

**INDOFOOD AGRI RESOURCES LTD.**  
*(Incorporated in the Republic of Singapore)*  
*(Company Registration No. 200106551G)*

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**RESPONSES TO SGX QUERIES ON ANNUAL REPORT 2019 FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

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The Board of Directors (the “**Board**”) of Indofood Agri Resources Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the queries received from the Singapore Exchange Regulation (“**SGX RegCo**”) on 2 June 2020 with regard to the Company’s annual report for the financial year ended 31 December 2019 (“**2019 Annual Report**”), and wishes to respond to the queries as follows:

**[SGX RegCo’s Query \(1\)](#)**

Listing Rule 1207(10C) requires the Audit Committee’s comments on whether the internal audit function is independent, effective and adequately resourced. Please also provide information on whether the head of the internal audit function team has the relevant experience and qualifications in your disclosure.

**Company’s Response**

In 2019, the AC & RMC reviewed the adequacy of the internal audit function, including the Internal Audit Department (IAD)’s organisational structure, work scope and audit plans, and was satisfied that the IAD had remained independent, adequately resourced and maintained a good standing within the Group to carry out its roles and responsibilities effectively.

The IAD is headed by Mr Rogers H. Wirawan who reports directly to the AC & RMC Chairman on all internal audit matters. He was appointed as the Head of IAD of the Group since 1 February 2011. He possesses sound expertise and experience in financial and operation audits, as well as extensive knowledge in plantation and refinery operations in Indonesia. The AC & RMC was of the view that Mr Wirawan is well qualified to discharge its duties and responsibilities in managing the risks and internal audit function of the Group.

Mr Wirawan’s biography is set out below:

He started his career in 1993 with Public Accounting Firm Hans Tuanakotta & Mustofa, a member of Deloitte Touche Tohmatsu. He was an auditor with Public Accounting Firm Prasetyo Utomo & Co., a member of Arthur Andersen & Co. from 1994 to 2002. Subsequently he joined Public Accounting Firm Purwantono, Sarwoko & Sandjaja, a member firm of Ernst & Young global organization until 2011. Mr Wirawan graduated from Trisakti University, Jakarta majoring in Accounting.

**[SGX RegCo’s Query \(2\)](#)**

Pursuant to Listing Rule 720(6), please provide the full information relating to the candidates as set out in Appendix 7.4.1 in the notice of meeting, annual report or relevant circular distributed to shareholders prior to the general meeting, for Edward Lee, Lim Hock San and Goh Kian Chee.

**Company’s Response**

The Company has disclosed the full information relating to Messrs Edward Lee, Lim Hock San and Goh Kian Chee under Explanatory Notes of the Company’s Notice of AGM dated 26 May 2020. The information is set out as follows:

**RESOLUTION 3a:**

Mr Lee Kwong Foo, Edward, 72 years old, a Singapore citizen, was first appointed as a non-executive Director on 23 January 2007 with the latest re-appointment on 27 April 2017. Please also refer to his biography on page 29 of the Company’s 2019 Annual Report.

Mr Lee's other principal commitment and directorships are as follows:

<b>Past (for the last 5 years)</b>	- Keppel Land Ltd.
<b>Present</b>	- Gas Supply Pte Ltd. - Asia Mobile Holdings Pte Ltd. - QAF Ltd. - MS First Capital Insurance Ltd - PT Kawasan Industri Kendal (Indonesia)

He or his immediate family has no affiliation with the members of the Board or the substantial shareholder of the Company or any of the Company's principal subsidiaries. He does not own any shares or interests in the Company and its subsidiaries. The Company has procured the undertaking from him as required by Rule 720(1) of the SGX-ST Listing Manual.

Upon re-election, Mr Lee will continue as Lead Independent Director, Chairman of the Board and Nominating Committee. The appointment was recommended by the Nominating Committee and the Board has accepted the recommendation, after taking into consideration his requisite experience and capability, as well as his attendance, participation and contribution at the Board.

**RESOLUTION 3b:**

Mr Lim Hock San, 73 years old, a Singapore citizen, was first appointed as a non-executive Director on 23 January 2007 with the latest re-appointment on 27 April 2017. Please also refer to his biography on page 29 of the Company's 2019 Annual Report.

Mr Lim's other principal commitment and directorships are as follows:

<b>Past (for the last 5 years)</b>	- None
<b>Present</b>	- United Industrial Corporation Ltd - Gallant Venture Ltd - Singapore Land Limited - Interra Resources Limited - Ascendas Funds Management (S) Limited - Marina Centre Holdings Pte Ltd - Realty Management Services (Pte) Ltd - Singapore-Suzhou Township Development Pte Ltd - UIC Technologies Pte Ltd - Aquamarina Hotel Pte Ltd - Marina Bay Hotel Pte Ltd - Hotel Marina City Pte Ltd

He or his immediate family has no affiliation with the members of the Board or the substantial shareholder of the Company or any of the Company's principal subsidiaries. He does not own any shares or interests in the Company and its subsidiaries. The Company has procured the undertaking from him as required by Rule 720(1) of the SGX-ST Listing Manual.

Upon re-election, Mr Lim will continue as Independent Director of the Company, Vice Chairman of the Board and Chairman of the Remuneration Committee as well as a member of the Nominating and Audit & Risk Management Committees. The appointment was recommended by the Nominating Committee and the Board has accepted the recommendation, after taking into consideration his requisite experience and capability, as well as attendance, participation and contribution at the Board.

**RESOLUTION 3c:**

Mr Goh Kian Chee, 66 years old, a Singapore citizen, was first appointed as a non-executive Director on 23 January 2007 with the latest re-appointment on 27 April 2017. Please also refer to his biography on page 31 of the Company's 2019 Annual Report.

Mr Goh's other principal commitment and directorships are as follows:

<b>Past (for the last 5 years)</b>	- China Minzhong Food Corporation Limited.
<b>Present</b>	- AsiaMedic Limited - HL Global Enterprises Limited.

He or his immediate family has no affiliation with the members of the Board or the substantial shareholder of the Company or any of the Company's principal subsidiaries. He does not own any shares or interests in the Company and its subsidiaries. The Company has procured the undertaking from him as required by Rule 720(1) of the SGX-ST Listing Manual.

Upon re-election, Mr Goh will continue as Independent Director of the Company, Chairman of the Audit & Risk Management Committee and a member of the Remuneration Committee. The appointment was recommended by the Nominating Committee and the Board has accepted the recommendation, after taking into consideration his requisite experience and capability, as well as his attendance, participation and contribution at the Board.

For all three directors above seeking re-election have individually given a negative confirmation on each of the items (a) to (k) set out in Appendix 7.4.1 under Rule 720(6) of the SGX-ST Listing Manual.

<b>Rule 720(6) of the SGX-ST Listing Manual</b>	<b>Edward Lee</b>	<b>Lim Hock San</b>	<b>Goh Kian Chee</b>
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he	No	No	No

is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?			
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of :—  any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or  any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or  any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or  any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,  in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No

### SGX RegCo's Query (3)

Listing Rule 710 requires issuers to explicitly state, when deviating from the provisions prescribed in the Code of Corporate Governance 2018 (the "Code"), an explanation on how the practices it had adopted are consistent with the intent of the relevant principle. Provision 8.1 of the Code states that:  
*"The company discloses in its annual report the policy and criteria for setting remuneration, as well as names, amounts and breakdown of remuneration of:*

*(a) each individual director and the CEO; and*

*(b) at least the top five key management personnel (who are not directors or the CEO) in bands no wider than S\$250,000 and in aggregate the total remuneration paid to these key management personnel."*

The Company did not indicate an upper band for remuneration of Mark Julian Wakeford and Moleonoto Tjang, and did not state this to the nearest \$1,000 nor in bands of \$250,000. The Company also did not provide a breakdown between bonus and other benefits.

Where the Company's practices deviate from the provisions of the Code, please explicitly state the provision from which it has deviated from and explain how the practices it had adopted are consistent with the intent of Principle 8 of the Code, which requires transparency on the Company's

remuneration policies, level and mix of remuneration, the procedure for setting remuneration and the relationships between remuneration, performance and value creation.

### **Company's Response**

The Board understands that the remuneration continues to be a sensitive issue. The Executive Directors sitting on the Board also hold executive positions in the Group's other business units or subsidiaries in Indonesia. The detailed remuneration of individual directors if disclosed in Singapore would affect the confidentiality of their remuneration and put them into unfair position due to unequal treatment in dealing with the confidentiality of remuneration compared with their colleagues in Indonesia, who are not disclosing their remuneration. In addition, considering the highly competitive nature of the industry and the steep competition for talent, especially those with expertise and experience in the similar operations as the Group, it is not in the interest of the Company to disclose the exact remuneration of the Executive Directors. The Company thus did not provide the remuneration in bands or to the nearest dollar of its Executive Directors, but it has decided to provide the mix of the fixed and variable components. None of the director received any other benefits other than variable bonus.

In view of the above, the Company believes that its current disclosure provided in the 2019 Annual Report is consistent with the intent of Principle 8 of the Code as the disclosures provided are sufficiently transparent in giving an understanding of the remuneration of its Executive Directors.

### **SGX RegCo's Query (4)**

The Company has Independent Directors who have served on the Board beyond nine years from the date of appointment. Pursuant to Practice Guidance 2 of the Code, please state whether the NC and Board still consider a director to be independent notwithstanding the existence of the above-mentioned situation. If the Board, having taking into account the view of the NC, does so, please fully disclose the nature of the director's relationship, and why the Board has determined the director to be independent.

### **Company's Response**

The NC conducted an annual review of the independence of the Directors based on their self-declaration in the Directors' Independence Checklist, as well as their respective performance in the Board and Board Committee meetings. In February 2020, the NC carried out reviews on the independence of each director based on the respective directors' self-declaration in the Directors' Independence Checklist and their actual performance on the Board and board committees, taking into account the listing rules on the circumstances in which a director will not be deemed independent and guidance in the 2018 CG Code as to the circumstances in which a director should not be deemed independent. Where a non-executive independent director serves beyond 9 years, they are subjected to more rigorous review.

The NC noted that Mr Edward Lee has served on the Board beyond nine years. Taking into consideration, how he diligently carried out his role as Chairman of the Board, among other things, his invaluable contributions on the Board and board committees and his good rating in respect of his performance as Board Chairman and peer individual director performance assessment exercise, and that there were no other circumstances that would deem him non-independent, the NC (save for Mr Lee who abstained from deliberation on this matter) agreed unanimously that Mr Lee has at all times exercised independent judgment in the best interests of the Company in the discharge of his director's duties and should therefore continue to be deemed an independent director.

The NC noted that Mr Lim Hock San has served on the Board beyond nine years. The NC (save for Mr Lim who abstained from deliberation on this matter) had taken into account Mr Lim's participation and actual performance on the Board and board committees in discharge of his duties, the outcome of the recent peer individual director performance assessment, and unanimously agreed that Mr Lim has, at all times, exercised independent judgment in the best interests of the Company in the discharge of his director's duties and should therefore continue to be deemed an independent director.

The NC noted that Mr Goh Kian Chee has served on the Board beyond nine years. After taking into consideration, among other things, his invaluable contributions on the Board and board committees, and the outcome of the recent peer individual director performance assessment, the NC unanimously agreed that Mr Goh has, at all times, exercised independent judgment in the best interests of the Company in the discharge of his director's duties and should therefore continue to be deemed an independent director.

The NC noted that Mr Hendra Susanto has served on the Board beyond nine years. The NC (save for Mr Susanto who abstained from deliberation on this matter) had taken into account Mr Susanto's participation and actual performance on the Board and board committees in discharge of his duties and the outcome of the recent peer individual director performance assessment, and unanimously agreed that Mr Susanto should continue to be deemed an independent director.

Furthermore, all of them have confirmed not having any relationship that could interfere with their exercise of independent judgement in the best interest of the Company.

Taking all the above into consideration including the regards for Board refreshment under the Corporate Governance verse the tenure of beyond 9 years, the NC was of the view that Messrs Edward Lee, Lim Hock San, Goh Kian Chee and Hendra Susanto have always discharged their duties in a professional manner when exercising their judgement. They should be deemed independent notwithstanding having served beyond 9 years. The Board had reviewed the basis of the NC's recommendations, and concurred with the assessment of independence in respect of these directors.

By Order of the Board

Mark Julian Wakeford  
CEO and Executive Director

5 June 2020