

# CORPORATE GOVERNANCE

## WILMAR GOVERNANCE FRAMEWORK



● Independent Directors    ● Executive Directors/KMT

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. As a testament to this commitment, the Group has been on the SGX Fast Track list since this programme was introduced in 2018. SGX Fast Track recognises the efforts and achievements of listed issuers which have upheld high standards of corporate governance and maintained a good compliance track record.

This report sets out the Company’s corporate governance practices and activities in the financial year ended 31 December 2023 (“FY2023”), 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.

### **Human Capital Management, Oversight of Culture and Employee Engagement Mechanisms**

In commitment to excellence, the Company and its Board are guided by a set of values that define who we are and the way we work. Our core values are safety, teamwork, Innovation, integrity, excellence and passion. The Company believes in instilling an ethical corporate culture to ensure that its values, standards, policies and practices are consistent with its commitment to excellence. The Company also wants to be a workplace where everyone in the Group has a strong sense of belonging and is motivated to go the extra mile to contribute to the Group’s growth.

One of our core values pertains to “safety” and the Company is committed to keeping our employees safe, happy and healthy. This is the right thing to do and the Company recognises that employees who are healthy, both physically and mentally, are best placed to contribute to the growth and success of the Company. The Company has our own Social and Recreation Committee which is active in organising wellness and fitness programmes regularly to keep our employees active, engaged and healthy.

### **Diversity and Inclusion**

The Company has in place key policies to support our approach to diversity which includes our Equal Opportunity Policy and Board Diversity Policy, among others, whereby each head of business unit or business region is accountable for ensuring that diverse and inclusive practices are implemented in the workplace. The Company has launched a variety of programmes to meet these needs, including our Women’s Charter, Women’s Working Groups, Indigenous Recognition Plan, as well as having convenient facilities such as lactation rooms for new mothers.

The Company sets annual targets for workforce diversity and inclusion. In an effort to meet these targets and to create an inclusive and diverse workforce, we draw upon insights from regular meetings with employees and internal feedback systems to understand the needs of our diverse workforce.

### **Corporate Governance**

The Company and its Board believe in setting an appropriate tone-from-the-top for the Group to the employee level in respect to ethics, conduct, regulatory and tax compliance. All Directors and employees are expected to discharge their duties and responsibilities in the best interest of the Company and to avoid conflicts of interest.

## **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 strategic and 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.

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. During FY2023, a Group-wide knowledge sharing event was conducted whereby Directors shared and presented their personal area of expertise with members of senior and mid-management across the Group, allowing knowledge sharing and greater interaction and understanding between members of senior and mid-management with Directors.

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Though such interactive events, Directors are able to personally experience the Group's culture among its employees. Among other values, the Group strongly upholds honesty and integrity, fostering a culture of fairness, openness and loyalty. All employees of the Group are made aware of the safe whistle-blowing channel and have direct access to the Lead Independent Director, whose email address is published in the Company's Annual Report. These channels are also accessible to stakeholders such as customers and suppliers who are not employees of the Group. Annually in the Board evaluation exercise, Directors assess whether the Board has set appropriate tone-from-the-top, cultivated desired organisational culture and ensured a proper accountability within the Company with reference to the Codes of Conduct and Ethics and this item received a positive score from the Directors in FY23.

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 KMT section of this Annual Report) who are responsible for ensuring the timely and effective execution of business strategies and running operations;
5. instill 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, climate change and 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.

## 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 discloses the matter to the Board and recuses himself or herself from meetings, deliberations and making decisions involving 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 their respective terms of reference approved by the Board, setting out the composition, authority and duties of the respective Board Committees.

### Executive Committee

The Exco comprises two Executive Directors ("ED") namely, Mr Kuok Khoon Hong (Board 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 and risk limits 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 (SPC 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 climate change and ESG issues to Wilmar and to the Board's commitment to integrating sustainability within the Wilmar business model, the Board established the Board Sustainability Committee ("BSC") on 1 January 2022.

The BSC has an independent majority and its members are Mr Kishore Mahbubani (BSC Chairman), Mr Kuok Khoon Hong, Mr Lim Siong Guan and Ms Jessica Cheam.

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.

### Other Committees

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

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

### 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, decision and/or approval by email and/or circular written resolution. As provided in the Company's Constitution, Directors may participate in Board and Board Committee meetings by video-conferencing.

Four Board meetings were held during FY2023 to review and to approve, inter alia, the Company's and the Group's financial results for each quarter and the full year. The agenda for Board and Board Committee meetings are prepared in consultation with the respective Chairmen.

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The deliberations and discussions taken at all Board and Board Committee meetings are minuted by the Company Secretary who attends the meetings. All written resolutions passed and minutes of meetings held by the various Board Committees are accessible to all Directors.

All materials for Board and Board Committee meetings are sent to Directors at least one week prior to each meeting, allowing Directors sufficient time to prepare for the meetings and to enable meaningful discussions on questions or issues arising from their meeting preparation. The meeting materials are 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.

## Attendance at Board and Board Committee Meetings

The attendance of Directors at the Board and Board Committee meetings held in FY2023 is as follows:

|  | BOARD OF DIRECTORS | AUDIT COMMITTEE | BOARD SUSTAINABILITY COMMITTEE | RISK MANAGEMENT COMMITTEE | NOMINATING COMMITTEE | REMUNERATION COMMITTEE |
|--|--------------------|-----------------|--------------------------------|---------------------------|----------------------|------------------------|
| No. of meetings held   | 4                  | 5               | 4                              | 4                         | 1                    | 1                      |
|  | Attendance         | Attendance      | Attendance                     | Attendance                | Attendance           | Attendance             |
| Name of Director   |                    |                 |                                |                           |                      |                        |
| <b>EXECUTIVE DIRECTORS</b>                                     |                    |                 |                                |                           |                      |                        |
| Kuok Khoon Hong  | 4/4                | –               | 4/4                            | 4/4                       | 1/1                  | –                      |
| Pua Seck Guan  | 4/4                | –               | –                              | –                         | –                    | –                      |
| Teo La-Mei   | 4/4                | –               | –                              | –                         | –                    | –                      |
| <b>NON-EXECUTIVE AND NON-INDEPENDENT DIRECTORS</b>             |                    |                 |                                |                           |                      |                        |
| Kuok Khoon Ean   | 3/4                | –               | –                              | –                         | –                    | –                      |
| Kuok Khoon Hua<br>(or in his absence,<br>Tong Shao Ming)       | 4/4                | –               | –                              | –                         | –                    | –                      |
| Gregory Morris<br>(or in his absence,<br>Juan Ricardo Luciano) | 4/4                | –               | –                              | –                         | –                    | –                      |
| <b>INDEPENDENT DIRECTORS</b>                                   |                    |                 |                                |                           |                      |                        |
| Lim Siong Guan   | 4/4                | 5/5             | 4/4                            | 4/4                       | 1/1                  | 1/1                    |
| Tay Kah Chye <sup>(1)</sup>                                    | 1/1                | 1/1             | –                              | 1/1                       | 1/1                  | 1/1                    |
| Kwah Thiam Hock <sup>(1)</sup>                                 | 1/1                | 1/1             | 1/1                            | –                         | 1/1                  | 1/1                    |
| Kishore Mahbubani  | 4/4                | –               | 4/4                            | –                         | –                    | –                      |
| Teo Siong Seng   | 4/4                | –               | –                              | –                         | –                    | –                      |
| Soh Gim Teik   | 4/4                | 4/4             | –                              | 3/3                       | –                    | –                      |
| Chong Yoke Sin   | 4/4                | 4/4             | –                              | –                         | –                    | –                      |
| Louis Cheung <sup>(2)</sup>                                    | 3/3                | –               | –                              | –                         | –                    | –                      |
| Jessica Cheam <sup>(3)</sup>                                   | 2/3                | –               | 1/1                            | –                         | –                    | –                      |

Notes:

- (1) Mr Tay Kah Chye and Mr Kwah Thiam Hock retired from the Board at the conclusion of the 2023 AGM on 20 April 2023. Mr Soh Gim Teik, Mr Lim Siong Guan and Dr Chong Yoke Sin filled the vacated positions in the relevant Board Committees on the same day.
- (2) Dr Louis Cheung was appointed as a Non-Executive and Independent Director of Wilmar on 20 April 2023.
- (3) Ms Jessica Cheam was appointed as a Non-Executive and Independent Director of Wilmar on 20 April 2023 and as a member of the BSC on 1 October 2023.

The Exco and the SPC conducted all matters by written resolution and did not convene meetings in FY2023.

### Orientation and Ongoing 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 Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST" or "SGX") 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 SGX-listed company will undergo mandatory training on their roles and responsibilities as prescribed by the SGX-ST. Such training includes attending directors' training courses organised by the Singapore Institute of Directors ("SID").

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. Directors may request for briefings on niche topics and the Company will invite its external consultants to do so.

Some of the professional development programmes attended by Directors in the course of FY2023 include the following:

1. ESG and Climate Governance Conference by the SID;
2. Corporate Governance Conference 2023 by Securities Investors Association (Singapore);
3. Closed-door briefing on the two IFRS Sustainability Disclosure Standards issued by International Sustainability Standards Board (ISSB) by Ernst & Young LLP;
4. Briefing on dedollarisation – challenging the USD hegemony by external consultants;
5. Council for Board Diversity 5th anniversary forum;
6. Sustainable Finance Summit on "Unlocking Capital for Sustainability" by Eco-Business;
7. Briefing on Singapore Exchange Regulation's Cyber Incident Response Guide by Wilmar's IT Department; and
8. Briefings by SID on topics such as "Beyond the Nine-Year Rule – How Nominating Committees can Transform Governance" and "Early Lessons and Issues for Board Directors".

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

**External experts** – 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 or on specific topics at the Directors' requests. During FY2023, the Company invited its external consultants to brief the Board on the topic of Dedollarisation.

**Overseas site visits** – from time to time, the Company organises on-site visits for Directors to the Group's key operating facilities located overseas to enable them a better understanding of the Group's businesses. During FY2023, the Board visited the Group's facilities in Lianyungang, Qingdao, Shanghai, Taizhou and Zhoukou in the People's Republic of China ("China") together with local senior management personnel, enabling Directors to see day-to-day operations, gain a deeper understanding of the business, meet local business partners and stakeholders. In Lianyungang, the Board also visited the Yihai Student Support Centre, commonly referred to as Yihai Orphanage, which is a joint philanthropic initiative with a unique model of orphan assistance led by the Company's subsidiary Yihai Kerry Arawana Holdings Co., Ltd ("YKA") in collaboration with the Arawana Charity Foundation. The Arawana Charity Foundation was established in 2013 by the YKA Group and is registered with the Ministry of Civil Affairs of the People's Republic of China.

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**Media monitoring** – 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 and the operations of the Group, are also circulated to the Board.

## Access to Complete, Adequate and Timely Information

**Access to Information** – Directors receive complete and adequate reports and discussion papers 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, operational, compliance and IT audits and risk assessment reports on key businesses of the Group for review and evaluation.

The Board is briefed on Group business activity 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 Treasurer, Chief Sustainability Officer, Group Head of Human Resources ("Group HR Head"), Chief Information Officer and Company Secretary at all times.

The Board is kept updated on changes to the senior management organisation structure. An up-to-date organisational chart of the KMT is made available 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 organised from time to time, to enable the Directors to get better acquainted with the KMT and to gain better insight into their respective areas of responsibility.

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

## Company Secretary

The Company Secretary supervises the administration of Board matters and advises the Board on all governance issues, corporate matters, facilitates orientation of new Directors and assists with the professional development of existing Directors as required. The Board has separate and independent access to the Company Secretary.

The Company Secretary is also the Group Legal Counsel and is responsible for 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 flow 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.



## Principle 2: Board Composition and Guidance

### Size and Board Composition

The Board, through regular reviews by the NC and guided by its Board Diversity Policy, which is publicly available on the Company's website, seeks to ensure an appropriate level of diversity on the Board to provide effective entrepreneurial leadership to the Company. Taking into account the complex nature and wide scope of the Group's business and operations, the Board considers the current board size of 13 members appropriate. The Board has 23% female representation and 77% male representation.

### Board Diversity

The Board is made up of Directors of different nationalities, cultural ethnicities, age groups, skills, experience and qualifications. Reflecting the global reach of the Group's business, most of Wilmar's Directors have extensive experience in jurisdictions outside Singapore. Their collective diverse experience and in-depth knowledge of the Group's business operations enables 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 and tables on pages 77 and 78 of this Annual Report.

In reviewing Board composition and in succession planning, the NC considers the benefits of all aspects of diversity, including of skills, age, experience, gender, independence, education, cultural ethnicity and industry knowledge.

A key requirement is that only individuals with broad-based experience and complementary skills will be appointed to the Board. The NC annually reviews the Company's progress towards achieving its diversity targets.

The Board and the NC 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.

During FY2023, two long-serving Directors, Mr Kwah Thiam Hock and Mr Tay Kah Chye retired at the conclusion of the Company's 2023 annual general meeting ("AGM") after more than 16 years of service. Two new Non-Executive and Independent Directors, Dr Louis Cheung and Ms Jessica Cheam, the fourth female Director on the Board, were appointed on the same day.

The skillsets required and applicable to serve the needs of the Group are set out in the "Directors' Expertise and Experience Matrix" on page 78 of this Annual Report. The matrix maps out Directors' experience in areas and illustrates a good balance of skillsets to serve the needs of the Group. Similarly, Directors' experience by geography is mapped out in the matrix on page 78 of this Annual Report and illustrates a good balance to serve the needs of the Group.

### Board Diversity Policy, Targets, Timeline and Progress

Wilmar updated its Board Diversity Policy in October 2022 to introduce new gender diversity targets.

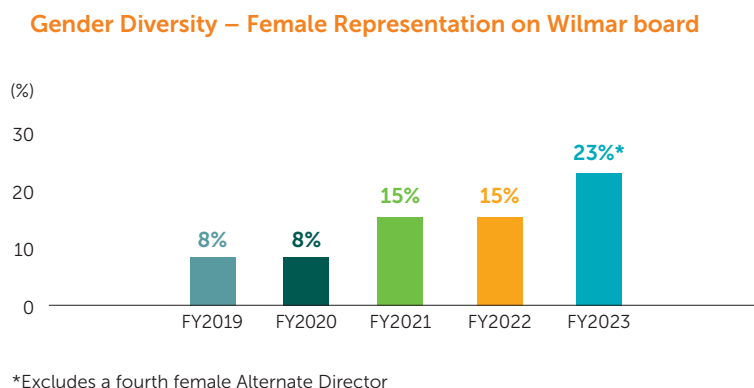
**Targets and timeline** - In line with recommendations by the Singapore Council for Board Diversity, Wilmar's policy contains a target of bringing female representation on the Board to 25% by 2025 and 30% by 2030. The policy is available on Wilmar's corporate website and progress will be reported in the Corporate Governance Report each year.

**Progress** - During FY2023, Wilmar appointed an additional female director, Ms Jessica Cheam to the Board. As at the date of this Corporate Governance Report, Wilmar's Board has 23% female representation, constituted by three female Directors, excluding a fourth female Alternate Director.



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The percentage of female representation on the Wilmar Board has increased from 8% in 2019 and 2020 to 15% in 2021 and 2022 and then to 23% in 2023, as illustrated in the following chart:



**Plans** - To reach the targets in accordance with the targeted timeline, the Board will be guided by the Board Diversity Policy in making decisions on appointment, re-election or retirement of its members and the NC will conduct an annual diversity review to ensure: (i) the effectiveness of the policy; and (ii) the objectives of the policy are still relevant and fit for the intended purpose.

The NC will, from time to time, review the Board selection process and its progress in meeting the objectives of the Board Diversity Policy. The Company will put in place processes to identify and appoint new Board members through the use of external consultants, if necessary, and expand the scope of its search for appropriate candidates by going beyond the Board's existing network of contacts and will strive to ensure that any brief to external consultants to search for candidates for appointment to the Board will include a requirement to present candidates who meet the Company's diversity criteria.

In addition to gender diversity, the Board Diversity Policy addresses diversity in expertise, nationality, ethnicity, gender and age group. Diversity on the Board is illustrated in the infographics and tables on pages 77 and 78 of this Annual Report.

## New Appointments

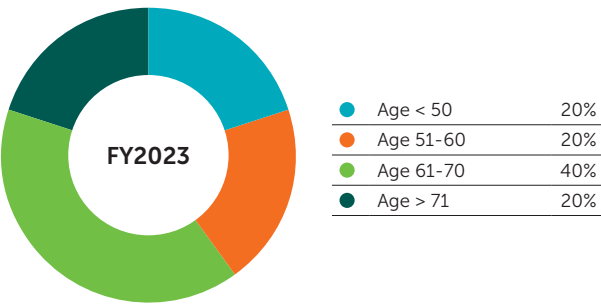
During FY2023, the Board made progress in achieving greater gender, skillset, age and cultural diversity with the appointment of two new Directors:

Dr Louis Cheung, age 60 years, was appointed on 20 April 2023 to the Board as a Non-Executive and Independent Director. Dr Cheung is based in Hong Kong SAR and is co-founder and Managing Partner of Boyu Capital, which focuses on private equity investment in Asia. He has had a wide range of experience in board and senior management positions, including past directorships in Fubon Financial Holding and Standard Chartered PLC. The Board welcomes the expansion of its perspective, competencies and skills, contributed to by Dr Cheung. Dr Cheung will be completing the SID's Listed Entity Director Programme in 2024, within a year of his appointment.

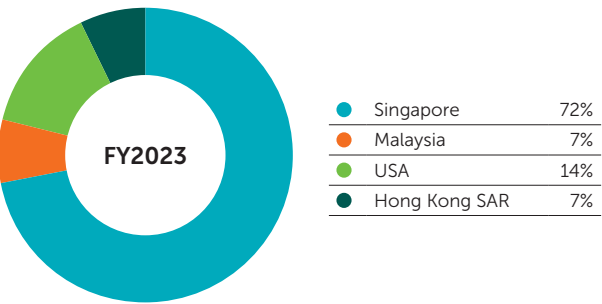
Ms Jessica Cheam, age 40 years, was appointed on 20 April 2023 to the Board as a Non-Executive and Independent Director. Ms Cheam is based in Singapore and is founder and Managing Director of Eco-Business, an independent media and advisory company which operates Eco-Business.com, a leading sustainable development news platform. Ms Cheam is also an ESG Committee member of the SID and an Independent Director of ComfortDelGro as well as Chairman of its Board Sustainability Committee. The Board welcomes the expansion of its perspective, competencies and skills, contributed to by Ms Cheam, particularly in ESG matters and also the diversification of gender and age groups of the Wilmar Board. Ms Cheam is the fourth female Director on the Board (including one female Alternate Director).

The following charts illustrate Wilmar’s Board diversity indicators as at the end of FY2023:

**AGE**

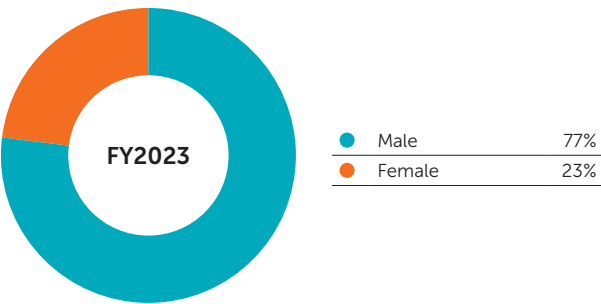


**NATIONALITY**



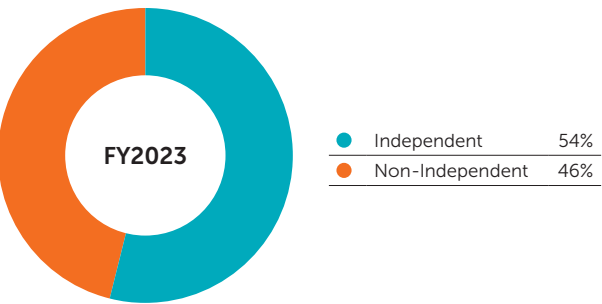
**GENDER**

Not including Alternates

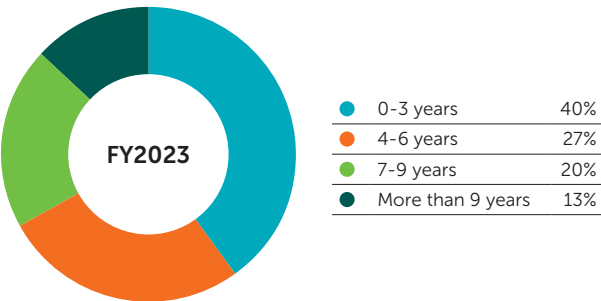


**INDEPENDENCE**

Not including Alternates



**LENGTH OF SERVICE**



# CORPORATE GOVERNANCE

The Board's skill matrix, which sets out the expertise, skill and experience of the Board, is as follows:

## Directors' Expertise and Experience Matrix

| DIRECTORS                                 | KUOK<br>KHOON<br>HONG | PUA<br>SECK<br>GUAN | TEO<br>LA-MEI | KUOK<br>KHOON<br>EAN | KUOK<br>KHOON<br>HUA | GREGORY<br>MORRIS | LIM<br>SIONG<br>GUAN | KISHORE<br>MAHBU-<br>BANI | TEO<br>SIONG<br>SENG | SOH<br>GIM<br>TEIK | CHONG<br>YOKE<br>SIN | LOUIS<br>CHEUNG | JESSICA<br>CHEAM | JUAN<br>RICARDO<br>LUCIANO | TONG<br>SHAO<br>MING |
|---|-----------------------|---------------------|---------------|----------------------|----------------------|-------------------|----------------------|---------------------------|----------------------|--------------------|----------------------|-----------------|------------------|----------------------------|----------------------|
| Banking & Finance                         |                       | ✓                   |               | ✓                    |                      |                   |                      |                           | ✓                    |                    |                      | ✓               |                  |                            | ✓                    |
| Insurance                                 |                       |                     |               |                      |                      |                   |                      |                           |                      |                    |                      | ✓               |                  |                            |                      |
| Accounting & Finance                      |                       |                     |               |                      |                      | ✓                 |                      |                           |                      | ✓                  |                      | ✓               |                  |                            | ✓                    |
| Legal                                     |                       |                     | ✓             |                      |                      |                   |                      |                           |                      |                    |                      |                 |                  |                            | ✓                    |
| Corporate Governance                      |                       |                     | ✓             | ✓                    |                      |                   |                      |                           |                      | ✓                  |                      | ✓               | ✓                | ✓                          | ✓                    |
| Risk Management                           | ✓                     |                     |               | ✓                    |                      | ✓                 | ✓                    |                           |                      | ✓                  |                      | ✓               | ✓                | ✓                          |                      |
| Industry knowledge                        | ✓                     | ✓                   |               | ✓                    | ✓                    | ✓                 |                      |                           |                      |                    |                      |                 |                  | ✓                          | ✓                    |
| Entrepreneurial and management            | ✓                     | ✓                   |               | ✓                    | ✓                    |                   | ✓                    |                           | ✓                    |                    | ✓                    | ✓               | ✓                |                            |                      |
| Investment                                | ✓                     | ✓                   |               | ✓                    | ✓                    |                   | ✓                    |                           |                      |                    | ✓                    | ✓               | ✓                |                            | ✓                    |
| Public Policies                           |                       |                     |               |                      |                      |                   | ✓                    | ✓                         |                      |                    |                      |                 | ✓                |                            |                      |
| Shipping                                  | ✓                     |                     |               | ✓                    |                      |                   |                      |                           | ✓                    |                    |                      |                 |                  |                            |                      |
| Commerce                                  | ✓                     | ✓                   |               | ✓                    |                      |                   |                      |                           | ✓                    |                    |                      |                 |                  |                            |                      |
| Strategy and Business Analysis            | ✓                     | ✓                   |               | ✓                    | ✓                    | ✓                 | ✓                    | ✓                         |                      | ✓                  | ✓                    | ✓               |                  | ✓                          | ✓                    |
| Corporate Restructuring                   | ✓                     | ✓                   | ✓             | ✓                    | ✓                    |                   |                      |                           | ✓                    | ✓                  | ✓                    | ✓               |                  |                            | ✓                    |
| Information Technology and Cyber Security |                       | ✓                   |               |                      |                      |                   |                      |                           |                      |                    | ✓                    | ✓               |                  |                            |                      |
| Communication                             |                       |                     |               |                      |                      |                   |                      |                           |                      |                    |                      |                 |                  | ✓                          |                      |

## Directors' Expertise and Experience Matrix by Geography

| DIRECTORS                | KUOK<br>KHOON<br>HONG | PUA<br>SECK<br>GUAN | TEO<br>LA-MEI | KUOK<br>KHOON<br>EAN | KUOK<br>KHOON<br>HUA | GREGORY<br>MORRIS | LIM<br>SIONG<br>GUAN | KISHORE<br>MAHBU-<br>BANI | TEO<br>SIONG<br>SENG | SOH<br>GIM<br>TEIK | CHONG<br>YOKE<br>SIN | LOUIS<br>CHEUNG | JESSICA<br>CHEAM | JUAN<br>RICARDO<br>LUCIANO | TONG<br>SHAO<br>MING |
|--------------------------|-----------------------|---------------------|---------------|----------------------|----------------------|-------------------|----------------------|---------------------------|----------------------|--------------------|----------------------|-----------------|------------------|----------------------------|----------------------|
| Singapore                | ✓                     | ✓                   | ✓             | ✓                    |                      |                   | ✓                    | ✓                         | ✓                    | ✓                  | ✓                    | ✓               | ✓                |                            | ✓                    |
| PRC (incl Hong Kong SAR) | ✓                     | ✓                   | ✓             | ✓                    | ✓                    |                   |                      | ✓                         | ✓                    | ✓                  | ✓                    | ✓               |                  |                            | ✓                    |
| Indonesia and Malaysia   | ✓                     | ✓                   | ✓             | ✓                    |                      |                   |                      | ✓                         |                      | ✓                  |                      | ✓               | ✓                |                            | ✓                    |
| Africa                   | ✓                     |                     | ✓             |                      |                      |                   |                      |                           | ✓                    |                    |                      |                 |                  |                            |                      |
| Australia                | ✓                     |                     | ✓             | ✓                    |                      |                   |                      |                           | ✓                    |                    | ✓                    |                 |                  |                            |                      |
| USA                      |                       |                     |               | ✓                    |                      | ✓                 |                      | ✓                         |                      |                    | ✓                    | ✓               |                  | ✓                          |                      |
| India                    | ✓                     | ✓                   | ✓             |                      |                      |                   |                      | ✓                         | ✓                    |                    |                      |                 |                  |                            |                      |
| Russia                   | ✓                     |                     |               |                      |                      |                   |                      |                           |                      |                    |                      |                 |                  |                            |                      |
| Ukraine                  | ✓                     |                     |               |                      |                      |                   |                      |                           |                      |                    |                      |                 |                  |                            |                      |
| South America            |                       |                     |               |                      |                      | ✓                 |                      |                           |                      |                    |                      |                 |                  | ✓                          |                      |
| Vietnam                  |                       |                     |               |                      |                      |                   |                      |                           | ✓                    |                    |                      |                 |                  |                            | ✓                    |
| UK                       |                       |                     |               |                      |                      |                   |                      |                           |                      |                    |                      | ✓               | ✓                |                            | ✓                    |
| Thailand                 |                       |                     |               |                      |                      |                   |                      |                           |                      |                    |                      |                 |                  |                            | ✓                    |

### ESG Expertise

The majority of Wilmar's Board of Directors have business experience and expertise related to at least one of Wilmar's 16 material sustainability topics which may be found in Wilmar's latest Sustainability Report.

To ensure that our Board is equipped with the knowledge and skills to effectively contribute in their roles as Directors, we provide various training and briefings. On an ongoing basis, Directors are provided with opportunities to develop and refresh their skills and knowledge.

All Directors are invited to attend meetings of the BSC and all Directors attended all BSC meetings in FY2023. In 2023, our new Directors who had not already attended SGX-ST's prescribed mandatory sustainability training course(s) for board of directors did so during the year.

### Board Independence

The Board has an independent majority, comprising seven Independent Directors and six Non-Independent Directors. The number of Independent Directors of the Company makes 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 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 2023 ("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 declare 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.

One of the Company's Independent Directors, Mr Teo Siong Seng, is the Executive Chairman of Pacific International Lines (Private) Limited ("PIL"), a container shipping company in which he, together with his immediate family, holds an effective interest of less than 30%. In his 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 FY2023, PIL received freight charges amounting to US\$6.17 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.

# CORPORATE GOVERNANCE

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 the 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, all the Independent Directors of the Company 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 Independent 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 agreed with the NC that all the Independent Directors, namely, Mr Lim Siong Guan, Mr Kishore Mahbubani, Mr Teo Siong Seng, Mr Soh Gim Teik, Dr Chong Yoke Sin, Dr Louis Cheung and Ms Jessica Cheam be considered independent.

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

The Board is satisfied that in FY2023, all Directors exercised independent judgement and made decisions objectively in the best interest of the Group.

## Long-Serving Directors

SGX RegCo announced in January 2023 that it will limit the tenure of Independent Directors serving on the boards of issuers listed on SGX to nine years and even though there is a transition period until the Company's 2024 AGM, the Company early-adopted the new listing rules with the retirement of two long-serving Directors, Mr Kwah Thiam Hock and Mr Tay Kah Chye at the conclusion of the Company's 2023 AGM, after more than 16 years of service. Mr Kwah and Mr Tay were first appointed to the Wilmar Board on 14 July 2006.

## Non-Executive Directors

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.

## Principle 3: Chairman and Chief Executive Officer

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

Mr Kuok is responsible for the management of the Wilmar Group, including business development and risk management of its operations. Because of the enormous opportunities available to the Group, coupled with Mr Kuok's 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, is one of Asia's largest agri-business groups in less than 20 years after its inception and has continued to grow its operations with consistent profit. Wilmar achieved its highest profit in FY2022 despite geo-political and pandemic challenges resulting in a highly volatile commodities market.

As the Chairman of the Board, Mr Kuok leads the Board in an effective and strategic manner whilst ensuring high standards of corporate governance. He chairs all Board meetings and sets the agenda, ensuring that Board members receive accurate and timely information to enable them to be fully cognisant of the affairs of the Group. The Chairman promotes a culture of openness and debate at the Board and solicits contributions from the Board members to facilitate constructive discussions and this is affirmed by feedback from Directors in the annual Board assessment.

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

As CEO, Mr Kuok delivers the execution of the Company's strategic and operational plans which cover the day-to-day management of the Company. Mr Kuok is assisted by the COO, Mr Pua Seck Guan, in overseeing and managing the businesses of the Group and in developing new businesses. There is no familial relationship between Mr Kuok and Mr Pua.

Although the role of the Chairman and CEO are held by the same individual, 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, and the Board has a Lead Independent Director, which ensures an element of independence in the decision-making and prevents uneven concentration of power and authority in a single individual.

#### Lead Independent Director

Mr Lim Siong Guan is Wilmar's Lead Independent Director ("LID"). He 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.

The LID is available to address stakeholders' concerns through his email address [siongguan.lim@sg.wilmar-intl.com](mailto:siongguan.lim@sg.wilmar-intl.com) for circumstances in which contact through the normal channels of communication with the Chairman and Management may be 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 LID may include chairing Board and Board Committee meetings in the absence of the Chairmen, 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. The LID may help the NC conduct annual performance evaluation and develop succession plans for the Chairman and CEO as well as senior management 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 the roles of Chairman and CEO being filled by the same individual.

# CORPORATE GOVERNANCE

## Principle 4: Board Membership

The members of the NC are:

1. Mr Lim Siong Guan (NC Chairman) – Non-Executive and Independent Director;
2. Mr Kuok Khoo Hong – Executive and Non-Independent Director;
3. Mr Soh Gim Teik – Non-Executive and Independent Director; and
4. Dr Chong Yoke Sin – Non-Executive and Lead Independent Director.

The NC met once during FY2023. 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 their conduct and contributions (including preparedness, participation and candour) at the Board and Board Committees meetings and 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 FY2023, 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 and Board Renewal

The Board embraces the philosophy that a good Board needs the support of a strong and effective management team. Hence the Board recognises the importance of identifying and developing potential leaders and managers to fill key positions (whether on the Board or senior management) in the Company and Group, from both internal and external sources. This is an ongoing process based on the Group's short and longer term needs in terms of skill, expertise, knowledge and experience. Additionally, 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 KMT for the Group's global operations.

In FY2023, Mr Tay Kah Chye and Mr Kwah Thiam Hock, who had each served more than 16 years on the Wilmar Board, retired from the Board at the 2023 AGM on 20 April 2023 and Dr Louis Cheung and Ms Jessica Cheam were appointed as Non-Executive and Independent Directors.



### 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 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.

Dr Louis Cheung and Ms Jessica Cheam were appointed as Non-Executive and Independent Directors on 20 April 2023 and the Board welcomes their contribution to diversity of gender, nationality, age and culture.

### 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, competing time commitments and well as SGX listing rules on independence and tenure.

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 appointment 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.

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 SSI. This collective process has also provided an opportunity to obtain insightful feedback from each Director on suggestions to enhance the effectiveness of the Board. No external consultant was engaged for the assessment process in FY2023.

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.

# CORPORATE GOVERNANCE

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 results from the exercise and the feedback obtained from the Directors are collated by the Company Secretary and shared with the NC Chairman, Board Chairman and the NC members, and subsequently with the entire Board, for review and decision to implement appropriate actions to enhance key areas (if any) that have been identified for improvement. The NC Chairman is active in the review of feedback received through the exercise and guided the follow-up action required.

The NC, having assessed the performance of the Board, Board Committees and the contributions of Directors for FY2023 through its formal annual evaluation process, found no significant issue that warranted the Board's attention. The results of the assessments were satisfactory and accepted by the Board. However, the Group's range of business operations is vast and feedback from the FY2023 evaluation exercise showed that Directors appreciate opportunities to gain a deeper understanding of the Group's operations. Other than on-site visits to overseas facilities, regular briefing sessions will be conducted by various business units to give an overview of that area of business.

## B. REMUNERATION MATTERS

### Principle 6: Procedures for Developing Remuneration Policies

The Remuneration Committee ("RC") assists the Board to ensure competitive compensation policies and packages are put in place. The scope of the RC covers review of remuneration packages for individual Directors and key management personnel, and also share option plans.

During FY2023, the RC was chaired by Mr Kwah Thiam Hock until his retirement at the 2023 AGM on 20 April 2023, upon which Mr Lim Siong Guan, who is also the Company's Lead Independent Director, was appointed RC Chairman.

The other members of the RC are Mr Soh Gim Teik and Dr Chong Yoke Sin who joined the RC on 20 April 2023 upon the retirement of former RC members, Mr Kwah Thiam Hock and Mr Tay Kah Chye.

All RC members are Independent Directors and no Director is involved in deciding his own remuneration.

The RC met once in 2023. 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 plan;
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 management and key executives 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.

The RC members have access to appropriate advice from the Group HR Head who attends all RC meetings. The Group HR Head also provides benchmarks of remuneration packages paid by comparable companies in various industries so as to ensure that our remuneration packages are competitive and in line with market rates.

The RC, if it requires, may seek expert advice on executive compensation matters from professional firms. During FY2023, the RC did not require the service of an expert adviser on executive compensation matters.

#### **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 the 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, senior management and key executives with the interests of shareholders, to improve performance and achieve sustainable growth for the Company and to strengthen the ownership culture among its senior management and key executives in times of rapid globalisation.

#### **ESG targets**

In the Company's continuous efforts to create sustainable value for stakeholders, the Company has taken into consideration relevant key ESG targets in the annual performance review of its Executive Directors and key management personnel. The key ESG targets which were incorporated in the performance review for FY2023 include Climate Change, Responsible Sourcing and Supply, Health and Safety, Business, Ethics and Compliance as well as Talent Retention. These ESG targets form part of a larger set of ESG topics that have been identified as being material to the Group.

The Company places emphasis on ensuring that every Board member and senior management member are aligned with our ESG values. The ESG targets included in the key performance indicators for performance review are reviewed on an annual basis and the ESG targets chosen for FY2022 were found to be still relevant for FY2023. The performance of each senior management member was appraised with reference to the key targets, along with external factors such as changing business environment and industry trends, to determine the executives' remuneration package.

# CORPORATE GOVERNANCE

## Directors' Fees

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 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.

### Fee Structure for Directors' Fees for FY2023

1. A single base fee of S\$90,000 for serving as Non-Executive Director;
2. Additional fee of S\$25,000 for serving as Lead Independent Director; and
3. The fee for serving as Chairman/ Member on the following Board Committees is as follows:-

| CHAIRMAN'S FEE                 | FY2023 (S\$) |
|--------------------------------|--------------|
| Audit Committee                | 45,000       |
| Risk Management Committee      | 40,000       |
| Nominating Committee           | 25,000       |
| Remuneration Committee         | 25,000       |
| Board Sustainability Committee | 30,000       |

| MEMBER'S FEE                   |        |
|--------------------------------|--------|
| Audit Committee                | 25,000 |
| Risk Management Committee      | 20,000 |
| Nominating Committee           | 12,000 |
| Remuneration Committee         | 12,000 |
| Board Sustainability Committee | 20,000 |

## Clawback Scheme

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 the KMT and selected senior executives was made 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 periodically.

### Principle 8: Disclosure on Remuneration

The breakdown of the remuneration of the Directors and the top five key executives of the Company for FY2023 is as follows:

| NAME OF DIRECTORS  | PROPOSED<br>DIRECTORS'<br>FEE | SALARY*<br>INCLUSIVE OF<br>EMPLOYER'S CPF | BENEFITS | AMORTISATION<br>OF SHARE<br>OPTION<br>EXPENSES** | #VARIABLE<br>BONUS | TOTAL      |
|--|-------------------------------|---|----------|--|--------------------|------------|
| EXECUTIVE DIRECTORS  | S\$                           | S\$                                       | S\$      | S\$  | S\$                | S\$        |
| Kuok Khoon Hong  | Nil                           | 1,363,652                                 | 52,338   | 466,725  | 11,500,000         | 13,382,715 |
| Pua Seck Guan (part-time)  | Nil                           | 710,792                                   | 43,590   | 311,150  | 2,900,000          | 3,965,532  |
| Teo La-Mei   | Nil                           | 719,224                                   | 600      | 233,363  | 1,700,000          | 2,653,187  |
| NON-EXECUTIVE DIRECTORS  |                               |   |          |  |                    |            |
| Kuok Khoon Ean   | 90,000                        | –   | –        | 147,500  | –                  | 237,500    |
| Kuok Khoon Hua   | 90,000                        | –   | –        | 147,500  | –                  | 237,500    |
| Tong Shao Ming (Note 1)  | –                             | –   | –        | –  | –                  | –          |
| Gregory Morris (Note 2)  | 90,000                        | –   | –        | –  | –                  | 90,000     |
| Juan Ricardo Luciano (Note 1)  | –                             | –   | –        | –  | –                  | –          |
| Lim Siong Guan<br>(Lead Independent Director)  | 242,092                       | –   | –        | 147,500  | –                  | 389,592    |
| Tay Kah Chye<br>(Retired: 20 April 2023 as<br>Independent Director)<br>(Pro-rata fees)     | 55,192                        | –   | –        | 147,500  | –                  | 202,692    |
| Kwah Thiam Hock<br>(Retired: 20 April 2023 as<br>Independent Director) (Pro-<br>rata fees) | 57,041                        | –   | –        | 147,500  | –                  | 204,541    |
| Kishore Mahbubani  | 120,000                       | –   | –        | 147,500  | –                  | 267,500    |
| Teo Siong Seng   | 90,000                        | –   | –        | 147,500  | –                  | 237,500    |
| Soh Gim Teik   | 151,930                       | –   | –        | 147,500  | –                  | 299,430    |
| Chong Yoke Sin   | 124,096                       | –   | –        | 147,500  | –                  | 271,596    |
| Louis Cheung<br>(Appointed: 20 April 2023 as<br>Independent Director)<br>(Pro-rata fees)   | 62,625                        | –   | –        | –  | –                  | 62,625     |
| Jessica Cheam<br>(Appointed: 20 April 2023 as<br>Independent Director)<br>(Pro-rata fees)  | 67,625                        | –   | –        | –  | –                  | 67,625     |

Notes:

\* The remuneration reported includes all forms of remuneration from the Company and its subsidiaries. Save as disclosed, they do not receive any other remuneration from the Company and its subsidiaries.

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

# Note that variable bonus is paid in 2024 based on amount accrued for FY2023

Note 1 – No fee is payable to Alternate Directors

Note 2 – Fee is payable to Archer Daniels Midland Company

# CORPORATE GOVERNANCE

## Top 5 Key Executives (names in alphabetical order)

| NAME                    | SALARY INCLUSIVE<br>OF EMPLOYER'S CPF | BONUS AND<br>OTHER BENEFITS | AMORTISATION OF<br>SHARE OPTION EXPENSES | TOTAL |
|-------------------------|---------------------------------------|-----------------------------|--|-------|
| Charles Loo Cheau Leong |                                       |                             |  |       |
| Jean-Luc Robert Bohbot  |                                       |                             |  |       |
| Matthew John Morgenroth | 17%                                   | 78%                         | 5%                                       | 100%  |
| Rahul Kale              |                                       |                             |  |       |
| Thomas Lim Kim Guan     |                                       |                             |  |       |

The aggregate remuneration of the top five key executives is S\$24,412,757. 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 each executive's remuneration due to the competitiveness of the industry for key talent.

## Remuneration of Immediate Family Member(s) of Director(s)

Ms Kuok Yit Li, the sister of Mr Kuok Khoon Hong, Wilmar's Chairman and CEO, is employed as an Executive in the Finance Department and Mr Kuok Meng Yuan, the son of Mr Kuok Khoon Hong, Wilmar's Chairman and CEO, is a Manager in the Business Development Department of Wilmar Distribution Pte Ltd, a wholly-owned subsidiary of Wilmar. Both their remuneration for FY2023 are in the range of S\$50,000 to S\$150,000.

## 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. The RMC proposes to the Board the nature and extent of the significant risks which the Board decides whether to take in achieving strategic objectives. The RMC assists the Board in overseeing market, credit and operational risk governance in the Group.

The RMC is chaired by Mr Lim Siong Guan, who is also Wilmar's Lead Independent Director, and has two other members, Mr Kuok Khoon Hong and Mr Soh Gim Teik. The RMC met four times during FY2023.

Details of the Group's risk governance processes are set out in the Risk Management Report on Page 66 of this Annual Report.

The function and objectives of the RMC include the following:

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

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.

The Group's risks are indicated in the Group's Integrated Master Risk Management Policy and the largest risks are commodity, credit and foreign exchange risks. Commodity and foreign exchange exposures are actively monitored by the ERC and reported on a quarterly basis to the RMC.

#### **Principle 10: Audit Committee**

The AC comprises three Independent Directors, namely Mr Soh Gim Teik (Chairman), Mr Lim Siong Guan and Dr Chong Yoke Sin, all of whom have accounting, financial or business management qualifications, expertise and experience.

The AC does not comprise former partners or directors of Ernst & Young LLP ("EY"), the Company's external auditor, within a period of two years commencing on the date of their ceasing to be a partner or director. No AC member has 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 FY2023, 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, operational, 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;



# CORPORATE GOVERNANCE

- 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
- 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 FY2023 are summarised below.

## Financial Reporting

All Directors (who are not AC members) 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 external auditor attends the half-year and full-year AC meetings.

The AC met five times during FY2023 to review, inter alia, the following:

- 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
- 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 FY2023, 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 as well as 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 FY2023. Details can be found on pages 115 and 116 of this Annual Report.</p> |
| Accounting for derivative transactions       | <p>The AC considered 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 FY2023. Details can be found on page 116 of this Annual Report.</p>  |

| KEY AUDIT MATTERS          | HOW AC REVIEWED THESE MATTERS AND WHAT DECISIONS WERE MADE  |
|----------------------------|---|
| Legal proceedings in China | <p>The AC considered Management's views which were formed based on the opinions of the external legal counsel and evaluated Management's approach in assessing the risks in relation to the legal proceedings.</p> <p>The legal proceedings in China were 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 FY2023. Details can be found on page 116 of this Annual Report.</p> |

Following the review and discussions on the financial statements, the AC recommended to the Board to approve the full year financial statements for FY2023.

During FY2023, the AC had one meeting with the external auditor and internal auditor, 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.

#### Assurance from the CEO and CFO in respect of FY2023 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 FY2023 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 2023 to address financial, operational, 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 FY2023, 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.

Rule 713 of the Listing Manual of the SGX-ST requires that the audit partner in-charge must rotate after five years, but may return after a break of two years.

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.

# CORPORATE GOVERNANCE

## 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 Group also has a pre-concurrence process for the Audit Committee to understand and then concur with the auditor's conclusion that the non-audit services can be provided to the Group and that these non-audit services are consistent with applicable independence requirements, prior to commencement of the service.

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 154 of this Annual Report.

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. The IA Head meets with the AC without the presence of CEO or Management, at least annually.

The Group's IA programme covers all locations, including associates and joint ventures, where Wilmar has significant presence. Significant joint ventures and associates are included in the scope of Wilmar's internal audit plan. The Heads of IA for all locations are also members of the Institute of Internal Auditors ("IIA") or Information Systems Audit and Control Association where they are located and the IA staff have professional qualifications.

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 Department currently has a headcount of more than 80 globally, ranging from 2 to 47 staff in various locations where the Group operates, including IT auditors.

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 IIA Singapore. 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 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 and complies with the IIA standards.

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. Follow up actions on recommendations by IA are done periodically and reported to the AC half yearly.

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.

### Interested Person Transactions

The AC reviewed the Group's IPTs for FY2023 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 2023 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 FY2023 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) |
|--|--|--|--|
|  |  | FY2023<br>US\$'000   | FY2023<br>US\$'000   |
| Archer Daniels Midland Company (Group)                     | Controlling shareholder and its associates         | NIL  | 1,238,901  |
| Associates of Kuok Khoon Ean & Kuok Khoon Hua <sup>#</sup> | Associates of Directors                            | 963  | 57,301   |
| Associates of Kuok Khoon Hong                              | Associates of Director                             | 21,012   | 6,492  |
| PPB Group Berhad (Group)                                   | Controlling shareholder and its associates         | 263,517  | NIL  |
| Kuok Brothers Sdn Bhd                                      | Controlling shareholder and associate of Directors | NIL  | NIL  |

<sup>#</sup> 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.

# CORPORATE GOVERNANCE

## 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 Company'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.

## 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 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 comprehensive assessment of its performance, position and prospects, is available on Wilmar's corporate website and released via SGXNet. Printed copies of the Annual Report are sent to shareholders upon request, which is in line with Wilmar's commitment to environmental conservation.

Notice(s) of general meeting(s) 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 corresponding circular(s) and letter(s) to shareholders. The notice(s) of general meeting(s) are also released via SGXNet and published in local newspapers such that the information can reach shareholders widely through various channels.

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

Board Directors were present at the Company's 2023 AGM to answer shareholders' questions and to interact with shareholders.

#### Conduct of General Meetings

The Board supports and encourages effective shareholder participation at general meetings. The Company's convened its 2023 AGM in hybrid format for the second time, where shareholders had a choice of attending in person at the AGM venue or joining the webcast (live audio-visual webcast or audio-only stream). Shareholders who attended the AGM virtually were able to ask questions and vote online just as shareholders who attended in person were able to.

The hybrid format AGM is a voluntary option which the Company chose, with the objective of providing maximum opportunity for shareholders to attend.

In advance of the 2023 AGM, shareholders were able to submit their questions and receive the Company's response published via SGXNet. Additional questions received from shareholders following the release of the Company's initial response were addressed during the AGM.

To improve interaction with shareholders during the AGM, a "chat function" was made available to shareholders to type and submit their questions during the AGM. The Company addressed substantial and relevant questions.

Singapore-based Directors were present at the AGM venue, as were other members of Management, the Company's external legal advisors and auditor. Directors located overseas joined the AGM online.

# CORPORATE GOVERNANCE

In line with past years' practice, at the start of the 2023 AGM, Wilmar's CFO presented an update on the Group's progress and financial highlights. The presentation was made available on the websites of SGX-ST and the Company for the benefit of shareholders who were unable to attend the AGM.

The Company's Constitution allows for voting in absentia. Where shareholders are unable to attend general meetings, they may appoint proxies to attend, speak and vote on their behalf.

A scrutineer was appointed to count and validate the votes cast and the total number of votes cast for or against the resolutions tabled at the AGM and their respective percentages were also announced in a timely manner at the 2023 AGM. Each share is entitled to one vote.

In compliance with the Singapore Companies Act 1967, all resolutions tabled at the Company's general meetings are separate and voted on individually. Each distinct issue is proposed as a separate resolution. Such resolutions include matters of significance to shareholders such as the authorisation to issue additional shares, re-election of directors and remuneration of non-executive directors. The rationale for the resolutions are set out in the notices to the meetings. However, where the issues are interdependent and linked so as to form one significant proposal, the Company may propose "bundled resolutions" and will set out the reasons and material implication in the notices to the meeting or its accompanying appendices.

Minutes of the 2023 AGM, which include relevant and substantial comments from shareholders relating to matters on the agenda of the meeting and responses from Directors and Management, were promptly posted 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. These considerations are reviewed regularly, taking into consideration the changing business environment.

For FY2023, the Board has recommended a final dividend of S\$0.11 per ordinary share. Including the interim dividend of S\$0.06 per ordinary share paid in August 2023, the total dividend for FY2023 of S\$0.17 per ordinary share, represents a dividend payout of around 52% of the Group's net profits.

## Principle 12: Engagement with Shareholders

### Disclosure of Information on a Timely Basis

The Company is committed to disseminating accurate and pertinent information to the market in a timely manner as part of good corporate governance. In line with this commitment, the Company has an Investor Relations ("IR") Policy (a copy of which is posted on the Company's website) which promotes regular, effective and fair two-way communication with shareholders and investors. The Company aligns stakeholders within the Group with a coordinated approach to investor engagement, balancing regular, effective and fair communications with shareholders and the investment community with the need to safeguard commercial sensitivities.

The Company ensures that all material information is disclosed in a comprehensive, accurate and timely manner through SGXNet. The Company also maintains a current corporate website [www.wilmar-international.com](http://www.wilmar-international.com) to communicate and engage with shareholders and stakeholders. 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.



### Interaction with Shareholders

The Group has a dedicated IR team which focuses on facilitating communications with shareholders and investors on a regular basis and attending to their queries or concerns in a timely manner. Shareholders and investors may submit their views and feedback and raise any questions to the Company via its IR email [ir@wilmar.com.sg](mailto:ir@wilmar.com.sg) and through which the Company responds to such questions or feedback.

The IR team participates in investor seminars and conferences, together with members of the KMT, to keep the shareholders and investors apprised of the Group's corporate developments and financial performance. Feedback and views gathered are regularly reported to senior management and the Board of Directors. Shareholders may also contact the Company's Lead Independent Director directly. The Company provides the contact information for its Lead Independent Director in the Corporate Information section of its Annual Report.

During FY2023, the IR team, together with members of the KMT, engaged with over 110 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 FY2023 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"><li>• Workplace health and safety</li><li>• Fair workplace practices</li><li>• Career advancement</li><li>• Learning and development</li><li>• Instilling Wilmar's core values and sense of belonging</li></ul> | <ul style="list-style-type: none"><li>• Implement workplace safety policies for a safe working environment</li><li>• User-friendly internal platform for employee's welfare</li><li>• Reward for performance</li><li>• Equal opportunity in all aspects of employment</li><li>• Provide opportunity for career advancement</li><li>• Employee engagement initiatives and events</li></ul> | <ul style="list-style-type: none"><li>• Employee learning and development programmes</li><li>• Health and wellness activities found on the Company's intranet</li><li>• Company and Department-wide social and teambuilding activities</li><li>• Announcements and memos from HR and Management where appropriate</li></ul> |

# CORPORATE GOVERNANCE

| STAKEHOLDERS                                 | INTERESTS/ KEY CONCERNS OF STAKEHOLDERS  | WILMAR'S RESPONSE   | METHODS OF ENGAGEMENT   |
|--|--|---|---|
|  | <ul style="list-style-type: none"> <li>• Women empowerment and equitable employment</li> <li>• Protection from sexual harassment</li> <li>• Health and safety outside of workplace</li> <li>• Welfare of families and children</li> <li>• Education for children</li> <li>• Better direct communication with Management</li> </ul> | <ul style="list-style-type: none"> <li>• Wilmar has a comprehensive Women's Charter that 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 procedure</li> <li>• Wilmar has a Health &amp; Safety Policy across all operations. In addition, many of Wilmar's own operations are Health &amp; Safety certified, or certified to sustainability production standards which include specific requirements for Health &amp; Safety</li> <li>• Wilmar has a Child Protection Policy and implementation manuals in place in local languages</li> <li>• Wilmar has child-friendly and supporting measures that various global offices provide to our staff</li> <li>• 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</li> <li>• Wilmar has in place grievance procedures at each workplace that allows for grievances to be directly raised with Management</li> </ul> | <ul style="list-style-type: none"> <li>• 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</li> <li>• Women's Committees meet once a quarter to discuss issues specific to their operations</li> <li>• Wilmar organises a variety of employee gatherings in all operations throughout the year. This provides a direct avenue for engagement between employees and Management</li> </ul>                      |
| <b>Shareholders and the Investing Public</b> | <ul style="list-style-type: none"> <li>• Accurate and timely updates on the Company's strategy, business and financial performance</li> <li>• Business outlook</li> <li>• Sustainability/ESG reporting</li> </ul>  | <ul style="list-style-type: none"> <li>• Practise good corporate governance, transparency and disclosure including material sustainability/ESG topics</li> <li>• Provide accurate and timely updates via SGXNet, the Company's website and regular meetings with the investing community</li> </ul>   | <ul style="list-style-type: none"> <li>• AGM</li> <li>• Quarterly updates and briefings on financial results</li> <li>• Sustainability/ESG-focused meetings</li> <li>• Participation in investor conferences and meetings</li> <li>• Responding to investor/ shareholder queries via email and telephone</li> <li>• Corporate website – including dedicated sections for Investors &amp; Media and Sustainability as well as functions to subscribe for email alerts to the latest corporate developments and to request for information</li> </ul> |

| 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"> <li>Company to comply with customer's sustainability policy</li> <li>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</li> </ul>  | 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 and No Exploitation ("NDPE") Policy and other sustainability policies  | Suppliers to comply with NDPE Policy and other relevant sustainability policies (e.g. NDPE Sugar Policy, Human Rights Policy, other policies mentioned in Supplier Guidelines)  | <ul style="list-style-type: none"> <li>Proactive engagement through local offices and in collaboration with Civil Society Organisations ("CSOs") and Non-Governmental Organisations ("NGOs")</li> <li>Online sustainability reporting</li> </ul>   |
|                                      | <ul style="list-style-type: none"> <li>Support for sustainability requirements</li> <li>Balancing development needs and No Deforestation requirements</li> </ul> | <ul style="list-style-type: none"> <li>Wilmar engages constructively with all suppliers for sustainability improvement. This engagement with suppliers is built into the process of supplier monitoring for NDPE Policy compliance and has been in place since 2014</li> <li>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 CSOs and NGOs to discuss cases that are linked to community and smallholder development</li> </ul> | <ul style="list-style-type: none"> <li>Conducts regular workshop trainings and sessions with suppliers to communicate Wilmar's sustainability requirements and to share examples of our sustainability best practices</li> <li>Wilmar's membership in trade associations and sustainable production roundtables ensures it is in constant interface with suppliers on relevant issues</li> </ul> |
| Government/ Regulators/ Associations | <ul style="list-style-type: none"> <li>Social responsibility</li> <li>Requires Company to comply with local regulations</li> </ul>                               | 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   |

# CORPORATE GOVERNANCE

| STAKEHOLDERS  | INTERESTS/ KEY CONCERNS OF STAKEHOLDERS   | WILMAR'S RESPONSE   | METHODS OF ENGAGEMENT   |
|---|---|---|---|
| <b>Civil society and non-governmental organisations</b> | <b>Environmental organisations</b> <ul style="list-style-type: none"> <li>Deforestation</li> <li>Loss of wildlife and habitat</li> <li>Contribution of agriculture to climate change</li> <li>Transparency of concession maps</li> </ul> <b>Social organisations</b> <ul style="list-style-type: none"> <li>Livelihood of smallholders and local communities</li> <li>Respect of customary lands and restitution</li> <li>Human rights for communities and employees</li> <li>Women's empowerment and equitable employment</li> <li>Protecting children's rights</li> <li>Protection of human rights defenders</li> </ul> <b>Labour unions</b> <ul style="list-style-type: none"> <li>Fair wages</li> <li>Human rights for employees</li> <li>Safe working conditions</li> <li>Improvement of industrial relations</li> </ul> | <ul style="list-style-type: none"> <li>Wilmar has a comprehensive NDPE Policy which represents requirements for Wilmar's own operations as well as that of its suppliers. In 2019, the 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). The No Exploitation component of the policy incorporates respect of Free, Prior and Informed Consent, as well as respect for labour rights. Wilmar has published a NDPE Sugar Policy in 2021 and a Coconut Responsible Sourcing Policy in 2023 covering similar key requirements but adapted to sugar and coconut contexts respectively</li> <li>Wilmar has an established Grievance Procedure since 2015 where stakeholders can raise any sustainability-related grievances</li> <li>Wilmar has a comprehensive Human Rights Framework; Child Protection Policy; Women's Charter; and Whistleblowing Policy</li> <li>All Wilmar's employees are covered with clear terms and conditions which spell out work conditions. In countries where Wilmar has active labour unions, the terms and conditions are negotiated with the unions. Where unions are restricted by regulation, Wilmar provides alternative avenues for workers to organise and collectively bargain</li> <li>Wilmar's Human Rights Defender Policy was launched on 10 December 2021 after a development process that involved international as well as Indonesian and Malaysian based civil society organisations</li> </ul> | <ul style="list-style-type: none"> <li>Wilmar meets with civil society and non-governmental organisations several times a year to discuss updates on Wilmar's sustainability commitments</li> <li>Wilmar consults across civil society in the development of key policies and procedures linked to sustainability</li> <li>As members of the RSPO, Roundtable on Responsible Soy, Bonsucro (the global sugarcane platform) and Tropical Forest Alliance, Wilmar interfaces with many civil society and non-governmental organisations in dialogue</li> <li>Wilmar respects the right to collective bargaining, as a result, it has local chapters of unions in its operations. Wilmar maintains an open and constructive dialogue with various trade and workers unions, as well as union confederations</li> </ul> |

## 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 FY2023 or, if not then subsisting, entered into since the end of the previous financial year ended 31 December 2022.