



# Corporate governance



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grading,  
Côte d'Ivoire

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The Company continues to focus on the substance and spirit of the Code, while continuing to deliver on the Company's vision and objectives.

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**Kwa Chong Seng**  
Non-Executive Chairman,  
and Independent Director

## Observing high standards of corporate governance whilst delivering sustainable profitable growth.

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In keeping with its commitment, since 2012 Olam has increased compliance of the principles and guidelines of the Code of Corporate Governance (the 'Code'), such as the appointment of a Lead Independent Director, the proportion of Independent Directors on the Board, greater Board diversity, engagement of key stakeholders, poll voting at shareholder meetings, implementing a Board Corporate Responsibility and Sustainability Committee, and a Board Risk Committee. Where there are differences between the Code and the Company's practices, we have listed them within the report.

Olam International Limited ('Olam' or the 'Company') is committed to observing a high standard of corporate governance in keeping with its overarching philosophy of delivering sustainable profitable growth and building capabilities with integrity. The Board constantly reviews the Company's corporate governance practices and seeks to align its practices with the Code. The revised Code of Corporate Governance was issued on 2 May 2012 and took effect from the financial year commencing 1 November 2012 and is applicable to the Company for its 2015 Annual Report. In FY15 under review, the Board has continued the renewal programme in line with the succession plan, bearing in mind Guideline 2.4 of the Code on the tenure of Independent Directors. Independent Directors who have served on the Board beyond nine years are retired gradually. The Company continues to focus on the substance and spirit of the Code, while continuing to deliver on the Company's vision and objectives.

## Board matters

### Principle 1: The Board's conduct of affairs

Olam is led by an experienced Board with representatives from varied nationalities and diverse international business backgrounds. The Board oversees the affairs of the Company and provides leadership and guidance to the Senior Management Team. Collectively, the Board and the Senior Management Team ensure the long-term success of the Company and discharge their statutory and fiduciary responsibilities, both individually and collectively. The key functions of the Board are:

- To provide entrepreneurial leadership, set strategic objectives, and ensure that the necessary financial and human resources are in place for the Company to meet its objectives, as well as to regularly review the execution and the implementation of the Strategic Plan;
- To oversee the process and framework for evaluating the adequacy of internal controls, risk management, financial reporting and compliance and satisfy itself as to the adequacy and effectiveness of such processes and framework;
- To ensure the Company's compliance with such laws and regulations as may be relevant to the business;
- To assume responsibility for corporate governance;
- To set the Company's values and standards, and ensure that obligations to shareholders and others are understood and met, at all times;
- To review the performance of the Senior Management and the compensation framework for the Board, Executive Directors and Senior Management;
- To oversee the succession plans for the Board, Group CEO, Group COO, Group CFO and Senior Management;

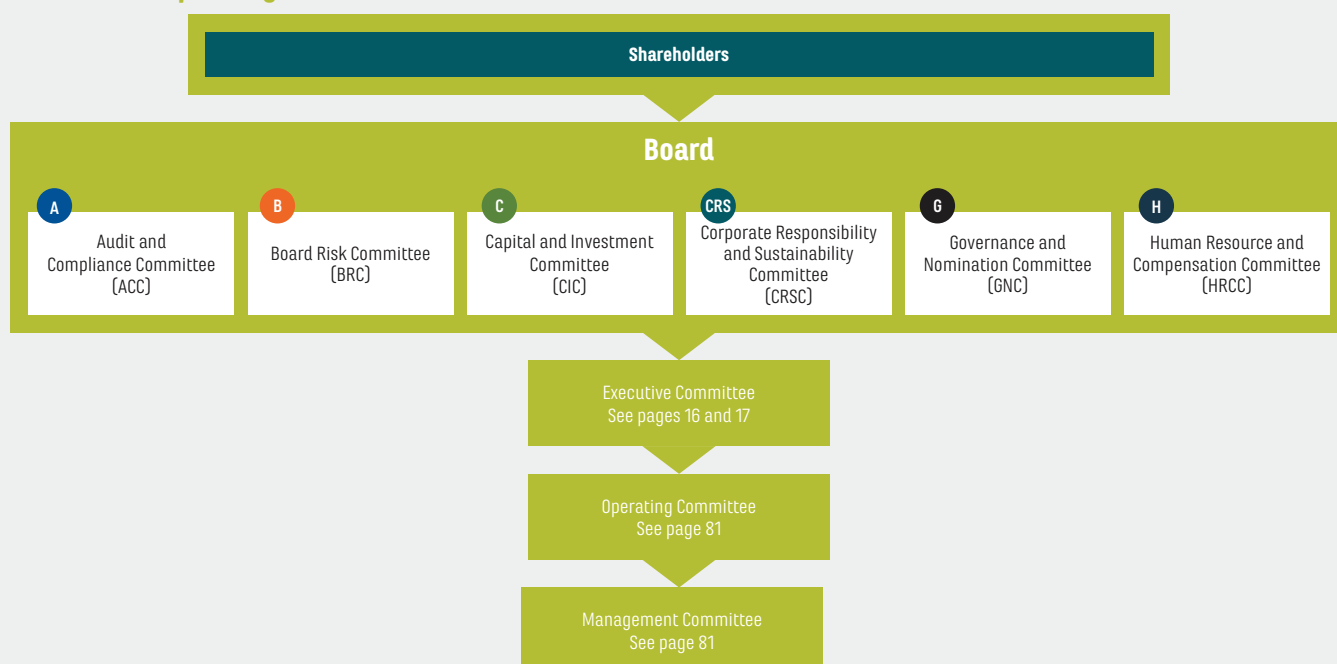
- To oversee and consider corporate responsibility and sustainability issues, policies, standards and strategy in the context of the Company's activities which may have an impact on environmental and social issues; and
- To identify key stakeholder groups and consider their perceptions.

As an established practice, the material matters that require the specific review and approval of the Board are designated as Reserved Matters and include:

- Acquisitions, divestments and capital expenditure exceeding the authority limits established under an internal policy adopted by the Board, while delegating authority for transactions below those limits to Board Committees, the Executive Committee and Senior Management;
- Capital planning and raising, annual budgets and updates to the Strategic Plan;
- Key policy decision-making process and control;
- Banking facilities and corporate guarantees;
- Changes to capital, dividend distribution, issuance and buy-back and changes to shares and other securities;
- Matters considered not in the ordinary course of business of the Group; and
- Any matter which the Board considers significant enough to require the Board's direct attention or would be critical to the proper functioning of the Company or its business.

The Board is assisted by various Board Committees for the effective discharge of its responsibilities. To date, these include the Audit and Compliance Committee (ACC), Board Risk Committee (BRC), Capital and Investment Committee (CIC), Corporate Responsibility and Sustainability Committee (CRSC), Governance and Nomination Committee (GNC), and the Human Resource and Compensation Committee (HRCC).

### Our current corporate governance structure



Each Board Committee has clear written terms of reference which set out its role, authority, procedures and qualifications for membership. All of the Board Committees are actively engaged and play an important role in ensuring good corporate governance in the Company. The detailed contribution of each Board Member is set out in this report on pages 12 to 15.

The terms of reference of the Board Committees may be reviewed from time to time by each Committee, taking into consideration the changing needs of the business and operations of the Company, relevant laws and regulations. They are ratified by the Governance and Nomination Committee and approved by the Board.

Ad hoc committees of the Board may also be formed from time to time as part of the Board's commitment to engage and provide leadership to management in the business and operations of the Company. These ad hoc committees, formed by Independent Directors and supported by the Executive Team, add to the effectiveness and strength of the Company's governance practices as well as reflecting the interests and perspectives of the various stakeholders of the Company.

Directors are expected to exercise independent and objective judgement in the best interests of the Company. In the annual Board and peer performance evaluation exercise, the ability to discharge duties and responsibilities at all times as fiduciaries in the interests of the Company, as well as the ability to listen and discuss issues with one another objectively, are important assessment criteria.

### Board and Board Committee meetings

Meetings of the Board and Board Committees are scheduled one year in advance. They include presentations from Senior Management and key executives on strategic issues in order to provide the Board with updates and an understanding of the Group's business. On occasion, external consultants present relevant strategic expertise. The Board sets aside time at each regular Board meeting to meet without the presence of Executive Directors or management.

In addition to four scheduled meetings each year, the Board meets as and when warranted by particular circumstances as well as engaging in informal discussions. In total, seven Board and 32 Board Committee meetings were held in the financial year ended 31 December 2015. Meetings via telephone or video conference are permitted by the Company's Constitution.

In line with the Company's commitment to business sustainability, conservation of the environment and technological advancement, Olam has done away with voluminous hard-copy Board papers. Directors are instead provided with access through electronic devices to enable them to read Board and Board Committee papers in soft copy prior to and during meetings.

During the year under review, a strategic review presentation was also held to discuss the strategic objectives of the Group, with both three-year and six-year cycles as its planning horizon.

An annual Board offsite visit is also organised in locations where the Company operates, for Directors to gain an in-depth understanding of the activities and business on the ground. Ad hoc visits by the Board Committees are organised wherever required to better facilitate the review of issues delegated by the Board.

Besides meetings of the Board, the Board pursuant to the Company's Constitution and the Board Committees under their terms of reference may also make decisions by way of resolution by circulation. The nature of the current Directors' appointments on the Board and details of their membership on Board Committees are set out on page 59.

Tables showing the number of Board, Board Committee and Non-Executive Directors' meetings held during the year under review along with the attendance of Directors are provided on page 59. Throughout the year, Directors individually and collectively actively engage with other members of the Board, the Group CEO and Group COO, Senior Management Team and external consultants to gain deeper insights into the industry and the business of the Company. The contribution to and involvement of each Director in Board affairs and growth of the Company cannot be quantified simply by their attendance. Their input and engagement in the affairs of the Company far outweigh their attendance at Board and Board Committee meetings.

## Membership of Board Committees for the year ended 31 December 2015

Board membership		Audit and Compliance Committee (ACC)	Board Risk Committee (BRC)	Capital and Investment Committee (CIC)	Corporate Responsibility and Sustainability Committee (CRSC)	Governance and Nomination Committee (GNC)	Human Resource and Compensation Committee (HRCC)
R. Jayachandran <sup>1</sup>	(Non-Executive Chairman)	–	–	Member	–	Member	Member
Kwa Chong Seng <sup>2</sup>	Non-Executive Chairman, and Independent Director	–	–	Member	–	Member	Chairman
Sunny George Verghese	Executive Director and Group CEO	–	Member	Member	–	–	–
Michael Lim Choo San	Lead Independent Director	Chairman	Member	–	–	Chairman	–
Robert Michael Tomlin <sup>3</sup>	Independent Director	Member	Chairman	Member	Member	–	–
Narain Girdhar Chanrai <sup>4</sup>	Independent Director	Member	–	Member	Member	Member	–
Jean-Paul Pinard	Independent Director	–	–	Member	Chairman	–	Member
Sanjiv Misra	Independent Director	–	Member	Chairman	–	–	Member
Nihal Vijaya Devadas Kaviratne, CBE <sup>5</sup>	Independent Director	Member	–	–	Member	–	–
Yap Chee Keong <sup>6</sup>	Independent Director	Member	Member	–	–	Member	–
Marie Elaine Teo <sup>7</sup>	Independent Director	–	Member	Member	Member	–	–
Katsuhiro Ito <sup>8</sup>	Non-Executive Director	Member	–	–	Member	Member	–
Yutaka Kyoya <sup>9</sup>	Non-Executive Director	–	Member	Member	–	–	Member
Shekhar Anantharaman	Executive Director and Group COO	–	–	Member	Member	–	–
Mark Haynes Daniell <sup>10</sup>	Independent Director	Member	–	–	Member	Member	(Chairman)
Wong Heng Tew <sup>10</sup>	Independent Director	Member	–	–	–	Member	Member

1. R. Jayachandran was the Chairman of the Board and a member of the CIC, GNC and HRCC until his retirement on 31 October 2015.
2. Kwa Chong Seng was appointed as Non-Executive and Independent Director and Deputy Chairman on 1 October 2014 and was appointed Chairman of the HRCC, and a member of the CIC and GNC on 30 October 2014. He was appointed Chairman of the Board on 31 October 2015.
3. Robert Tomlin stepped down as member of the CIC on 30 October 2014.
4. Narain Girdhar Chanrai was a member of the GNC from 30 June to 30 October 2014; and was a member of the CRSC from 30 October 2014 to 2 December 2015.
5. Nihal Kaviratne, CBE was appointed as Non-Executive and Independent Director with effect from October 2014. He was appointed a member of the ACC and CRSC on 30 October 2014.
6. Yap Chee Keong was appointed as Non-Executive and Independent Director with effect from 1 December 2015 and is a member of the ACC, BRC and GNC.
7. Elaine Teo was appointed as Non-Executive and Independent Director with effect from 1 December 2015 and is a member of the CIC, BRC and CSRC.
8. Katsuhiro Ito was appointed as Non-Executive Director with effect from 1 November 2015 and is a member of the ACC, CSRC and GNC.
9. Yutaka Kyoya was appointed as Non-Executive Director with effect from 1 November 2015 and is a member of the CIC, BRC and HRCC.
10. Mark Haynes Daniell and Wong Heng Tew stepped down as Directors and from their respective committees on 30 October 2014.

### Attendance at Board and Non-Executive Directors' meetings for the year ended 31 December 2015

	Scheduled Board meetings	Ad hoc Board meetings, Non-Executive Directors' discussions, offsite and other meetings
R. Jayachandran	5/5	3/3
Kwa Chong Seng	6/6	2/2
Sunny George Verghese	7/7	2/2
Michael Lim Choo San	7/7	2/3
Robert Michael Tomlin	7/7	3/3
Narain Girdhar Chanrai	6/6	3/3
Jean-Paul Pinard	7/7	3/3
Sanjiv Misra	7/7	3/3
Nihal Vijaya Devadas Kaviratne, CBE	6/6	1/2
Yap Chee Keong	1/1	–
Marie Elaine Teo	1/1	–
Katsuhiro Ito	2/2	–
Yutaka Kyoya	2/2	–
Shekhar Anantharaman	7/7	2/2
Mark Haynes Daniell	1/1	1/1
Wong Heng Tew	1/1	1/1

### Attendance at Board Committee meetings for the financial year ended 31 December 2015

	Audit and Compliance Committee (ACC)	Board Risk Committee (BRC)	Capital and Investment Committee (CIC)	Corporate Responsibility and Sustainability Committee (CRSC)	Governance and Nomination Committee (GNC)	Human Resource and Compensation Committee (HRCC)
R. Jayachandran	–	–	5/5	–	3/3	1/1
Kwa Chong Seng	–	–	5/5	–	2/2	2/2
Sunny George Verghese	–	6/6	6/6	–	–	–
Michael Lim Choo San	7/7	6/6	–	–	–	3/3
Robert Michael Tomlin	7/7	6/6	1/1	6/6	–	–
Narain Girdhar Chanrai	7/7	–	6/6	5/5	–	1/1
Jean-Paul Pinard	–	–	6/6	6/6	2/2	–
Sanjiv Misra	–	6/6	6/6	–	2/2	–
Nihal Vijaya Devadas Kaviratne, CBE	5/5	–	–	5/5	–	–
Yap Chee Keong	1/1	–	–	–	–	–
Marie Elaine Teo	–	–	–	–	–	–
Katsuhiro Ito	1/1	–	–	1/1	–	–
Yutaka Kyoya	–	1/1	1/1	–	1/1	1/1
Shekhar Anantharaman	7/7	–	5/6	6/6	–	–
Mark Haynes Daniell	2/2	–	–	1/1	2/2	1/1
Wong Heng Tew	2/2	–	–	–	2/2	1/1

## Induction and orientation of Directors

Upon their appointment, Directors are issued with a formal appointment pack which outlines their duties and obligations, and includes vital information about their appointment and the Company. They undergo a comprehensive and tailored onboarding process which includes briefings by the Board Chairman, Group CEO and Group COO; industry, business and operations briefings by Senior Management; visits to the Group's key operations; and briefing on governance matters, etc. The newly appointed Directors are further assisted by the corporate secretarial office to enable them to appropriately discharge their statutory and fiduciary duties.

## Directors' training

To keep the Directors abreast of developments in the Group's diverse industries as well as the Company's global operations, country visits and interactions with business and geography teams are amongst the different types of exposure provided. Directors are invited to participate in sessions and talks conducted by specific industry specialists and experts on trends, developments and issues concerning the sectors in which the Company operates. Directors are routinely briefed via detailed presentations on the development and progress of the Group's key operations. Regular updates on Directors' duties and responsibilities, and changes to any relevant laws and regulations such as the Listing Rules of the SGX Securities Trading Limited ('SGX-ST'), the Code of Corporate Governance, the Companies Act, etc. are provided to the Board.

During the year under review, the Board was briefed on the Company's strategic initiatives in global sustainability, and on changes and developments in accounting standards by the external auditors. It was also updated on risk management, health and safety, environmental and social risks, market compliance and insurance.

The Board also visited the Company's key operations in Gabon. The five-day visit included rubber and palm operations, the special economic zone and other greenfield sites and meetings with key stakeholders and government representatives.

## Principle 2:

### Board composition and guidance

To align with the extensive geographical spread and depth of the business, the existing Board comprises Directors with diverse skills and expertise. Our Directors bring with them wide-ranging experience and industry knowledge in finance and accounting, banking, investment, strategic planning, retail and infrastructure. The size, composition and blend of experience of the Board allows discussions on matters of policy, strategy and performance to be informed, critical and constructive. A brief profile of and key information on each Director is given on pages 75 to 79 of this report.

## Board size

Our Board currently consists of 12 members with two-thirds being Independent Non-Executive Directors. The composition takes into account the appointment of two Non-Independent Non-Executive Directors by Mitsubishi Corporation. The Governance and Nomination Committee (GNC) undertakes an annual examination of the Board's size to ensure that it is appropriate for effective decision-making. The Board reviewed this issue and opined that, given the variety, magnitude, nature and depth of the Group's business and operations, it should have between 10 and 12 members, who collectively possess sufficient depth and breadth to discharge duties and responsibilities effectively as well as to make objective decisions.

## Board diversity

The Board is committed to pursuing gender diversity in relation to the composition of the Board. In this connection, the GNC ensures that female candidates are included for consideration whenever it seeks to identify a new Director for the Board.

Our Board currently includes one female member and spans five nationalities. The Directors' ages and the Board composition represent a wide range of capabilities, skillset and experience. Although the Group has evolved into a leading agri-business operating across the value chain in 70 countries, supplying 47 products across 16 platforms to 16,200 customers worldwide, we believe the Board is sufficiently well-appointed for the foreseeable future.

## Independence

The GNC determines on an annual basis each Director's independence bearing in mind the definition of an Independent Director under the Code and guidance as to relationships that may exist which would cause a Director to be deemed non-independent. A Director who has no familial or commercial relationship with the Group or its officers and substantial shareholders of the Company that could interfere, or be reasonably perceived to interfere, with the exercise of his or her independent business judgement in the best interests of the Company, is considered to be independent.

The Code further requires the independence of any Director who has served on the Board beyond nine years to be rigorously reviewed. The basis of determination by the GNC takes into account the annual confirmation of independence (the 'Confirmation') completed by each Independent Director. He or she is required to critically assess their independence against a checklist. Each member of the Board is also required to complete a peer assessment. The peer assessment considers, amongst other areas, the contribution by the Director, the uniqueness of his or her skills and his or her participation in meetings.

Having carried out their review for FY15 and taking into account the views of the GNC, the Board has determined that with the exception of the two Non-Executive Directors and two Executive Directors, the remaining eight Non-Executive and Independent Directors are considered independent.



### Ongoing renewal of the Board

In line with the ongoing Board renewal plan, Michael Lim and Robert Tomlin, both Non-Executive and Independent Directors, who have both served on the Board for 11 years and 3 months, as at the financial year ended 31 December 2015, will be stepping down as Directors of the Company upon the conclusion of the forthcoming Annual General Meeting to be held on 25 April 2016 ('2016 AGM'). In line with the Board's policy on tenure of directorships, the remaining long-serving Independent Directors will retire progressively, with new Independent Directors appointed in their place.

To fill the offices to be vacated by the retirement of Lim and Tomlin upon the conclusion of the 2016 AGM, the Board had on 1 December 2015 appointed Chee Keong and Elaine as Non-Executive and Independent Directors. The new Independent Directors were appointed subsequent to a thorough review of the Board and the GNC following a rigorous selection process. Both Chee Keong and Marie Elaine will submit themselves for re-election and re-appointment at the forthcoming 2016 AGM.

### Non-Executive Directors nominated by shareholders

Mitsubishi Corporation ('MC') on 15 September 2015 acquired 221,962,556 shares from Kewalram Singapore Limited ('Kewalram') at S\$2.75 per share. The transfer, a separate and independent transaction to the placement of shares, resulted in MC holding 20% of Olam's enlarged issued and paid-up share capital (excluding treasury shares) immediately following the issuance of new shares. MC's nominations of Katsuhiro and Yutaka were reviewed by the GNC, following which, the Board appointed them as Non-Executive Directors of the Company on 1 November 2015. Under the Code and in accordance with Article 109, Katsuhiro and Yutaka will submit themselves for re-election and re-appointment at the forthcoming 2016 AGM.

### Non-Executive Independent Directors

The Non-Executive Independent Directors fulfil a pivotal role in corporate accountability. Their role is particularly important as they provide unbiased and independent views, advice and judgement to protect the interests not only of the Company but also of shareholders, employees, customers, suppliers and the many communities in which the Company conducts business. The Board has during FY15 maintained the number of Executive Directors at two to have a greater proportion of independent representation on the Board.

### Principle 3: Chairman and Group Chief Executive Officer

The Chairman, Kwa Chong Seng, is a Non-Executive Director and is not related to the Group Chief Executive Officer ('Group CEO'), Sunny George Verghese, or other members of the Senior Management Team. There is a clear division of responsibility between the Chairman and Group CEO to ensure a balance of power and authority.

The Chairman is responsible for ensuring the effectiveness of the Board and Board Committees as well as the governance process.

The Group CEO is at the helm of the Management Team and has overall responsibility for the Company's operations and organisational effectiveness. The Group CEO remains accountable to the Board for the decisions and actions taken, as well as for the performance of the Group. The Chairman works closely with the Group CEO on matters to be tabled at meetings as well as in ensuring that Board members receive accurate, timely and clear information.

Under the leadership of the Chairman, the Board holds robust, open and constructive discussions at its meetings with adequate time allocated to sufficiently review the issues tabled. The Chairman chairs the quarterly Non-Executive Directors' discussions after each Board meeting and organises an offsite meeting of the Non-Executive Directors annually. Along with the Group CEO, the Chairman monitors the translation of the Board's decisions, requests and recommendations into executive action. As part of the Chairman's oversight, he ensures that constructive communication and engagement with shareholders take place at every General Meeting. The Chairman may direct members of the Board to participate in briefings and meetings with other stakeholders to explain publicly available material information.

### Lead Independent Director

Michael Lim Choo San, Chairman of the GNC, has acted as the Lead Independent Director since 2010. The appointment of a Lead Independent Director is part of the Board succession planning in order to provide continuity of leadership at Board level in the absence of the Chairman. The Lead Independent Director also acts as a bridge between the Independent Directors and the Chairman and is available to shareholders if they have concerns relating to matters which contact through the normal channels of the Chairman, Group CEO or Executive Directors has failed to resolve, or where such contact is inappropriate.

### Principle 4: Board membership

#### The Governance and Nomination Committee (GNC)



**Michael Lim Choo San**  
Chairman

<b>Kwa Chong Seng</b>	(appointed 30 October 2014)
<b>Katsuhiro Ito</b>	(appointed 1 November 2015)
<b>Yap Chee Keong</b>	(appointed 1 December 2015)
<b>R. Jayachandran</b>	(retired 31 October 2015)
<b>Mark Haynes Daniell</b>	(retired 30 October 2014)
<b>Narain Girdhar Chanrai</b>	(retired 30 October 2014)
<b>Wong Heng Tew</b>	(retired 30 October 2014)

The GNC is chaired by the Lead Independent Director. The GNC comprises only Non-Executive Directors, a majority of whom are Independent Directors. The GNC is guided by its written terms of reference with principal functions as follows:

- To review the size, skills and composition of the Board to ensure there is adequate representation in respect of issues and challenges, without compromising Board effectiveness and participation. In addition, the GNC seeks to identify the critical needs in terms of expertise and skills, as well as knowledge of the jurisdictions in which Olam operates;
- To recommend the appointment and re-appointment of Directors with a view to refreshing the Board;
- To conduct an annual review of the independence of each Director bearing in mind the relationships and the tenure limits under the Code;
- To assess the effectiveness of the Board and its members;
- To review and recommend performance criteria for evaluating the Board's performance;
- To recommend membership for Board Committees;
- To consider and review the Company's corporate governance principles;
- To consider any possible conflicts of interest experienced by any Board members and senior executives; and
- To review and recommend to the Board the induction programme for new Directors and ongoing training and development needs of the Directors and the Board as a whole.

### Succession planning

In a review of the terms of reference of the Board Committees by the Board, and taking into consideration the recommendations of the GNC, the review of Board succession plans, including the role of Chairman, shall remain a principal role of the GNC; while review of the succession plans for key positions in the Group, including the Group CEO and Senior Management roles, is delegated to the Human Resource and Compensation Committee (HRCC). The GNC is actively reviewing the present Board composition and the necessity of refreshing the Board. The GNC is of the view that any renewal and refreshment of the Board must be carried out progressively and in an orderly manner to ensure continuity. A formal plan for the renewal of the Board and the process for selection of new Directors were put in place after having been recommended to and approved by the Board in 2012. The key recommendations, approved by the Board for implementation, are effective from 1 July 2013 and were announced in October 2013. They are as follows:

- Longest-serving Independent Director will be retired gradually at each AGM commencing with the 2013 AGM;
- New Independent Directors who possess the required skills and capabilities will be appointed to fill the vacancies created by outgoing Independent Directors after such appointment is reviewed by the GNC in concurrence with the Board;
- All newly appointed Independent Directors are subject to a term of office comprising two terms of three years each, with an additional term of three years at the sole discretion of the Board, subject to a maximum tenure of no more than nine years; and

- All Directors, whether Executive, Non-Executive or Independent, remain subject to an annual performance evaluation notwithstanding the term of office. Independent Directors may be retired prior to completion of the term of office if so determined by the Board, taking into consideration the recommendation of the GNC.

### Retirement and re-election

All Directors submit themselves for retirement and re-election at least once every three years. Pursuant to the Articles of Association of the Company, one-third of the Directors shall retire from office at the Company's AGM. A retiring Director is eligible for re-election at the AGM. The Group Managing Director/CEO, as a Director, is subject to the same retirement by rotation provision as the other Directors. In addition, the Company's Articles of Association also provide that a newly appointed Director must submit himself or herself for re-election at the AGM following their appointment.

At the 2016 AGM, Sunny George Verghese and Nihal Vijaya Devadas Kaviratne, CBE will retire pursuant to Article 103 of the Company's Constitution ('Constitution') and will be eligible for re-election by the shareholders at the AGM.

Katsuhiro and Yutaka Kyoya were appointed by the Board as Non-Executive Directors on 1 November 2015. The Board also appointed Yap Chee Keong and Marie Elaine Teo as Non-Executive and Independent Directors on 1 December 2015.

Under the Code and in accordance with Article 109, Katsuhiro Ito, Yutaka Kyoya, Yap Chee Keong and Elaine Marie Teo will submit themselves for re-election and re-appointment at the forthcoming AGM.

In addition, Michael Lim Choo San and Robert Michael Tomlin, both Non-Executive and Independent Directors, will be stepping down as Directors of the Company at the conclusion of the 2016 AGM.

### New appointments, selection and re-nomination of Directors

All new appointments, selection and re-nomination of Directors are reviewed and proposed by the GNC. The GNC has access to external search consultants and resources to identify potential candidates. Board members may also make recommendations to the GNC. Shortlisted candidates are met by the GNC Chairman along with the Board Chairman and Group CEO prior to approval at the Board level. Some of the criteria considered by the GNC while evaluating Directors' appointments are:

- The candidate should possess knowledge and experience in a particular area of value to the Group, namely accounting or finance, business or management, industry knowledge, strategic planning or customer-based experience or knowledge;
- The candidate should have the aptitude or experience to understand fully the fiduciary duties of a Director and the governance processes of a publicly listed company;
- Independence of mind;
- Capability and how he/she could meet the needs of the Company and simultaneously complement the skillset of other Board members;

- Experience and track record in multi-national companies;
- Ability to commit time and effort to discharging his/her responsibilities as a Director; and
- Reputation and integrity.

### Membership of other boards

The GNC, in assessing the performance of the individual Director, considers whether sufficient time and attention has been given by the Director to the affairs of the Company. It has regard to the Director's other board memberships and commitments. No limit on the number of board representations which a Director may hold has been imposed by the GNC as Directors have demonstrated their commitment and effectiveness in discharging their duties and responsibilities and avoiding actual or potential conflicts of interest caused by serving on other boards.

### Key information regarding Directors

Key information regarding Directors, such as academic and professional qualifications, Board committees served on (as a member or Chairman), date of first appointment as a Director, date of last re-election as a Director, directorships both present and past held over the preceding three years in other listed companies and other major appointments, is disclosed on pages 75 to 79 of this corporate governance report. Information relating to Directors' shareholding and interests in the Group is disclosed in the Directors' Report.

### Principle 5: Board performance

The Board considers the importance of putting the right people with the right range of skills, knowledge and experience together for effective governance of the Group's business. The GNC assists the Board in ensuring that the Board is comprised of individuals whose background, skills, experience and personal characteristics enhance the effectiveness of the current Board and meet its future needs.

Based on the recommendations of the GNC, the Board has laid down a preliminary set of assessment criteria to assess the effectiveness of the Board as a whole and contribution of each Director. The assessment criteria for the Board evaluation cover amongst other criteria Board performance in relation to discharging its principal functions, the Board's effectiveness in ensuring the long-term success of the Company, the composition of the Board, relationships amongst Board members, and the adequacy and performance of Board Committees in relation to discharging the responsibilities set out in their respective terms of reference. The individual Directors' assessment criteria are in relation to their industry and functional expertise, level of involvement, contribution, objectivity and interactive skills when working with Board members and participating in Board meetings.

During the year, the GNC carried out an evaluation of the effectiveness of the Board, the individual Board members and the Chairman of the Board. The results of the evaluations are critically reviewed by the GNC and the Board with proposed follow-up actions planned and taken. The follow-up actions are undertaken by the GNC Chairman along with the Chairman of the Board. Meetings between the individual Director and the Board Chairman, as well as the GNC Chairman, may be set up to share feedback and comments received and to work out action plans to address specific issues raised.

### Principle 6: Access to information

### Principle 10: Accountability

The agenda for each Board and Board Committee meeting along with all Board papers, related materials and background materials are sent to the Directors in a timely manner to enable the Directors to obtain further details and explanations where necessary. The Board is briefed and updated on the execution of the Company's Strategic Plan, performance of its investments, variance in budgets, etc. Members of the Management Team are invited to be present at Board and Board Committee meetings to provide additional insight into the matters tabled for deliberation. Global Heads of Business Units are scheduled wherever required to update the Board on platform performance and plans.

Directors have access to the management and the Company Secretary as required. Non-Executive Directors meet with Senior Management independently to be briefed on various issues. Additional information, documents and materials are provided to the Directors as and when required to enable them to make informed decisions.

Board members are invited to participate in the annual Management Committee Meeting to interact with management as well as to gain industry insight through external speakers. Presentations on the Group's business and activities are provided to the Board throughout the year by the Company's Management Team.

The Board has separate and independent access to the Senior Management and the Company Secretary at all times. Directors and Board Committees may, where necessary, seek independent professional advice, paid for by the Company.

The Board has adopted a policy of openness and transparency in the conduct of the Company's affairs while preserving the commercial interests of the Company. The Company reports its financial results quarterly and holds media and analyst meetings to coincide with the announcements.

Financial results and other price-sensitive information are disseminated to shareholders via SGX-NET, to the SGX-ST, via press releases, on the Company's website (olamgroup.com) and through media and analyst briefings.

The Company has in place a comprehensive investor relations programme to keep investors informed of material developments in the Company's business and affairs beyond that which is prescribed, but without prejudicing the business interests of the Company.

### Role of the Company Secretary

The Company Secretary services the Board and Committee meetings and is accountable directly to the Board, through the Chairman, on all matters connected with the proper functioning of the Board. The Company Secretary acts as the sounding board for matters of corporate governance and monitors overall compliance with the law and regulations adhered to by the Group. The Company Secretary is also responsible for ensuring the Company's compliance with the Listing Rules of the Stock Exchange, for interaction with shareholders and for facilitating the convening of general meetings. The appointment and removal of the Company Secretary is subject to the approval of the Board.

### Remuneration matters

#### Principle 7: Procedures for developing remuneration policies

#### Principle 8: Level and mix of remuneration

#### Principle 9: Disclosure on remuneration

### Human Resource and Compensation Committee (HRCC)



**Kwa Chong Seng,**  
Chairman  
(appointed 30 October 2014)

<b>Jean-Paul Pinard</b>	
<b>Sanjiv Misra</b>	
<b>Yutaka Kyoya</b>	(appointed 1 December 2015)
<b>Mark Haynes Daniell</b>	(retired 30 October 2014)
<b>Wong Heng Tew</b>	(retired 30 October 2014)
<b>R. Jayachandran</b>	(retired 31 October 2015)

All current members of the HRCC, including the HRCC Chairman, are Independent and Non-Executive Directors, except for Yutaka Kyoya, who is a Non-Executive Director. Mark Haynes Daniell stepped down as Chairman of the HRCC on 30 October 2014 at the 2015 AGM and has been succeeded as HRCC Chairman by Kwa Chong Seng. The HRCC is established by the Board with the following principal functions:

- To review the executive leadership development process and programme;
- To review and recommend executives' compensation framework and equity-based plans;
- To review succession plans for key executives, including the Group CEO;
- To establish and oversee the process for evaluating the performance of the Group CEO and key executives in the fulfilment of their responsibilities, and the meeting of objectives and performance targets; and
- To review annually the remuneration framework and the adequacy of the fees paid to Non-Executive Directors.

The HRCC carries out regular discussions with the Group CEO and the Board on succession planning at the Senior Management level including that of the Group CEO.

During the year, the HRCC actively engaged with the Group CEO, key members of the Human Resource function and an external consultant, Carrots Consulting, to review the existing executives' remuneration framework, which included a proposed new Share Grant Plan.

In 2015, Aon Hewitt assisted the HRCC in valuing the Company's share-based compensation plans, for the purpose of allocation and validation of the value of the grants. The valuation is based on a set of input assumptions regarding the Company and its comparator index. The report on the grants is being made by Olam, under its Olam Share Grant Plan (OSGP) with performance period starting from FY15. Apart from their engagement as remuneration consultants, Aon Hewitt do not have any existing relationships with the Company which will affect their independence and objectivity.



### Remuneration policy for Non-Executive Directors

The existing remuneration framework for Non-Executive Directors adopted by the HRCC consists of a base fee for membership of the Board, chairing the Board and as Lead Independent Director, fees for membership of Board Committees, fees for chairing Board Committees and an attendance fee for Board offsite meetings.

Details of the fees for Non-Executive Directors approved at the previous Annual General Meeting of the Company in October 2014 are provided below. The remuneration for Non-Executive Directors is in line with peer companies and those whom Olam was benchmarked against. The fees framework for Non-Executive Directors reflects an equitable and adequate remuneration on account of increased responsibilities and increases in the average amount of time spent by a Director at Board and Board Committee meetings, as well as their separate discussions with management in the discharge of their responsibilities.

Nature of appointment	S\$
<b>Board of Directors</b>	
Base fee (Chairman)	180,000
Base fee (Deputy Chairman)	130,000
Base fee (Member)	70,000
Lead Independent Director	25,000
<b>Audit and Compliance Committee</b>	
<b>Capital and Investment Committee</b>	
Chairman's fee	50,000
Member's fee	25,000
<b>Board Risk Committee</b>	
<b>Human Resource and Compensation Committee</b>	
Chairman's fee	35,000
Member's fee	20,000
<b>Governance and Nomination Committee</b>	
<b>Corporate Responsibility and Sustainability Committee</b>	
Chairman's fee	30,000
Member's fee	15,000
<b>Attendance fee</b>	
Home city meeting:	
- Board	3,000
- Committee	1,500
Out-of-region meeting:	
- Board	4,500
- Committee	2,250
Conference call:	
- Board	600
- Committee	400
Conference call (odd hours):	
- Board	1,200
- Committee	750
Board offsite	6,000

To facilitate timely payment of Directors' fees, the fees are paid in advance on a quarterly basis for the current financial year once approval is obtained from shareholders at the Annual General Meeting.

### Fees for Non-Executive Directors

The aggregate Directors' fees for Non-Executive Directors are subject to shareholders' approval at the Annual General Meeting. The Non-Executive Directors will refrain from making any recommendation on and, being shareholders, shall abstain from voting on the ordinary resolution for the aggregate Directors' fees. Other than the Chairman who will be voting for proxies under the Listing Rules, the Directors shall also decline to accept appointment as proxies for any shareholder to vote in respect of this resolution unless the shareholder concerned shall have given instructions in his or her proxy form as to the manner in which his or her votes are to be cast in respect of this resolution.

The fees paid to (and accrued for) the Non-Executive Directors for the financial year ended 31 December 2015 quarterly in advance and entirely in cash amounted to S\$2,500,850 (FY14: \$1,400,250). The breakdown of the fees paid to the Non-Executive Directors for the financial year ended 31 December 2015, including fees to be paid in arrears to the Non-Executive Directors, is tabled below.

### Fees paid to (and accrued for) Non-Executive Directors for the financial year ended 31 December 2015

Name	Directors' fees paid in FY15 (S\$)	Directors' fees accrued to be paid for FY15 (S\$)	Total Directors' fees to be paid for FY15 (S\$)
R. Jayachandran <sup>1</sup>	\$274,800	\$86,000	\$360,800
Kwa Chong Seng	\$173,600	\$115,000	\$288,600
Narain Girdhar Chanrai <sup>2</sup>	\$178,050	\$68,833	\$246,883
Michael Lim Choo San	\$227,100	\$114,000	\$341,100
Robert Michael Tomlin	\$198,633	\$89,400	\$288,033
Jean-Paul Pinard	\$183,250	\$89,000	\$272,250
Sanjiv Misra	\$198,250	\$96,500	\$294,750
Nihal Vijaya Devadas Kaviratne, CBE	\$107,367	\$75,650	\$183,017
Katsuhiro Ito <sup>3</sup>	—	\$34,833	\$34,833
Yutaka Kyoya <sup>3</sup>	—	\$38,250	\$38,250
Yap Chee Keong <sup>4</sup>	—	\$13,833	\$13,833
Marie Elaine Teo <sup>4</sup>	—	\$13,883	\$13,883
Mark Haynes Daniell <sup>5</sup>	\$71,333	—	\$71,333
Wong Heng Tew <sup>5</sup>	\$53,833	—	\$53,833
	\$1,666,217	\$834,633	\$2,500,850

1. Stepped down on 31 October 2015. Prorated fees paid and accrued fees to be paid.
2. Stepped down on 2 December 2015. Prorated fees paid and accrued fees to be paid.
3. Appointed on 1 November 2015. Accrued fees to be paid.
4. Appointed on 1 December 2015. Accrued fees to be paid.
5. Stepped down on 30 October 2014.

The Non-Executive Directors only receive directors fees and do not receive any other benefits, hence a breakdown is not required.

In addition to the Directors' fees set out above, Nihal Kaviratne, CBE received aggregate fees of S\$31,200 for the period February 2015 to September 2015 in his capacity as Chairman and a Director of Caraway Pte. Ltd, a subsidiary which is a 75% joint venture with Sanyo Foods Limited.

### Accrued Directors' fees for 2015

In October 2014, Olam shareholders approved S\$1,889,433 as Directors' fees for the financial year ended 30 June 2014 ('Approved Fees'). This quantum was based on scheduled meetings plus 10% headroom (FY14 approved: S\$1,440,000). The Non-Executive Directors' fee framework was revised and approved in 2014. As result of the change of year end from June 2015 to December 2015, the Approved Fees ratified at the 2014 Annual General Meeting would have had to be spent over a longer time frame (six quarters) than had originally been envisaged. In addition, the appointment of four new Non-Executive Directors was not foreseen at the time the Approved Fees were tabled for shareholders' approval.

The Company will seek approval by shareholders for S\$834,633 to be paid, being accrued Directors' fees for the financial year from 1 July 2014 to 31 December 2015 ('Accrued Fees').

### Remuneration policy for Executive Directors and other key executives

Executive Directors are not entitled to either base fees or fees for membership on Board Committees. Remuneration for Executive Directors currently comprises a base salary, a performance bonus tied to the Company's and the individual's performance, and participation in the share option scheme.

The Company advocates a performance-based remuneration system that is flexible and responsive to the market. The total remuneration comprises three components: an annual fixed cash component, an annual performance incentive and a long-term incentive. The annual fixed component consists of the annual basic salary and other fixed allowances. The annual performance incentive is tied to the Company's and individual executive's performance, while the long-term incentive is granted based on the individual's performance and contribution made.

To remain competitive, it would be our aim to benchmark our executives' compensation with that of similar performing companies and remain in the top 25 percentile. The compensation structure has been designed so that as one moves up the corporate ladder, the percentage of total remuneration at risk increases. The Company currently has 11 top key executives who are not also Directors. In considering the disclosure of remuneration of the Executive Directors and top 11 key executives, the HRCC considered the industry conditions in which the Company operates, as well as the confidential nature of the Executive Directors' and key executives' remuneration.

In view of the highly competitive industry conditions the Group operates within, and as many of our competitors are closely held and do not publish details of the specific remuneration of key management personnel, the Board is of the view that detailed publication of the remuneration of the Group's key management personnel should not be made. Given the general sensitivity and confidentiality of remuneration matters, it would be disadvantageous to the interests of the Group to divulge remuneration of Executive Directors, CEO and key management personnel in such detail as recommended by the Code.

### Level and mix of remuneration of Executive Directors for the year ended 31 December 2015

Remuneration band and name of Executive Director	Base/ fixed salary	Variable or performance-related income/ bonuses	Benefits in kind	Total	Options	OSGP
\$2,500,000 and above						
Sunny George						
Verghese	10%	88%	2%	100%	15,000,000 <sup>1</sup>	400,000 <sup>3</sup>
Shekhar						
Anantharaman	28%	74%	—	100%	5,000,000 <sup>2</sup>	250,000 <sup>3</sup>

1. The subscription/exercise price of \$2.35 per share for 15,000,000 share options is the price equal to the average of the last dealt prices for a share for the five consecutive market days preceding the date of grant.
2. The subscription/exercise price of \$2.28 per share for 1,750,000 share options and \$1.76 per share for 3,250,000 share options is the price equal to the average of the last dealt prices for a share for the five consecutive market days preceding the date of grant.
3. The actual number of Shares to be delivered pursuant to the Award granted will range from 0% to 192.5% of the base award and is contingent on the achievement of pre-determined targets set out in the three year performance period and other terms and conditions being met.

### Remuneration band of the top key executives for the year ended 31 December 2015

Remuneration band	No. of executives
\$1,000,000 and above	11

### Remuneration of employees who are immediate family members of a Director or the Group CEO

No employee of the Company and its subsidiaries whose remuneration exceeded \$50,000 during the year under review was an immediate family member of a Director or the Group CEO. Immediate family member is defined as a spouse, child, adopted child, step-child, brother, sister or parent.

### Employee Share Grant Plan

The Company had adopted the new Olam Share Grant Plan (OSGP) at the 2014 Annual General Meeting. The OSGP involves the award of fully-paid shares, when and after pre-determined performance or service conditions are accomplished. Any performance targets set under the OSGP are intended to be based on longer-term corporate objectives covering market competitiveness, quality of returns, business growth and productivity growth.

The OSGP helps retain staff whose contributions are essential to the wellbeing and prosperity of the Group and to give recognition to outstanding employees and Executive Directors of the Group who have contributed to growth. The OSGP gives participants an opportunity to have a personal equity interest in the Company and will help to achieve the following positive objectives:

- motivate participants to optimise their performance standards and efficiency, maintain a high level of contribution to the Group and strive to deliver long-term shareholder value;
- align the interests of employees with the interests of the shareholders of the Company;

- retain key employees and Executive Directors of the Group whose contributions are key to the long-term growth and profitability of the Group;
- instil loyalty to, and a stronger identification by employees with the long-term prosperity of, the Company; and
- attract potential employees with relevant skills to contribute to the Group and to create value for the shareholders of the Company.

The actual number of shares to be delivered pursuant to the award granted will range from 0% to 192.5% of the base award and is contingent on the achievement of pre-determined targets set out in the three-year performance period and other terms and conditions being met.

## Accountability and audit

### Principle 11: Risk management internal control

### Principle 12: Audit and Compliance Committee

The Board, supported by the ACC and BRC, oversees the Group's system of internal controls and risk management.

#### Board Risk Committee (BRC)



**Robert Michael Tomlin**  
Chairman

**Michael Lim Choo San**

**Sunny Verghese**

**Sanjiv Misra**

**Yutaka Kyoya** (appointed 1 November 2015)

**Yap Chee Keong** (appointed 1 December 2015)

**Marie Elaine Teo** (appointed 1 December 2015)

The Board is responsible for the governance of risk. To assist the Board in carrying out its responsibility of overseeing the Company's risk management framework and policies, the Board Risk Committee was established in 2005. The BRC convened six times during the year under review and it has oversight of the following matters:

- To review with management the Group's guidelines, policies and systems to govern the process for assessing and managing risks;
- To review and recommend risk limits and budgets;
- To review benchmarks for, and major risk exposures from, such risks;
- To request, receive and review reports from management on risk exposures;
- To identify and evaluate new risks at an enterprise level and to table a report to the Board;
- To review the Enterprise Risk Scorecard bi-annually and determine the risks to be escalated to the Board;

- To review the framework and effectiveness of the Enterprise Risk Scorecard; and
- To review market compliance updates and issues reported.

The Company complies with the recommendations contained in the Risk Governance Guidelines issued by the Corporate Governance Council in the approach to risk governance for the Group. The Company has robust mechanisms and systems to identify risks inherent in the Group's business model and strategy, risks from external factors and other exposures, and to monitor the Company's exposure to key risks that could impact the business sustainability, strategy, reputation and long-term viability of the Group. The Board along with the BRC, the executive risk team and management has instilled the right culture throughout the Company for effective risk governance.

The BRC has in the course of the year reviewed its terms of reference against the Risk Governance Guidelines and the Code, taking into consideration the changing needs of the organisation. The BRC Chair actively engages with the risk management team on various risk matters as well as the matters to be discussed at each BRC meeting. A Board risk field day was organised during the year under review where the Board was refreshed on areas such as risk governance, risk identification, risk monitoring and control, risk management tools, market compliance, environmental and social risks, health and safety, and the Enterprise Risk Framework, among other topics presented and discussed in detail.

The Committee is assisted by the Executive Risk Committee (ERC), which approves large exposures, provides support in the escalation process for limit breaches and promotes risk culture and awareness. The ERC comprises the Managing Director – Chief Risk and Compliance Officer as its Chairman and the Managing Directors of our Cocoa, Edible Nuts and Cotton business units, along with the President of our Internal Audit function and Assurance as its members. During the year under review, the BRC carried out a rigorous review of the Enterprise Risk Scorecard and engaged management actively in ensuring the adequacy, effectiveness and relevance of the Enterprise Risk Scorecard against the business and operations of the Group.

#### Audit and Compliance Committee (ACC)



**Michael Lim Choo San**  
Chairman

**Robert Michael Tomlin**

**Nihal Kaviratne, CBE** (appointed 30 October 2014)

**Katsuhiro Ito** (appointed 1 November 2015)

**Yap Chee Keong** (appointed 1 December 2015)

**Mark Haynes Daniell** (retired 30 October 2014)

**Wong Heng Tew** (retired 30 October 2014)

**Narain Girdhar Chanrai** (retired 2 December 2015)

All the members of the Audit and Compliance Committee (ACC) are Non-Executive Directors with a majority of members including the ACC Chairman being independent. Michael Lim, who is also the Chairman of the Singapore Accountancy Commission and the Accounting Standards Council, and the members of the ACC have significant and varied experience and backgrounds in accounting and financial management-related fields.

Besides the formal briefing to the full Board held twice in FY15, the external auditors also update the Committee at its quarterly meetings on any changes to accounting standards and developments in issues with a direct impact on financial statements.

The ACC met six times during the year under review. The ACC has established terms of reference approved by the Board and has explicit authority to investigate any matter within its terms of reference. The key functions of the ACC are to:

- Assist the Board in discharging its statutory and other responsibilities on internal controls, financial and accounting matters, operational and compliance controls, and business and financial risk management policies and systems; and to ensure that a review of the effectiveness of the same (which may be carried out by the external or internal auditors) is conducted at least annually;
- Review with the external auditors their audit plan, their evaluation of the system of internal controls, their audit report, their management letter, the Company management's response, and the allocation of audit resources according to the key business and financial risk areas as well as the optimum coverage and efforts between the external and internal auditors;
- Review the quarterly and annual financial statements before submission to the Board of Directors for approval, focusing in particular on changes in accounting policies and practices, major operating risk areas, the overview of all Group risk on an integrated basis, significant adjustments resulting from the audit, the going concern statement, compliance with accounting standards, and compliance with any SGX and statutory/regulatory requirements;
- Review the proposed scope of the Internal Audit function, the performance of the Internal Audit function, internal audit findings and the Internal Audit Plan semi-annually;
- Review the internal controls and procedures and ensure coordination between the external auditors and the Company management, reviewing the assistance given by the Management Team to the auditors, and discussing problems and concerns, if any, arising from the interim and final audits, and any matters which the auditors may wish to discuss (in the absence of the management where necessary);
- Review and discuss with the external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has, or is likely to have, a material impact on the Group's operating results or financial position, and management's response to the same;
- Consider the appointment or re-appointment of the external auditors and matters relating to resignation or dismissal of the auditors;

- Review the scope and results of the audit and its cost-effectiveness, and the independence and objectivity of the external auditors, annually;
- Review interested party transactions falling within the scope of Chapter 9 of the Singapore Exchange Listing Rules for potential conflicts of interest;
- Undertake such other reviews and projects as may be requested by the Board of Directors and report to the Board of Directors its findings from time to time on matters arising and requiring the attention of the ACC; and
- Undertake such other functions and duties as may be required by statute or the Listing Manual, and by such amendments made thereto from time to time.

The ACC has full access to and cooperation of the management and full discretion to invite any Director or executive officer to attend its meetings. The Group COO, Group CFO, Managing Director – Risk, Compliance and Internal Audit, President of Internal Audit and the external auditors are invited to attend these meetings.

The Company has an internal audit team which, together with the external auditors, reports its findings and recommendations independently to the ACC. During the year, the ACC reviewed the unaudited financial statements of the Company before the announcement of the financial results and the audited financial statements prior to despatch to shareholders. During the year, the ACC along with management reviewed the adequacy, structure and content of its results announcements to enable easier interpretation and analysis by its stakeholders. The ACC also reviewed the proposed Accounting Policy and Procedures Manual to formalise enterprise-wide practices, policies and procedures drawn up by management with the assistance of the external auditors.

### Internal audit

The ACC regularly reviews the resource adequacy and the effectiveness of the Internal Audit function as well as the areas of audit undertaken by the Internal Audit team. During the year under review, the ACC is satisfied that the team has appropriate standing within the Company. The Committee met with the Internal Audit team during the year under review, without the presence of management, to discuss any issues of concern.

### External auditors

The Committee met with the external auditors during the year under review, without the presence of the Management Team, to discuss with them any issues of concern. The ACC also reviewed the nature and extent of all non-audit services performed by the external auditors to establish whether their independence has in any way been compromised as a result. From the review, the ACC has confirmed that the non-audit services performed by the external auditors would not affect their independence. Details of the fees payable to the external auditors in respect of audit and non-audit services are set out in the notes to financial statements of this report. The Company has complied with Rule 712, and Rule 715 read with Rule 716, of the Singapore Exchange Listing Manual in relation to its auditing firms.



As a part of good corporate governance practices, during the year the ACC carried out a review of the external audit services provided. Taking all relevant factors into consideration, the Committee made its recommendation to the Board to re-appoint the current auditors, which was accepted.

### Whistle-blowing

On the recommendation of the ACC and the approval of the Board, the Company has formalised a Code of Conduct (CoC) for Group companies with the objective of conducting business in compliance with the letter and spirit of the law and other accepted standards of business conduct and to maximise shareholder value for its continuing shareholders in an ethical and environmentally sustainable manner. It provides the key standards and policies that everyone working in and for Olam should adhere to. The CoC also encourages and provides a channel for employees to report possible improprieties, unethical practices, etc. in good faith and confidence, without fear of reprisals or concerns. All information and reports are received confidentially to protect the identity and the interest of all whistle-blowers. Different modes of reporting are provided in the CoC including an internal compliance hotline and email address. To ensure that all incidents that are reported are adequately brought to the notice of the stakeholders concerned as well as to initiate corrective action, a reporting structure is provided in detail in the CoC.

### Internal controls

The Company's internal controls structure consists of the policies and procedures established to provide reasonable assurance that the organisation's related objectives will be achieved.

Olam has established authorisation and financial approval limits for operating and capital expenditure, the procurement of goods and services, and the acquisition and disposal of investments. Apart from reserved matters that require the Board's specific approval, such as the issue of shares and dividend and other distributions, Board approval is required for transactions exceeding certain threshold limits, while delegating authority for transactions below those limits to Board Committees and management to optimise operational efficiency.

The Standard Operating Procedure (SOP) and Field Operations Manual (FOM) policies prescribe the process and documentation requirement for all our procurement, grading, sorting, processing, storage, transits and shipment of our products. Strict adherence to the SOP and FOM is the key to our control over financial and operational risks. To ensure compliance, periodical internal and external audit reviews are routinely carried out.

Additionally, the internal audit findings are tracked and included as key performance indicators in managers' performance evaluation systems, to ensure the desired influence on behaviour.

The Company's Enterprise Risk Management (ERM) Framework covers market risks, credit and counterparty risks, operational risks, information risks, sovereign risks, health and safety risks, legal and regulatory risks and other tail risks. The Market Compliance team puts in place a Market Compliance and Procedures Manual and an annual e-training session to provide guidance to officers and employees of the Group who are

involved in the trading of commodity futures contracts and options on commodity futures contracts on the exchanges. The Market Compliance and Procedures Manual is periodically reviewed and updated for changes in exchange rules and regulations. The Company has a Board Risk Committee and an independent Risk Control function to measure and monitor market risks and credit and counterparty risks. Our risk management system is outlined on pages 46 and 47.

During the year, an assessment was carried out on the Company's Enterprise Risk Management Framework, systems and policies and processes including financial, operational, compliance and information technology controls.

The Board has received assurance from the Group CEO and the Group COO that:

- the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and
- from their review with the risk owners of their assessments of the standard operating procedures framework, escalation reporting, breaches and assurance processes, they are satisfied with the adequacy and effectiveness of the Company's risk management and internal control systems.

Based on the work performed by the internal and external auditors, the internal controls and risk management systems established and reviewed by management, as well as the regular reviews undertaken by various Board Committees:

- The Board, with the concurrence of the BRC, is of the view that the Group's risk management systems are adequate and effective; and
- The Board, with the concurrence of the ACC, is of the opinion that the internal controls, addressing the financial, operational, compliance and information technology risks of the Company, are adequate to meet the needs of the Group in its current business environment.

Whilst the internal audit and the internal controls systems put in place by management provide reasonable assurance against material financial mis-statements or loss, and assurance reliability, relevance and integrity of information (including financial information), completeness of records, safeguarding of assets, effectiveness and efficiency of operations and compliance with applicable policies, laws and regulations, it is opined that such assurance cannot be absolute in view of the inherent limitations of any internal audit and internal controls system against the occurrence of significant human and system errors, poor judgement in decision-making, losses, fraud or other irregularities.

### Principle 13: Internal audit

The Internal Audit function is established to support the governance process and provide a source of confidence to both management and the ACC that there is sound managerial control over all aspects of the operations of Olam including statutory compliance, accounting, asset management and control systems.

The Managing Director – Risk, Market Compliance and Internal Audit and President of Internal Audit and Assurance report directly to the Chairman of the ACC and administratively to the Group CEO. The Internal Audit team, comprised of members with relevant qualifications and experience and specialised in audits,

may be outsourced to reputable accounting/auditing firms. Internal audit is carried out according to the standards set by nationally or internationally recognised professional bodies including the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors. The Internal Audit team has full, free and unrestricted access at all times to all books, personnel, documents, accounts, property, vouchers, records, correspondence and other data of the Company. The internal auditors also have the right to enter any premises of the Group and to request any officer to furnish all information and such explanations deemed necessary for them to form an opinion on the probity of action and adequacy of systems and/or controls.

The scope of the internal audit carried out by the Internal Audit team is comprehensive, to enable the effective and regular review of all operational, financial and related activities. The internal audit coverage extends to all areas of the Company and its controlled entities and includes financial, accounting, administrative, computing and other operational activities. An internal compliance monitoring system has also been developed as a self-assessment tool for monitoring the performance of the business units on key control aspects and processes.

The ACC reviews the proposed scope and performance of the Internal Audit function, internal audit's findings and management response, and the Internal Audit Plan, semi-annually. It ensures that no limitation on audit has been imposed. Internal audit's summary of findings, recommendations and actions taken are reviewed and discussed at ACC meetings.

The ACC is assisted in the discharge of this function by the Executive Audit Committee (EAC). The EAC has the Managing Director – Risk, Market Compliance and Internal Audit as its Chairman and the Managing Director – Africa and Middle East, the President of Internal Audit and Assurance and the President of Finance and Accounts as its members.

## Capital and Investment Committee (CIC)



**Sanjiv Misra**  
Chairman

**Jean-Paul Pinard**

**Sunny Verghese**

**A. Shekhar**

**Kwa Chong Seng** (appointed 30 October 2014)

**Yutaka Kyoya** (appointed 1 November 2015)

**Marie Elaine Teo** (appointed 1 December 2015)

**Robert Michael Tomlin** (retired 30 October 2014)

**R. Jayachandran** (retired 31 October 2015)

**Narain Girdhar Chanrai** (retired 2 December 2014)

The CIC meets every quarter, and more often if required, either by way of physical meetings or via telephone conference. The CIC is governed by established terms of reference and has oversight of the following matters:

- To review the financial strategies, policies, gearing and financial risks new business risks, and capital structure of the Company;
- To review and recommend equity capital-raising plans;
- To review and recommend debt capital-raising plans and significant banking arrangements;
- To review investment policy guidelines and capital expenditure plans;
- To review and assess the adequacy of foreign currency management;
- To review and recommend on mergers, acquisitions and divestments;
- To evaluate periodically the performance of the businesses in relation to the capital allocated; and
- To review and recommend the annual budget.

The Committee has access to any member of the Management Team in its review of investments and divestments, and actively engages the Management Team and consultants when deliberating on any investment or divestment proposal. During the year, the Board has renewed the Committee's terms of reference and the policy governing the authority limits of the Committee and Group CEO.

## Corporate Responsibility and Sustainability Committee (CRSC)



**Jean-Paul Pinard**  
Chairman

**Robert Michael Tomlin**

**A. Shekhar**

**Nihal Kaviratne, CBE** (appointed 30 October 2014)

**Katsuhiro Ito** (appointed 1 November 2015)

**Marie Elaine Teo** (appointed 1 December 2015)

**Narain Girdhar Chanrai** (appointed 30 October 2014, retired 2 December 2015)

**Mark Haynes Daniell** (retired 30 October 2014)

At Olam, we believe that profitable growth, as a way of doing business, needs to incorporate creating value on an ethical, socially responsible and environmentally sustainable basis. We have called this 'Growing Responsibly'.

The CRSC met six times during the year. The terms of reference of this Committee include:

- To review and recommend to the Board the Corporate Responsibility and Sustainability (CR&S) vision and strategy for the Group;
- To oversee the integration of CR&S perspectives into the Company's strategy and businesses;
- To review global CR&S issues and trends and assess their potential impact on the Group;
- To monitor implementation, through the Executive CR&S Committee, strategy as well as policies and investments in the CR&S area;
- To review the progress made on various initiatives;
- To support management's response to crisis, where required;
- To review the Company's annual Sustainability Report and its (Olam) Livelihood Charter; and
- To review the adequacy of the CR&S function.

The CRSC engages the Executive CR&S Committee which comprises Gerard Manley, Managing Director and CEO Cocoa, and Chris Brett, Senior Vice President and Head of Corporate Responsibility and Sustainability, in the formulation and implementation of various sustainability policies and projects.

The Committee actively monitors corporate responsibility and sustainability issues and the reporting by management on such issues in the Company's pursuit of various investments. As part of the CRSC's vigorous engagement with corporate responsibility and sustainability matters concerning the Group's business and operations, the Chairman of the CRSC visited some of the Company's global operations during the year along with members of the Management Team, to gain deeper insights into the CR&S activities on the ground.

#### Principle 14: Shareholders' rights

#### Principle 15: Communication with shareholders

#### Principle 16: Conduct of shareholder meetings

##### Enhancing investor communication

At Olam, we believe it is important for us to communicate our business, strategic developments, and financial and non-financial information to shareholders, investors, analysts (collectively referred to as the investing community) and key intermediaries (including financial media, brokers and independent research organisations) who provide research and information on the Company. Concurrently, we aim to understand their perspectives and requirements for decision-making and improve two-way communication.

In the Strategic Plan for 2014-2016, one of the four key priorities is to promote a better understanding of Olam's business by enhancing stakeholder communication. To achieve this, we have supplemented our Company disclosure with details on investment performance; held investor days and field visits to Olam's operational sites globally; and improved the structure and content of our results announcements to facilitate better understanding and analysis.

As we continue to improve these aspects of our communication, to shape a deeper understanding of our business, we launched 'Olam Insights', a quarterly newsletter for investors during the year. This document features our different business platforms and profit centres around the world by looking into the opportunities and challenges within the business and sharing the insights of our people on the ground. We also share how we are making an impact both locally and globally in each of our businesses and how we continue to invest in the sustainability of these businesses.

The Group Investor Relations department has lead responsibility for enhancing communication with the investing community, with the active involvement of the Group CEO, Group COO and Group CFO, and in consultation with the Global Corporate Responsibility and Sustainability department on environmental, social and governance issues.

##### Delivering quality and timely information in a transparent manner

Since Q3 2013, we have published a quarterly Management Discussion and Analysis (MD&A) statement, which includes a business commentary, key operational and financial highlights and a detailed review of financial performance. In order to track and measure progress against our targets as stated in the Strategic Plan, we also introduced new key financial metrics.

As well as enhancing the quality of our financial information, we aim to deliver information to the investing community and key intermediaries in a timely manner. We hold media and analysts' conferences quarterly to announce our financial and operating results. These quarterly results briefings are webcast live to cater to global audiences. (The full financial statements, press release, MD&A and presentation materials provided at the conferences are disseminated through the SGX-NET onto the SGX website outside trading hours, uploaded onto the Company's website and disseminated by email to subscribers to our news alerts.)

In addition to these quarterly events, we hold media and analysts' conferences and teleconference calls to communicate important corporate developments. Such media and analyst conferences are also webcast live.

##### Engaging the investing community

Apart from these forums, we hold frequent meetings, telephone and video conference calls with the investing community and organise investor days to facilitate their understanding of the Company's business model and growth strategies.

We aim to reach out to a broad spectrum of investors across the globe as part of our efforts to achieve a geographically diversified shareholder base. As part of this aim, we actively engage analysts with the objective of extending research coverage and thereby our reach to investors. As of year end, nine research institutions cover Olam. We actively and continuously engage other leading international, local and independent research firms to initiate coverage of our stock.

We conduct investment roadshows and attend investment conferences on a selective basis in major targeted investing locations, such as Singapore, Malaysia, Hong Kong, the UK, Continental Europe and the USA. Where necessary, the frequency of conducting roadshows and attending investment conferences may increase to meet the Company's requirements of communicating important key messages and addressing market concerns.

### Investor Relations activities in 2015

Date	Event
5 January	DBS Vickers Pulse of Asia Conference, Singapore
13 January	RHB OSK DMG Asean and Hong Kong Corporate Day, Singapore
5 March	Bank of America Merrill Lynch ASEAN Conference, Singapore
8 April	Nomura ASEAN Corporate Day, Singapore
20 May	6 <sup>th</sup> Annual dbAccess Asia Conference, Singapore
4 June	Citi ASEAN Investor Conference, Singapore
24 August	Macquarie ASEAN Conference, Singapore
17 November	Morgan Stanley Asia Pacific Summit, Singapore

The Group Investor Relations department periodically receives investor/analyst requests for meetings or conference calls to discuss the Company. Generally, we accede to all requests for meetings/calls where our schedule permits, provided these meetings/calls do not fall within the closed periods prior to the announcement of financial results.

In addition to outreach programmes targeted at institutional investors, we maintain communication with our employee and retail shareholders, through our employee portal and shareholder communication services facilitated by the Securities Investors' Association of Singapore (SIAS) respectively.

### Tracking changes in the shareholder base and interaction with the investing community

We track and monitor changes in our shareholder base regularly to help us tailor our shareholder engagement and targeting programmes.

We maintain an active electronic database of the investing community, which allows us to target investors and track every investor meeting so that we can measure the frequency and quality of conversations. This system also enables us to deliver our Company results and announcements to the investing community electronically at the same time as these are disseminated through SGX-NET so that investors have access to our information on a timely basis.

As the internet, social media and other mobile applications have become more accessible, we continue to leverage such means to achieve a greater and faster reach to the investing community and facilitate their research by providing online easy-to-access financial and non-financial information, resources and tools.

### Obtaining and acting on feedback from the investing community

We conduct investor perception surveys to seek the investing community's feedback on the Company. The study we initiated in 2013 informed our 2013 Strategy Review and helped formulate our 2014-2016 Strategic Plan.

### Encouraging greater shareholder participation at Annual General Meetings (AGMs)

We regard the AGM as an opportunity to communicate directly with shareholders. We are committed to establishing more effective ways of communicating with our shareholders around the AGM. Shareholders are informed of these meetings through notices published in the newspapers or through circulars. To encourage more shareholder participation, our AGMs are held in Singapore's city centre, which is easily accessible by most shareholders.

Board members including the Chairman of the Audit and Compliance Committee, the Human Resource and Compensation Committee, and the Governance and Nomination Committee, and key executives of the Senior Management Team, attend the AGM. Our external auditors are also present to assist the Directors in addressing shareholders' queries.

We treat shareholder issues, particularly those that require shareholders' approval, such as the re-election of Directors and approval of Directors' fees, as distinct subjects and submit them to the AGM as separate resolutions.

In support of greater transparency and an efficient voting system, the Company has been conducting electronic poll voting since 2011. Shareholders who are present in person or represented at the meeting will be entitled to vote on a one-share, one-vote basis on each of the resolutions by poll, using an electronic voting system. The results of all votes cast for and against in respect of each resolution are instantaneously displayed at the meeting and announced through SGX-NET immediately following the AGM.

Voting in absentia by mail or electronic means requires careful study and is only feasible if there is no compromise to either the integrity of the information and/or the true identity of the shareholder.

Detailed minutes of the AGM are prepared and are available to shareholders upon request.

### Accolades

#### Most Progress in IR and Best in Sector

Olam was the winner of the awards for Most Progress in IR and Best in Sector (Consumer Staples) at the IR Magazine Awards and Conference – South East Asia 2014. The winners of the IR Magazine Awards were identified solely by means of an independent survey of investors and analysts, all of whom are located in the region. More than 400 members of the Asian investment community participated in the investor perception survey, which aimed to ascertain which companies and individuals were the best at investor relations and discover current levels of satisfaction with the standard of investor relations more generally.



### Most Transparent Company

Olam was named winner of the 15<sup>th</sup> SIAS Investors' Choice Award – Most Transparent Company Award 2014 – in the Food and Beverages category for its outstanding efforts in improving disclosure and transparency standards. SIAS had appointed the Sim Kee Boon Institute of Singapore Management University to conduct research using the Singapore Corporate Governance Index (SCGI), a balanced, weighted index which covers five aspects in accordance with OECD principles, as stage one of the award's selection process. Companies were then shortlisted in their respective industry classification benchmark sub-sector, followed by a stage two nomination from financial journalists, analysts and fund managers. This year's stage two included SIAS members' nominations, to incorporate their views on the corporate governance and transparency practices of the shortlisted companies. The selection committee comprised senior financial journalists, brokers and fund managers and SIAS.

### Securities transactions

The Company is committed to transparency, fairness and equity in dealing with all shareholders and in ensuring adherence to all laws and regulations that govern a company listed and trading on the SGX Securities Trading Limited ('SGX-ST'). The Employee Share Dealing Committee ('ESDC') was set up to formulate and review best practice in the dealing of securities by Directors, executives and employees. The ESDC is chaired by a Senior Management Team member – Ranveer Singh Chauhan – with V. Srivathsan as Co-Chairman and Joydeep Bose, N. Muthukumar and Sriram Subramanian as its members. The ESDC reports to the Group CEO.

Through the ESDC, the Company has a policy on dealings in securities of the Company in line with the SGX Listing Rules to its Directors and employees, setting out the implications of insider trading and guidance on such dealings. The policy provides that the Company, its Directors and employees must not deal in the Company's securities at any time after a price-sensitive development has occurred, or has been the subject of a decision, until the price-sensitive decision has been publicly announced. Directors and employees are discouraged from short-term speculative trading in the Company's securities; personal investment decisions should be geared towards long-term investment. In particular, the Company, its Directors and executives will not deal in the Company's securities during the following periods:

- commencing two weeks prior to making public the quarterly financial results and ending at the close of trading on the date of the announcement of the relevant results; and
- commencing one month prior to making public the annual financial results and ending at the close of trading on the date of the announcement of the relevant results.

In keeping with the policy, Directors, executives and employees of the Company are notified of close periods for dealing in the Company's securities.

### Material contracts

There were no material contracts entered into by the Company or any of its subsidiaries involving the interests of any Director or controlling shareholder.

### Interested person transactions

The Company has established procedures to ensure that all transactions with interested persons are reported on a timely manner to the ACC and that the transactions are carried out on normal commercial terms and will not be prejudicial to the interests of the Company or its minority shareholders. The Company's disclosures in respect of interested person transactions for the financial year ended 31 December 2015 are as follows:

Parties	FY15 S\$
Singapore Telecommunications Limited	1,162,436
Singapore Airlines Limited	9,314
SP Services Limited	3,529
Starhub Limited	19,460
DBS Bank Limited	2,872,945
Standard Chartered Bank Limited	2,054,376
<b>Total</b>	<b>6,122,059</b>

### Recognition

Olam has received accolades from the investment community for excellence in corporate governance. More details are included on page 73 and our website at [olamgroup.com/about-us/accolades/](http://olamgroup.com/about-us/accolades/).

## Key information regarding Directors

### Kwa Chong Seng

Chairman and Non-Executive and Independent Director

**Date of appointment:** 1 October 2014

**Date of last rotation:** AGM 2014 Article 109

**To retire at AGM 2016 under:** N.A.

**Age as at 31 December 2015:** 69

**Committee(s) served on:**

Human Resource and Compensation Committee (Chairman),  
Capital and Investment Committee (Member),  
Governance and Nomination Committee (Member).

**Academic and professional qualification(s):**

Bachelor of Engineering (Mechanical), University of Singapore,  
Fellow of the Academy of Engineering Singapore.

**Directorships in other listed companies:**

Neptune Orient Lines Limited (Chairman),  
Singapore Technologies Engineering Ltd (Chairman),  
Singapore Exchange Ltd (Lead Independent Director).

**Other principal commitments:**

APL Co. Pte Ltd (Chairman), APL Logistics Ltd (Chairman), APL  
(Bermuda) Ltd. (Chairman), Automar (Bermuda) Ltd. (Chairman),  
APL Limited (Chairman), NOL Liner (Pte.) Ltd. (Chairman),  
Seatown Holdings Pte Ltd (Director), Delta Topco Limited  
(Director), Fullerton Fund Management Company Ltd (Chairman),  
Singapore Technologies Holdings Pte Ltd (Director).

**Major appointments (other than Directorships):**

Public Service Commission, Singapore (Deputy Chairman),  
Defence Science and Technology Agency (Board Member).

**Directorships in other listed companies held over the preceding three years:**

DBS Bank (Hong Kong) Ltd (Chairman), DBS Bank Ltd, DBS  
Group Holdings Ltd, Esso China Inc. (Chairman and President),  
ExxonMobil Asia Pacific Pte Ltd (Chairman and Managing  
Director), ExxonMobil Oil Singapore Pte Ltd, Sinopec SenMei  
(Fujian) Petroleum Co. Ltd, Temasek Holdings Pte Ltd  
(Deputy Chairman).



### Sunny George Verghese

Co-Founder and Group CEO

**Date of appointment:** 11 July 1996

**Date of last rotation:** AGM 2012 Article 103

**To retire at AGM 2016 under:** Article 103

**Age as at 31 December 2015:** 56

**Committee(s) served on:**

Capital and Investment Committee (Member),  
Board Risk Committee (Member).

**Academic and professional qualification(s):**

Postgraduate Degree in Business Management,  
Indian Institute of Management, Ahmedabad  
Advanced Management Program, Harvard Business School.

**Directorships in other listed companies:**

Société SIFCA (Non-Executive Director).

**Other principal commitments:** Nil

**Major appointments (other than Directorships):**

Human Capital Leadership Institute (Chairman).

**Directorships in other listed companies held over the preceding three years:**

PureCircle Limited (Non-Executive Director).

**Past key appointment(s):**

Cityspring Infrastructure Management Pte Ltd (Chairman),  
International Enterprise Singapore (Chairman),  
National University of Singapore (Trustee).



### Michael Lim Choo San

#### Non-Executive and Lead Independent Director

**Date of appointment:** 24 September 2004

**Date of last rotation:** AGM 2014 Article 103

**To retire at AGM 2016 under:** N.A.

**Age as at 31 December 2015:** 69

**Committee(s) served on:**

Audit and Compliance Committee (Chairman),  
Governance and Nomination Committee (Chairman),  
Board Risk Committee (Member).

**Academic and professional qualification(s):**

Bachelor of Commerce and Administration,  
Victoria University of Wellington, New Zealand  
Chartered Accountant, New Zealand Fellow,  
Institute of Certified Public Accountants of Singapore.

**Directorships in other listed companies:**

Nomura Holdings Inc, Japan (Non-Executive Director).

**Other principal commitments:**

Land Transport Authority (Chairman),  
Nomura Singapore Limited (Chairman).

**Major appointments (other than Directorships):**

Accounting Standards Council (Chairman), Singapore  
Accountancy Commission (Chairman), Public Service  
Commission (Member).

**Directorships in other listed companies held over the preceding three years:**

Chemoil Energy Limited.

**Past key appointment(s):**

PricewaterhouseCoopers, Singapore (Executive Chairman),  
National Healthcare Group Pte Ltd (Chairman), Legal Service  
Commission (Member), PSA International Pte Ltd (Director),  
Nanyang Technological University (Trustee).



### Robert Michael Tomlin

#### Non-Executive and Independent Director

**Date of appointment:** 24 September 2004

**Date of last rotation:** AGM 2012 Article 109

**To retire at AGM 2016 under:** N.A.

**Age as at 31 December 2015:** 70

**Committee(s) served on:**

Board Risk Committee (Chairman),  
Audit and Compliance Committee (Member),  
Capital and Investment Committee  
(Member – retired 30 October 2014),  
Corporate Responsibility and Sustainability Committee (Member).

**Academic and professional qualification(s):**

Bachelor in Modern Language, Downing College, Cambridge  
Business Management Graduate, Harvard Business School.

**Directorships in other listed companies:** Nil

**Other principal commitments:**

Lepercq de Neuflyze Asia Pte Ltd (Vice Chairman), Dane Court  
Pte Ltd (Executive Director), Lasalle College for the Arts Limited  
(Non-Executive Director).

**Major appointments (other than Directorships):**

DesignSingapore Council (Chairman), Singapore Management  
University (Trustee), Singapore Repertory Theatre (Chairman),  
Yong Siew Toh Conservatory (Governor).

**Directorships in other listed companies held over the preceding three years:** Nil

**Past key appointment:**

Mediacorp Pte Ltd (Director), Aviva Ltd (Director), Aviva Life  
Insurance Co. Ltd (Director).



## Jean-Paul Pinard

### Non-Executive and Independent Director

**Date of appointment:** 29 October 2008

**Date of last rotation:** AGM 2012 Article 103

**To retire at AGM 2016 under:** N.A.

**Age as at 31 December 2015:** 65

**Committee(s) served on:**

Corporate Responsibility and Sustainability Committee (Chairman),  
Capital and Investment Committee (Member),  
Human Resource and Compensation Committee (Member).

**Academic and professional qualification(s):**

PhD in Economics, University of California  
Diplôme d'Ingénieur, École Polytechnique, Paris.

**Directorships in other listed companies:** Nil

**Other principal commitments:** Nil

**Major appointments (other than Directorships):** Nil

**Directorships in other listed companies held over the preceding three years:**

Yantai Changyu Pioneer Wine Company Limited (Director).



## Sanjiv Misra

### Non-Executive and Independent Director

**Date of appointment:** 1 November 2013

**Date of last rotation:** AGM 2014 Article 109

**To retire at AGM 2016 under:** N.A.

**Age as at 31 December 2015:** 56

**Committee(s) served on:**

Capital and Investment Committee (Chairman),  
Human Resource and Compensation Committee (Member),  
Board Risk Committee (Member).

**Academic and professional qualification(s):**

Bachelor's Degree in Economics, St Stephen's College,  
University of Delhi, India

Postgraduate Degree in Management, University of Delhi,  
Indian Institute of Management, Ahmedabad

Master in Management, J.L. Kellogg Graduate School of  
Management, Northwestern University.

**Directorships in other listed companies:**

Edelweiss Financial Services Ltd (Independent Director),  
OUE Hospitality Trust Management Pte. Ltd. (Independent  
Director), OUE Hospitality REIT Management Pte. Ltd.  
(Independent Director).

**Other principal commitments:**

Phoenix Advisers Pte. Ltd. (President and Director), Edelweiss  
Capital (Singapore), Pte Ltd (Independent Director).

**Major appointments (other than Directorships):**

Singapore Management University (Trustee), National University  
Health System (Board Member).

**Directorships in other listed companies held over the preceding three years:**

Dart Energy Ltd (ASX-listed).





**Nihal Vijaya Devadas Kaviratne, CBE**  
**Non-Executive and Independent Director**

**Date of appointment:** 1 October 2014

**Date of last rotation:** AGM 2014 S.153(6)

**To retire at AGM 2016 under:** Article 103

**Age as at 31 December 2015:** 71

**Committee(s) served on:**

Audit and Compliance Committee (Member),  
Corporate Responsibility and Sustainability Committee (Member).

**Academic and professional qualification(s):**

Bachelor of Arts, Economics (Honours), Bombay University, India

**Directorships in other listed companies:**

Akzo Nobel India Limited (Chairman), DBS Group Holdings Ltd (Director), GlaxoSmithKline Pharmaceuticals Ltd (Director), SATS Ltd (Director), StarHub Ltd (Director).

**Other principal commitments:**

DBS Bank Ltd (Director), DBS Foundation Ltd (Director), TVS Motor (Singapore) Pte. Limited (Director), Wildlife Reserves Singapore Pte Ltd (Director), PT TVS Motor Company (President Commissioner), Bain & Company SE Asia, Inc (Member, Advisory Board for South East Asia/Indonesia).

**Major appointments (other than Directorships):**

Private Sector Portfolio Advisory Committee in India of the UK Government's Department for International Development (Member).

**Directorships in other listed companies held over the preceding three years:**

Titan Company Limited (Director).



**Yap Chee Keong**  
**Non-Executive and Independent Director**

**Date of appointment:** 1 December 2015

**Date last rotation:** N.A.

**To retire at AGM 2016 under:** Article 109

**Age as at 31 December 2015:** 56

**Committee(s) served on:**

Audit and Compliance Committee (Member/Chairman designate),  
Board Risk Committee (Member),  
Governance and Nomination Committee (Member).

**Academic and professional qualifications:**

Bachelor of Accountancy, National University of Singapore and elected a fellow member of the Institute of Singapore Chartered Accountants and Certified Public Accounts, Australia

**Directorships in other listed companies held over the preceding three years:**

Straits Trading Limited (Director), CapitaMalls Asia Limited (Director) and Hup Soon Global Corporation Limited (Director).

**Past key appointments:**

Singapore Power Group (CFO).

**Directorships in other listed companies:**

Olam International Limited (Director), InterOil Corporation (Director), The Straits Trading Company Limited (Director), ARA Asset Management Limited (Director),  
Tiger Airways Holdings Limited (Director).

**Other principal commitments:** NIL

**Major appointments (other than Directorships):**

Board Member of the Accounting and Corporate Regulatory Authority and a member of the Public Accountants Oversight Committee.

**Directorships in other listed companies held over the preceding three years:**

CapitaMalls Asia Limited (Director) and Hup Soon Global Corporation Limited (Director).

**Past key appointments:**

Straits Trading Limited (Director) and Singapore Power Group (CFO).



**Marie Elaine Teo**  
**Non-Executive and Independent Director**

**Date of appointment:** 1 December 2015

**Date of last rotation:** N.A

**To retire at AGM 2016 under:** Article 109

**Age as at 31 December 2015:** 49

**Committee(s) served on:**

Board Risk Committee (Member/Chairman designate),  
 Capital and Investment Committee (Member),  
 Corporate Responsibility and Sustainability Committee (Member).

**Academic and professional qualifications:**

Bachelors of Arts (Honours) in Experimental Psychology,  
 Oxford University.

**Directorships in other listed companies:** Nil

**Other principal commitments:**

Senior Advisor and Partner at the Holdingham Group Ltd..

**Major appointments (other than Directorships):** Nil

**Directorships in other listed companies held over the preceding three years:** Nil

**Past key appointments:** Nil



**Yutaka Kyoya**  
**Non-Executive Director**

**Date of appointment:** 1 November 2015

**Date of last rotation:** N.A.

**To retire at AGM 2016 under:** Article 109

**Age as at 31 December 2015:** 54

**Committee(s) served on:**

Capital and Investment Committee (Member),  
 Board Risk Committee (Member),  
 Human Resource and Compensation Committee (Member).

**Academic and professional qualifications:**

Degree in Commerce, Waseda University Tokyo.

**Directorships in other listed companies:** Nil

**Other principal commitments:**

Senior Vice President of Mitsubishi Corporation.

**Major appointments (other than Directorships):** Nil

**Directorships in other listed companies held over the preceding three years:** Nil

**Past key appointments:** Nil



**Katsuhiro Ito**  
**Non-Executive Director**

**Date of appointment:** 1 November 2015

**Date of last rotation:** N.A.

**To retire at AGM 2016 under:** Article 109

**Age as at 31 December 2015:** 56

**Committee(s) served on:**

Audit and Compliance Committee (Member),  
 Corporate Responsibility and Sustainability Committee (Member),  
 Governance and Nomination Committee (Member).

**Academic and professional qualifications:**

Degree in Economics, Yokohama National University,  
 Advanced Management Program, Harvard Business School.

**Directorships in other listed companies:** Nil

**Other principal commitments:**

Senior Vice President of Mitsubishi Corporation.

**Major appointments (other than Directorships):** Nil

**Directorships in other listed companies held over the preceding three years:** Nil

**Past key appointments:** Nil



**Shekhar Anantharaman**  
**Executive Director and Group Chief Operating Officer**

**Date of appointment:** 1 April 1998

**Date of last rotation:** AGM 2014 Article 103

**To retire at AGM 2016 under:** N.A.

**Age as at 31 December 2015:** 52

**Committee(s) served on:**

Capital and Investment Committee (Member),  
 Corporate Responsibility and Sustainability Committee (Member).

**Academic and professional qualification(s):**

Bachelor's Degree in Aeronautical Engineering,  
 Panjab University, India  
 Postgraduate Degree in Business Management,  
 Panjab University, India  
 Advanced Management Program, Harvard Business School.

**Directorships in other listed companies:** Nil

**Other principal commitments:** Nil

**Major appointments (other than Directorships):** Nil

**Directorships in other listed companies held over the preceding three years:** Nil

**Past key appointments:** Nil



### The Olam Board of Directors

12 Directors: 8 Independent, 2 Non-Executive and 2 Executive Directors	<b>Board members</b> Sunny George Verghese Michael Lim Choo San Robert Michael Tomlin Jean-Paul Pinard Sanjiv Misra Nihal Vijaya Devadas Kaviratne, CBE Yap Chee Keong Marie Elaine Teo Katsuhiko Ito Yutaka Kyoya Shekhar Anantharaman	<b>Key objectives</b> To provide entrepreneurial leadership, set strategic objectives, and ensure that the necessary resources are in place to meet the Company's objectives; and to review the execution and implementation of long-term strategy plans.
<b>Chairman</b> <b>Kwa Chong Seng</b>		

### Audit and Compliance Committee (ACC)

4 Independent and 1 Non-Executive Directors	<b>Committee members</b> Robert Michael Tomlin Nihal Vijaya Devadas Kaviratne, CBE Katsuhiko Ito Yap Chee Keong	<b>Key objectives</b> To assist the Board in discharging its statutory and other responsibilities on internal controls, financial and accounting matters, operational and compliance controls, and business and financial risk management policies and systems; and to review and report on the effectiveness of the same.
<b>Chairman</b> <b>Michael Lim Choo San</b>		

### Board Risk Committee (BRC)

5 Independent, 1 Non-Executive and 1 Executive Directors	<b>Committee members</b> Michael Lim Choo San Sanjiv Misra Yap Chee Keong Marie Elaine Teo Yutaka Kyoya Sunny George Verghese	<b>Key objectives</b> To review the Group's guidelines, policies and systems for assessing and managing risks; review and recommend risk limits and budgets; review risk exposure reports; identify and evaluate new risks; and review market compliance updates and report to the Board.
<b>Chairman</b> <b>Robert Michael Tomlin</b>		

### Capital and Investment Committee (CIC)

4 Independent, 1 Non-Executive and 2 Executive Directors	<b>Committee members</b> Kwa Chong Seng Jean-Paul Pinard Marie Elaine Teo Yutaka Kyoya Shekhar Anantharaman Sunny George Verghese	<b>Key objectives</b> To review and recommend financial strategies, policies, gearing and financial risks, new business risks, and capital structure of the Company; review the Group's capital investment and treasury policies; and evaluate and approve investment policy guidelines and capital expenditure plans.
<b>Chairman</b> <b>Sanjiv Misra</b>		

### Corporate Responsibility and Sustainability Committee (CRSC)

4 Independent and 1 Non-Executive and 1 Executive Directors	<b>Committee members</b> Robert Michael Tomlin Nihal Vijaya Devadas Kaviratne, CBE Marie Elaine Teo Katsuhiko Ito Shekhar Anantharaman	<b>Key objectives</b> To assist the Board in its vision to create value on an ethical, socially responsible and environmentally sustainable basis; and to review the Company's annual Sustainability Report and the Olam Livelihood Charter.
<b>Chairman</b> <b>Jean-Paul Pinard</b>		

### Governance and Nomination Committee (GNC)

3 Independent and 1 Non-Executive Directors	<b>Committee members</b> Yap Chee Keong Katsuhiko Ito Kwa Chong Seng	<b>Key objectives</b> To review the size, skills and composition of the Board to ensure there is adequate representation in respect of issues and challenges; to conduct an annual review of the independence of Directors; and to recommend the appointment and re-appointment of Directors while assessing the effectiveness of the Board and its members.
<b>Chairman</b> <b>Michael Lim Choo San</b>		

### Human Resource and Compensation Committee (HRCC)

3 Independent and 1 Non-Executive Directors	<b>Committee members</b> Jean-Paul Pinard Sanjiv Misra Yutaka Kyoya	<b>Key objectives</b> To review and guide the Company on executive leadership development, executives' compensation framework and equity-based plans; establish succession plans and oversee the process for evaluating the performance of the Group CEO and key executives; and review and recommend the remuneration framework of fees paid to Non-Executive Directors.
<b>Chairman</b> <b>Kwa Chong Seng</b>		

# Management Committee

## Executive Committee

Sunny Verghese	Vivek Verma	Greg Estep
A. Shekhar	Ashok Krishen	Joe Kenny
Sridhar Krishnan	Ashok Hegde	K. C. Suresh
Jagdish Parihar	V. Srivathsan	
Gerard Manley	Ranveer Chauhan	

## Operating Committee

Amit Suri	Mahesh Menon	Ravi Pokhriyal
Anupam Jindel	Mukul Mathur	S. Venkita Padmanabhan
Devashish Chaubey	N. Muthukumar	Stephen Driver
Gagan Gupta	Raja Saoud	Supramaniam R.
Jayant Parande	Rajeev Kadam	Suresh Sundararajan
Joydeep Bose	Ramanarayanan M.	
M. D. Ramesh	Ramesh Sundaresan	

Abhishek Sahai	Jeff Pfalzgraf	Sachin Sachdev
Alain Fredericq	Jeronimo Antonio Pereira	Sameer Kaushal
Alex Tan	Jim Fenn	Sameer Patil
Amit Agrawal	Joe West	Sandeep Daga
Amit Khirbat	Juan Antonio Rivas	Sandeep Hota
Anupam Gupta	Kamesh Ellajosyula	Sandeep Jain
Aravind VR	Kaushal Khanna	Sanjay Sacheti
Arouna Coulibaly	L. G. Moorthy	Sathyamurthy M.
Arun Sharma	Manish Dhawan	Saurabh Mehra
Ashish Govil	Manoj Vashista	Shankar Rao
Azeez Abdul Syed	Manvinder Singh	Sharad Gupta
Bikash Prasad	Michael Smyth	Sivaswami Raghavan
Bob Dall'Alba	Munish Minocha	Sriram Subramanian
Brijesh Krishnaswamy	Naveen Sharma	Sridhar Krishnan
Chris Beetge	Partheeban Theodore	Sumanta De
Chris Brett	Paul Hutchinson	Sunil Agarwal
Chris Thompson	Prakash Jhanwer	Suresh Ramamurthy
Damien Houlahan	Prakash Kanth	Tejinder Saraon
Darshan Raiyani	Premender Sethi	Thiagaraja Manikandan
Dave DeFrank	Raj Kanwar	Thomas Gregersen
David Watkins	Raj Vardhan	Vasanth Subramanian
Deepak Kaul	Rajeev Raina	Vibhu Nath
G. Srinivaskumar	Ranjan Naik	Vinayak Narain
George Joseph	Ray Steitz	Vipan Kumar
Girish Nair	Richard Hedges	Yeong Chye
Hank Gray	Rinus Hemskerk	
Janaky Grant	Rishi Kalra	

## Secretaries

Tan Tiang Soon Colin  
(Appointed on 31 July 2015)

Yoo Loo Ping  
(Resigned on 31 July 2015)

## Registered office

9 Temasek Boulevard  
#11-02 Suntec Tower Two  
Singapore 038989  
Telephone: (65) 63394100  
Fax: (65) 63399755

## Auditor

Ernst & Young LLP  
One Raffles Quay  
North Tower, Level 18  
Singapore 048583  
Partner in charge:  
Vincent Toong Weng Sum  
(since financial year 30 June 2013)

## Principal bankers

Australia and New Zealand Banking Group Limited  
Banco Bilbao Vizcaya Argentaria S.A  
BNP Paribas  
Commerzbank AG  
Credit Suisse Group AG  
DBS Bank Ltd  
ING Bank N.V.  
JPMorgan Chase Bank, N.A.  
National Australia Bank Limited  
Natixis  
Rabobank International  
Standard Chartered Bank  
The Bank of Tokyo-Mitsubishi UFJ, Ltd  
The Hongkong and Shanghai Banking Corporation Limited  
Commonwealth Bank of Australia  
Mizuho Bank, Ltd  
Westpac Banking Corporation



## General information

This General Information is intended to help readers understand the bases of our financial reporting and analysis contained in this Annual Report 2015.

The Company (Olam International Limited) has changed its fiscal year end from 30 June to 31 December. With this change, the Company's fiscal year 2015 (FY15), which began on 1 July 2014, ended on 31 December 2015. Since that date, the Company follows a January to December fiscal year.

As part of the transition to the new fiscal year, pages 20 to 45 of the Annual Report 2015 present an overview of the Company and the Group's (Olam International Limited and its subsidiaries) financial performance for January 2015 to December 2015 against that of the previous corresponding period from January 2014 to December 2014.

Pro-forma historical financial statements (profit and loss statement, balance sheet, abridged cash flow) as well as business and value chain segmental analysis have been re-stated to the new fiscal year basis from January to December between 2012 and 2014 to facilitate analysis. These were announced in May 2015 and are available on our website ([olamgroup.com/investor-relations](http://olamgroup.com/investor-relations)). Some of the key metrics are presented on pages 6 to 9 in this Annual Report.

The audited statutory accounts from pages 86 to 174 present the financial statements and notes for the 18-month fiscal year from 1 July 2014 to 31 December 2015 (FY15) against the preceding 12-month period from 1 July 2013 to 30 June 2014 (FY14). The financial statements presented in this section are therefore not comparable between the two periods.

## Business segmentation and reporting

For financial reporting purposes, we organise our 16 business platforms into five segments – Edible Nuts, Spices and Vegetable Ingredients; Confectionery and Beverage Ingredients; Food Staples and Packaged Foods; Industrial Raw Materials; and Commodity Financial Services. The table below shows the distribution of platforms across these five segments.

5 business segments	16 platforms
<b>Edible Nuts, Spices and Vegetable Ingredients</b>	1) Edible Nuts (cashews, peanuts, almonds, hazelnuts and sesame) 2) Spices and Vegetable Ingredients (including pepper, onion, garlic and tomato)
<b>Confectionery and Beverage Ingredients</b>	3) Cocoa 4) Coffee
<b>Food Staples and Packaged Foods</b>	5) Rice 6) Sugar and Natural Sweeteners 7) Grains and Animal Feed (including wheat, corn and barley) 8) Palm 9) Dairy 10) Packaged Foods
<b>Industrial Raw Materials</b>	11) Natural Fibres (cotton) 12) Wood Products 13) Rubber 14) Fertiliser 15) Ag Logistics and Infrastructure

<b>Commodity Financial Services (CFS)</b>	16) Commodity Financial Services (Market-making/volatility trading, risk management solutions and commodity funds management)
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In addition, we report our financial performance on the various value chain initiatives across three value chain segments as follows:

3 value chain segments	Value chain activity
<b>Selective upstream</b>	Includes all activities relating to farming (broadacre row crops), plantations (perennial tree crops), dairy farming and forest concessions.
<b>Supply chain</b>	Includes all activities connected with origination and sourcing, primary processing, inland and marine logistics, merchandising, trading, marketing (including value-added services) and risk management of agricultural products, and the CFS platform.
<b>Selective midstream and downstream</b>	Includes all activities relating to secondary processing, contract manufacturing, branded distribution, private label activities and our Ag Logistics and Infrastructure business (Gabon).

## EBITDA and EBITDA/IC

One of the strategic priorities identified in the Strategic Plan for 2014-2016 is to promote a better understanding of Olam's business by enhancing stakeholder communication. In order to track and measure progress against our targets as stated in the Strategic Plan, we have introduced two key financial metrics since 2013 – Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) and EBITDA on average Invested Capital (EBITDA/IC), presented for the Group as well as across business segments and value chain segments.

Absolute EBITDA as a metric is a good indicator to track our progress towards our goal of generating free cash flows on a sustainable basis. EBITDA/IC provides better visibility of the link between the growth in earnings (as reflected by the growth in EBITDA) and the capital invested in each business segment and value chain segment. As Invested Capital captures both the fixed and working capital directly attributed to the business segments and value chain segments, EBITDA/IC is a close proxy for Return on Invested Capital (ROIC).

To facilitate the comparison of financial performance against prior years, EBITDA and EBITDA/IC are presented for the periods from 2012 to 2015.