informed of the general meetings of the Company through notices of general meetings, news releases via SGXNet, publication in local newspapers, as well as postings on the Company's website.

In compliance with the Act, all resolutions tabled at the Company's general meetings are separate and voted on individually.

The Company's 2021 AGM was held by electronic means pursuant to the Covid-19 (Temporary Measures) (Alternative Arrangement for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (the "Order"). Attendance at the 2021 AGM was via electronic means accessed via live audio-visual webcast or live audio-only stream. Questions were submitted to the Chairman of the Meeting in advance of the 2021 AGM. To improve interaction with shareholders during the 2021 AGM, a "chat function" was made available to shareholders to type and submit their questions during the AGM. The Company endeavoured to address substantial and relevant questions. Voting was conducted by appointing the Chairman of the Meeting as proxy at the 2021 AGM. To comply with safe management rules, only the Chairman, Lead Independent Director, COO, Company Secretary and CFO were present in person at the 2021 AGM. The non-executive Directors (except for Mr Kuok Khoon Hua), other members of Management, external legal advisors and external auditor attended the 2021 AGM via electronic means. In line with past years' practice, at the start of the 2021 AGM, Wilmar's CFO presented an update on the Group's progress and financial highlights. The presentation is available on the websites of SGX-ST and the Company for the benefit of shareholders who were unable to attend the 2021 AGM electronically. The results of the proxy voting were published at the meeting and announced via SGXNet after the conclusion of the 2021 AGM. Minutes of the 2021 AGM, which include relevant and substantial comments from shareholders relating to matters on the agenda of the meeting and responses from Directors and Management, are also available on the websites of the Company and SGX-ST.

The Company's 2022 AGM will be held by electronic means pursuant to the Order and also physically at the Company's registered office. Attendance at the 2022 AGM will in person or via electronic means accessed via live audio-visual webcast or audio-only stream. Live voting will be conducted during the 2022 AGM for shareholders and proxyholders online and those at the physical venue. The results of the 2022 AGM will be announced at the meeting and via the SGXNet after the conclusion of the 2022 AGM. Minutes of the 2022 AGM which will include relevant and substantial comments from attendees relating to matters on the agenda of the meeting and responses from Directors and Management, will also be available on the websites of the Company and SGX-ST.

Questions may be submitted in advance of the 2022 AGM and the Company will publish its responses to these questions at least 48 hours before the closing date and time for the lodgment of proxy forms for the 2022 AGM.

To improve interaction with shareholders during the 2022 AGM, the Company will make available an "Ask a Question" feature for shareholders online and also those at the physical venue to type and submit their questions during the meeting. Shareholders attending the meeting may also choose to raise their question(s) in-person.

Details of the arrangements will be provided in the Notice of 2022 AGM which will be disseminated by electronic means via publication on the websites of the Company and SGX-ST.

Dividend Policy

The Company has been declaring dividends twice a year to its shareholders at half-year and year-end since 2008. In considering the level of dividend payments, the Board takes into account various factors, including but not limited to the projected levels of capital expenditure and other investment plans, as well as the Group's working capital requirements and general financial condition.

For FY2021, the Board has recommended a final dividend of S\$0.105 per ordinary share. Including the interim dividend of S\$0.05 per ordinary share paid in August 2021, the total dividend for the year of S\$0.155 per ordinary share, represents a dividend payout of around 38% of the Group's net profits.

Principle 12: Engagement with Shareholders

Disclosure of Information on a Timely Basis

The Company maintains a current corporate website www.wilmar-international.com to communicate and engage with shareholders and stakeholders.

The Company is committed to maintaining a high standard of corporate disclosure and transparency. The Company has an Investor Relations Policy (a copy of which is posted on the Company's website) which allows for an ongoing exchange of views to actively engage and promote regular, effective and fair communication with shareholders. It will also ensure that all material information is disclosed in a comprehensive, accurate and timely manner through the release of announcements and news releases posted on the SGX-ST website. Shareholders and the investing public can access the Company's announcements, news releases, presentation materials disseminated at briefings and other corporate information that have been uploaded on its website. The website provides an effective method of reaching a wide audience and also allows users to sign up for alerts to such disclosures, providing an easy and timely way to stay updated on the Company's latest corporate developments.

To ensure a level playing field and provide confidence to shareholders, unpublished price and trade sensitive information is not selectively disclosed. In the event that unpublished material information is inadvertently disclosed to a select group in the course of the Group's interactions with the investing community, a news release or announcement will be released to the public via SGXNet.

CORPORATE GOVERNANCE

Interaction with Shareholders

The Group has a dedicated investor relations (“IR”) team which focuses on facilitating communications with shareholders and analysts on a regular basis and attending to their queries or concerns in a timely manner. Investors may submit their view and feedback and raise any questions to the Company via ir@wilmar.com.sg and through which the Company responds to such questions.

The IR team participates in investor seminars and conferences, together with members of the KMT, to keep the market and investors apprised of the Group’s corporate developments and financial performance.

During FY2021, the IR team, together with members of the KMT, engaged with over 130 Singapore and foreign investors at conferences, roadshows as well as one-on-one and group meetings. The aim of such engagements is to:

1. provide shareholders and investors with relevant information promptly, to enable them to have a better understanding of the Group’s businesses and performance; and
2. solicit feedback from the investment community, including shareholders, on a range of strategic and topical issues. Such engagements provide invaluable insights to the Board and Management on investors’ views and concerns. It also helps the Group to identify areas of improvement for investor communication.

MANAGING STAKEHOLDER RELATIONSHIPS

Principle 13: Engagement with Stakeholders

The Board has adopted an inclusive approach by balancing the needs and interests of material stakeholders, beyond shareholders, using the following methods:

1. identifying and managing relationships with material stakeholder groups;
2. delineation of key focus areas in relation to management of stakeholder relationships; and
3. maintaining a current corporate website to communicate and engage with stakeholders.

How the engagement with stakeholders was undertaken and executed in FY2021 is described in the following summary table. Please also refer to <https://www.wilmar-international.com/sustainability/policies/stakeholder-engagement> for specific stakeholder engagements with regard to sustainability matters and issues.

Stakeholders	Interests/ Key Concerns of Stakeholders	Wilmar’s Response	Methods of Engagement
Employees	<ul style="list-style-type: none"> • Workplace Health & Safety • Fair Workplace Practices • Career advancement • Learning and Development • Instilling Wilmar core values and sense of belonging 	<ul style="list-style-type: none"> • Implement workplace safety policies for a safe working environment • User-friendly internal platform for employee’s welfare • Reward for performance • Equal opportunity in all aspects of employment • Provide opportunity for career advancement • Employee engagement initiatives and events 	<ul style="list-style-type: none"> • Employee Learning & Development Programmes • Health and Wellness activities found on the Company’s Intranet • Company and Department wide social and teambuilding activities • Announcements and memos from HR and Management where appropriate

Stakeholders	Interests/ Key Concerns of Stakeholders	Wilmar's Response	Methods of Engagement
Employees	<ul style="list-style-type: none"> • Women empowerment & equitable Employment • Protection from sexual harassment • Health and safety • Welfare of families and children • Education for children • Better direct communication with Management 	<ul style="list-style-type: none"> • Wilmar has a comprehensive Women's Charter, which defines Women's Committee structure which provides an avenue to address issues specific to women in the workforce, and for these to be raised with Management. In the plantation operation, the Women's Committee includes a specific sexual harassment investigation unit and procedure • Wilmar has a Health & Safety policy across all operations. In addition, many of Wilmar's own operations are Health & Safety certified, or certified to sustainability production standards which include specific requirements for Health & Safety • Wilmar has child-friendly and supporting measures that various global offices provide to our staff • In Wilmar's oil palm plantation and mill operations, housing (with electricity and running water) is provided to all workers and their families. This includes access to schools supported by Wilmar, creche services for children under school going age, school bus service, and access to playground facilities • Wilmar has in place grievance procedures at each workplace that allows for grievances to be directly raised with Management 	<ul style="list-style-type: none"> • In the countries where Wilmar operates, the HR Department has relationships with unions and has regular meetings with local union chapters and their members within Wilmar's operations • Women's Committees meet once a quarter to discuss issues specific to their operations • Wilmar organises a variety of employee gatherings in all operations throughout the year. This provides a direct avenue for engagement between employees and Management
Shareholders and the Investing Public	<ul style="list-style-type: none"> • Accurate and timely updates on the Company's strategy, business and financial performance • Business outlook • ESG reporting 	<ul style="list-style-type: none"> • Practise good corporate governance, transparency and disclosure including ESG material topics • Provide accurate and timely updates via SGXNet, the Company's website and regular meetings with the investing community 	<ul style="list-style-type: none"> • AGM • Quarterly updates and briefings on financial results • ESG/Sustainability focused meetings/webinars • Participation in investor conferences and meetings • Responding to investor/ shareholder queries via email and telephone • Corporate website – including dedicated sections for Investors & Media and Sustainability as well as functions to subscribe for email alerts to the latest corporate developments and to request for information.

CORPORATE GOVERNANCE

Stakeholders	Interests/ Key Concerns of Stakeholders	Wilmar's Response	Methods of Engagement
Customers	Quality of products, food safety	Group Quality Control system and regular audit and training	Online Customer Response System for feedback on quality and service
	Customer's sustainability policy	<ul style="list-style-type: none"> Company to comply with customer's sustainability policy Wilmar is an active member of Palm Oil Collaboration Group (POCG) which is a collective of companies throughout the supply chain, including many of Wilmar's customers, to address pre-competitive solutions to sustainability concerns in palm oil 	Regular direct engagement between Group Commercial and Sustainability teams and customers
	Supply chain management	Ensure smooth and timely supply of products	Integrated supply chain planning
Suppliers	No Deforestation, No Peat, No Exploitation ("NDPE") policy	Suppliers to comply with NDPE policy	<ul style="list-style-type: none"> Proactive engagement through local offices and in collaboration with Non-Government Organisations ("NGOs") Online sustainability reporting
	<ul style="list-style-type: none"> Support for sustainability requirements Balancing development needs and no deforestation requirements 	<ul style="list-style-type: none"> Wilmar engages constructively with all suppliers for sustainability improvement. This engagement with suppliers in built into the process of supplier monitoring for NDPE policy compliance and has been in place since 2014 Wilmar's updated NDPE policy contains elements of how smallholders and local communities can be engaged in various respects to meet Wilmar's sustainability requirements. In addition, we continue to engage with NGOs to discuss cases that are linked to community and smallholder development 	<ul style="list-style-type: none"> Wilmar has regular sessions and workshops with suppliers to explain sustainability requirements and to share Wilmar's own knowledge and examples on sustainability Wilmar's membership in trade associations and sustainable production roundtables ensures it is in constant interface with suppliers on relevant issues
Government/ Regulators/ Associations	<ul style="list-style-type: none"> Social responsibility Requires Company to comply with local regulations 	All business is done in compliance with applicable local laws	Comply with existing laws through implementing policies, guidelines and procedures to ensure adherence and continuous sustainability of business

Stakeholders	Interests/ Key Concerns of Stakeholders	Wilmar's Response	Methods of Engagement
Civil society	<p>Environmental NGOs</p> <ul style="list-style-type: none"> Deforestation Loss of wildlife and their habitat Contribution of agriculture to climate change Transparency of concession maps <p>Social NGOs</p> <ul style="list-style-type: none"> Livelihood of smallholders and local communities Respect of customary lands & restitution Human Rights for communities and employees Women's empowerment & equitable employment Protecting Children's Rights Protection of Human Rights Defenders <p>Labour Unions</p> <ul style="list-style-type: none"> Fair wages Human Rights for employees Safe working conditions Improvement of industrial relations 	<ul style="list-style-type: none"> Wilmar has a comprehensive NDPE policy which represents requirements for Wilmar's own operations as well as that of its suppliers. In 2019, the NDPE policy was updated to include more specifics on a deforestation cut-off date of 31 December 2015 (requiring recovery plans for land clearing after this date), and adoption of "suspend then engage" approach upon verification of actual deforestation or peat development after 1 January 2019. The No Exploitation component of the policy incorporates respect of Free Prior Informed Consent, as well as respect for labour rights Wilmar has a comprehensive Human Rights Framework; Child Protection Policy; Women's Charter; and Whistleblowing Policy All Wilmar's employees are covered with clear terms & conditions, and these terms spell out work conditions. In countries where Wilmar has active labour unions, the terms & conditions are negotiated with the unions. Where unions are restricted by regulation, Wilmar provides alternative avenues for workers to organise and collectively bargain Wilmar's Human Rights Defender Policy was launched on 21 December 2021 after a process of development that included input from international as well as Indonesian and Malaysian based civil society organisations 	<ul style="list-style-type: none"> Wilmar meets with NGOs several times a year to discuss updates on Wilmar's sustainability commitments Wilmar consults across civil society in the development of key policies and procedures linked to sustainability As members of the RSPO, European Palm Oil Alliance, Roundtable on Responsible Soy, Bonsucro (the global sugarcane platform) and Tropical Forest Alliance, Wilmar interfaces with many NGOs and other civil society in dialogue Wilmar respects the right to collective bargaining and as a result, it has local chapters of unions in its operations. Wilmar maintains open and constructive dialogue with various trade and workers unions, as well as union confederations

MATERIAL CONTRACTS

During the financial year, there were no material contracts entered into by the Company or any of its subsidiaries involving the interests of any Director or a controlling shareholder of the Company, except for those IPTs announced via SGXNet from time to time in compliance with the Listing Manual of the SGX-ST.

Save as mentioned above, there are no other material contracts entered into by the Company or any of its subsidiaries involving the interest of the Director or controlling shareholder, which are either subsisting at the end of FY2021 or, if not then subsisting, entered into since the end of the previous financial year ended 31 December 2020.

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