

# Corporate Governance

FOR THE YEAR ENDED 30 SEPTEMBER 2021

Fraser and Neave, Limited (“**F&N**” or the “**Company**”) is committed to setting and maintaining high standards of corporate governance. To this end, F&N has in place well-defined corporate policies, business practices and internal controls to help F&N and its subsidiaries (the “**Group**”) safeguard its assets and shareholders’ interests whilst pursuing sustainable growth and value-enhancement strategies.

F&N complies with the principles of the Code of Corporate Governance 2018 (the “**Code**”) and is guided in its corporate governance practices by the provisions of the Code. Where there are any deviations from the provisions of the Code, appropriate explanations have been provided.

The Company continues to strive towards maintaining accountability, high standards of corporate governance and corporate transparency.

This report is arranged according to the principles listed in the Code. Principles 1 to 5 deal with board matters, Principles 6 to 8 with remuneration matters, Principles 9 to 10 with accountability and audit, Principles 11 to 12 with shareholder rights and engagement and Principle 13 with managing stakeholder relationships. A summary of compliance with the express disclosure requirements under the provisions of the Code is set out on pages 84 to 85 of this Annual Report.

## A. BOARD MATTERS

### Principle 1: The Board’s Conduct of Affairs

The board of directors of the Company (the “**Board**”) is entrusted with and committed to effective oversight of the business performance and affairs of the Group. The Board also sets good principles of ethics and values for the Group, sets appropriate tone-from-the-top and desired organisational culture, ensures proper accountability within the Group and seeks to ensure that obligations to shareholders and other stakeholders are understood and met.

The Board (a) reviews annual budgets, financial plans, major acquisitions and divestments, funding and investment proposals, (b) monitors the financial performance of the Group and management’s performance, (c) oversees processes for evaluating the adequacy of internal controls, risk management, financial reporting and compliance, (d) assumes responsibility for corporate governance, (e) considers sustainability issues such as environmental and social factors as part of its strategic formulation and (f) ensures compliance by the Group with relevant laws and regulations.

During the financial year ended 30 September 2021, the Board has continued to spend time monitoring the impact of the ongoing COVID-19 pandemic and has been working closely with management in reviewing the business opportunities and challenges posed by the COVID-19 pandemic. Further details on the issues reviewed by the Board in the face of the COVID-19 pandemic (including changes to business fundamentals, the significant risks facing the Group as a result of the pandemic and the acceleration of digitisation efforts within the Group), can be found in the Enterprise Wide Risk Management Report on pages 60 and 61 of this Annual Report and the Company’s Sustainability Report 2021 which can be downloaded at <https://www.fraserandneave.com/investor-relations/corporate-sustainability>.

The Board meets regularly. During Board and board committee meetings, our Directors actively participate, discuss, deliberate and appraise matters requiring attention and decision. If required, time is set aside after scheduled Board meetings for discussions amongst our Directors without the presence of management, as this facilitates a more effective check on management.

In addition, the Lead Independent Director can call and lead meetings of the independent Directors and/or other non-executive Directors when necessary and appropriate without the presence of management to provide a forum for the frank exchange of any concerns which may be difficult to raise in management’s presence. The Lead Independent Director provides feedback to the Chairman of the Board as appropriate. Regular meetings of independent Directors were held during the year under review.

## A. BOARD MATTERS (cont'd)

As at 30 September 2021, the Board comprises 12 Directors, all of whom are non-executive Directors. They are:

Mr Charoen Sirivadhanabhakdi	Chairman
Khunying Wanna Sirivadhanabhakdi	Vice-Chairman
Tengku Syed Badarudin Jamalullail	
Mrs Siripen Sitasuwan	
Mr Timothy Chia Chee Ming <sup>1</sup>	
Mr Charles Mak Ming Ying	
Mr Chan Heng Wing	
Dr Sujittra Sombuntham	
Mr Koh Poh Tiong	
Mr Chotiphat Bijananda	
Mr Thapana Sirivadhanabhakdi	
Mr Sithichai Chaikriangkrai	

The Board has also approved the appointment of the following Alternate Directors:

Mr Michael Chye Hin Fah	(Alternate Director to Mr Thapana Sirivadhanabhakdi)
Mr Prapakon Thongtheppairot	(Alternate Director to Mr Sithichai Chaikriangkrai)

**Note:**

<sup>1</sup> As announced on 5 November 2021, Mr Timothy Chia Chee Ming will step down as a Director at the end of 31 December 2021, and Mr Ng Tat Pun will be appointed as a Director with effect from 1 January 2022.

Please refer to pages 14 to 23 of this Annual Report for key information of each Director.

### Delegation of Authority on certain Board Matters

In order to efficiently provide strategic oversight of F&N, the Board delegates specific areas of responsibilities to five board committees (the “**Board Committees**”) namely, the Board Executive Committee, the Audit Committee, the Nominating Committee, the Remuneration Committee and the Sustainability and Risk Management Committee.

Each Board Committee is governed by clear written terms of reference (the “**Terms of Reference**”) setting out their composition, authorities and duties (including reporting back to the Board), which have been approved by the Board. The determination, amendment or alteration of the Terms of Reference of any Board Committee is a matter reserved for the Board’s approval.

Minutes of all Board Committee meetings are circulated to the Board so that directors of the Company (the “**Directors**”) are aware of and kept updated as to the proceedings and matters discussed during such meetings.

The Company also adopts a framework of delegated authorisations in its Manual of Authority (“**MOA**”), which is clearly communicated to management in writing. The MOA defines the procedures and levels of authorisation required for specified transactions. It sets out approval limits for operating and capital expenditure as well as acquisitions and disposals of assets and investments. The MOA authorises the Board Executive Committee (“**Board Exco**”) to approve certain transactions up to specified limits, beyond which the approval of the Board needs to be obtained. Below the Board and Board Exco levels, there are appropriate delegation of authority and approval sub-limits at management level, to facilitate operational efficiency. Under the MOA, certain matters such as approval of credit facilities, approval of annual capital budget and annual operating budget are matters specifically reserved for the approval of the Board. Board approval is also required for material transactions, such as major acquisitions, divestments, funding and investment proposals.

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## A. BOARD MATTERS (cont'd)

### Conflicts of Interest

To address and manage possible conflicts of interest that may arise between Directors' interests and those of the Group, the Company has put in place appropriate procedures which apply in addition to the Directors' obligation to comply with disclosure obligations under the Company's Constitution and the Companies Act (Chapter 50) (the "**Companies Act**"). Directors are required to promptly declare any conflict of interest at a meeting of the Directors or by written notification to the company secretary (the "**Company Secretary**") and they are required to take such action as is necessary to effectively resolve the conflict (for instance recusing themselves by refraining from participating in meetings or discussions (or relevant segments thereof) and by abstaining from voting, on any matter in which they are interested or conflicted).

### Board Executive Committee

The Board Exco assists the Board in formulating strategic development initiatives, provides direction for new investments and material financial and non-financial matters to ensure that the Group achieves its desired performance objectives and enhances long-term shareholder value. It assists the Board in enhancing its business strategies and contributes towards the strengthening of core competencies of the Group. The Board Exco reviews and approves corporate decisions, such as capital investments, and acquisitions, investments and divestments (other than those which are material to the Company requiring Board approval). The Board Exco also reviews and approves succession plans in respect of senior management of the Company and oversees the Company's and the Group's conduct of business and corporate governance structure.

The Board Exco is made up of the following members:

Mr Koh Poh Tiong	Chairman
Mr Thapana Sirivadhanabhakdi	Vice-Chairman
Mr Sithichai Chaikriangkrai	Member
Mr Michael Chye Hin Fah	Member
Mr Prapakon Thongtheppairot	Member

The activities and responsibilities of the other Board Committees are described in the following sections of this report.

### Meetings of the Board and Board Committees

The Board and its various Board Committees meet regularly, and also as required by business needs or if their members deem it necessary or appropriate to do so. Directors attend and actively participate in Board and Board Committee meetings. For the financial year ended 30 September 2021, the Board met five times. A table showing the attendance record of the directors at meetings of the Board and Board Committees as well as at the general meeting of shareholders during the financial year ended 30 September 2021 is set out on page 65 of this Annual Report.

The Directors are also given direct access to the management team of the Group's business divisions<sup>1</sup> through presentations at Board and Board Committee meetings. Where required or requested by Board members, site visits and meetings with personnel from the Group's business divisions are also arranged in order for Directors to have an intimate understanding of the key business operations of each division. The Company's Constitution provides for Board members who are unable to attend physical meetings to participate through telephone conference, video conference or any other forms of electronic or instantaneous communication facilities.

#### Note:

<sup>1</sup> The Group's business divisions are as follows: Food & Beverage (Non-Alcoholic Beverages), Food & Beverage (Beer) and Publishing & Printing.

## A. BOARD MATTERS (cont'd)

The number of Board meetings, Board Committee meetings and general meetings of shareholders held in the financial year ended 30 September 2021 and the attendance of Directors at these meetings are as follows:

	Board	Board Exco	Audit Committee	Sustainability and Risk Management Committee	Remuneration Committee	Nominating Committee	General Meetings
<b>Meetings held for the financial year ended 30 September 2021</b>	5	6	5	3	2	3	1
Mr Charoen Sirivadhanabhakdi	5/5	-	-	-	-	-	1/1
Khunying Wanna Sirivadhanabhakdi	5/5	-	-	-	-	-	1/1
Tengku Syed Badarudin Jamalullail	5/5	-	-	-	-	3/3	1/1
Mrs Siripen Sitasuwan	5/5	-	5/5	-	2/2	3/3	1/1
Mr Timothy Chia Chee Ming	5/5	-	5/5	-	2/2	-	1/1
Mr Charles Mak Ming Ying	5/5	-	-	-	-	-	1/1
Mr Chan Heng Wing	5/5	-	-	-	-	-	1/1
Dr Sujittra Sombuntham	5/5	-	-	-	-	-	1/1
Mr Koh Poh Tiong	5/5	6/6	-	3/3	-	-	1/1
Mr Chotiphat Bijananda	5/5	-	-	-	-	-	1/1
Mr Thapana Sirivadhanabhakdi	5/5	6/6	-	3/3	2/2	3/3	1/1
Mr Sithichai Chaikriangkrai	5/5	6/6	5/5	3/3	-	-	1/1
Mr Michael Chye Hin Fah (Alternate Director)	-	6/6	-	3/3	-	-	1/1
Mr Prapakon Thongtheppairot (Alternate Director)	-	5/6	-	3/3	-	-	1/1

### Orientation and Training for Directors

The Nominating Committee (“NC”) reviews and makes recommendations to the Board on matters relating to the training and professional development programmes for the Board and its Directors. The NC also has overall oversight to ensure that new Directors are aware of their duties and obligations. Upon appointment, each new Director is issued a formal letter of appointment setting out his or her roles, duties and obligations as a Director of the Company, including their responsibilities as fiduciaries and how to deal with conflicts of interest that may arise. A comprehensive orientation programme is also conducted by the Chief Executive Officers of each of the Group’s business divisions (“CEOs”) and senior management to familiarise new appointees with the business activities, strategic directions, policies and corporate governance practices of the Group as well as their statutory and other duties and responsibilities as Directors. This programme allows new Directors to get acquainted with the CEOs and senior management, and also facilitates and fosters better rapport and communication with management. Unless the NC is of the view that training is not required because a Director has other relevant experience, any new Director appointed to the Board, who has no prior experience as a director of an issuer listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”), must undergo mandatory training in his or her roles and responsibilities as prescribed by the SGX-ST.

Our Directors are regularly updated on the Group’s businesses and the regulatory and industry-specific environments in which the entities of the Group operate. Updates on relevant legal, regulatory and technical developments and good corporate governance may be in writing or disseminated by way of briefings, presentations and/or handouts. The Board is also regularly updated on the latest key changes to any applicable legislation and changes to the SGX-ST Listing Rules (“Listing Rules”) as well as developments in accounting principles, by way of briefings held by the Company’s lawyers and auditors. To ensure that Directors can fulfil their obligations and to continually improve performance of the Board, all Directors are encouraged by the Company to undergo continual professional development at the Company’s expense, during the term of their appointment. Our Directors are also encouraged to be members of the Singapore Institute of Directors (“SID”) and to receive journal updates and training from SID in order to stay abreast of relevant developments in financial, legal and regulatory requirements.

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## A. BOARD MATTERS (cont'd)

### Access to Information

The Company recognises the importance of providing the Board with complete, accurate and relevant information on a timely basis. This is to give the Board and Board Committees sufficient time to critically evaluate and consider issues relevant to the Company and its businesses and operations. This also allows our Directors to effectively carry out their duties and discharge their oversight function. In particular, management provides the Board with detailed Board papers specifying relevant information and commercial rationale for each proposal for which Board approval is sought. Such information includes relevant financial statements, management accounts, financial forecasts, risk analyses and assessments, mitigation strategies, feasibility studies and key commercial issues for the Board's attention and consideration. Reports on major operational matters, business development activities, financial performance, potential investment opportunities and budgets are also circulated to the Board.

During the course of the year under review, the Board was kept promptly informed of the implementation of the Company's COVID-19 business continuity plan.

The Company continued to closely monitor developments on the COVID-19 situation within the Group and each of the business divisions and the crisis management steering committee coordinated the escalation of information regarding any impact and mitigation measures to the Board.

The Board was also regularly updated on relevant legal and regulatory requirements in light of the evolving COVID-19 situation.

A calendar of activities is scheduled for the Board a year in advance. The Company recognises that information should be supplied to the Board in a timely manner and as far as possible, Board papers and agenda items are dispatched to the Directors about a week before scheduled meetings. This is to give Directors sufficient time to review and consider the matters being tabled and/or discussed so that discussions can be more meaningful and productive. Senior management is requested to attend meetings of the Board and the Board Committees in order to provide input and insight into matters being discussed, and to respond to any queries that the Directors may have.

The Board also has separate and independent access to the Company's management and the Company Secretary.

The Company Secretary is responsible for, among other things, ensuring that Board procedures, the Company's Constitution and relevant rules and regulations, including requirements of the Securities and Futures Act (Chapter 289) (the "SFA"), Companies Act and Listing Rules are complied with. The Company Secretary attends all Board meetings and provides advice and guidance on corporate governance practices and processes with a view to enhancing long-term shareholder value.

The Company Secretary also facilitates and acts as a channel of communication to ensure good information flow within the Board and its various Board Committees, as well as between and with senior management. In addition, the Company Secretary solicits and consolidates Directors' feedback and evaluations from time to time, and arranges for and facilitates orientation programmes for new Directors and assists with their professional development as required. The Company Secretary is the Company's primary channel of communication with SGX-ST.

The appointment and removal of the Company Secretary is subject to the approval of the Board. Where it is necessary for the efficacious discharge of their duties, the Directors may seek and obtain independent professional advice at the Company's expense.

### Principle 2: Board Composition and Guidance

The Board and Board Committees are of an appropriate size and possess an appropriate balance and mix of skills, experience and knowledge. The Board is diversified in terms of age, gender and nationality. The Board comprises highly qualified and effective members who are responsible for providing overall entrepreneurial leadership and setting strategic objectives for the long-term success of the Group.

## A. BOARD MATTERS (cont'd)

Provision 2.2 of the Code provides that independent directors should make up a majority of the Board where the Chairman of the Board is not independent. As at 30 September 2021, the F&N Board, which is chaired by a non-independent Chairman, comprises 12 non-executive Directors, of whom six (i.e. half) are independent. While the Company is working towards adjusting its Board composition with a view to complying with Provision 2.2 of the Code, it is cognisant that it is also in the interest of the Group to preserve the balance and mix of skills, experience and knowledge offered by the current Board, which is appropriate for the nature and scope of the Group's current operations. The Board is already entirely made up of non-executive Directors, which serves to reinforce management accountability and which is adequate to ensure that there is an appropriate balance or power within the Board even though independent Directors do not make up a majority. In addition, each of the NC, Remuneration Committee and Audit Committee comprise a majority of and are chaired by independent Directors, and there is a Lead Independent Director who can address shareholders where they have concerns for which contact through the Chairman is inappropriate. Matters requiring the Board's approval are discussed robustly with participation from each member of the Board and decisions are made collectively without any individual or select group of individuals dominating the decision-making process, and Directors are required to take the necessary actions to resolve any conflict of interest they might have, including recusing themselves from meetings or discussions or abstaining from voting on matters in which they are interested or conflicted. In view of the foregoing, the NC and the Board are of the view that the Board has an appropriate level of independence through the collective weight of the current independent Directors on the Board and on the Board Committees, and that the Board procedures and codes of conduct which are already in place are sufficient, to ensure that the Board makes decisions in the best interests of the Company, which is in line with the intent of Principle 2 of the Code.

Based on the declarations of independence which are submitted by the Directors annually and reviewed by the NC, none of the independent Directors has any relationship with the Company, its related corporations<sup>1</sup>, its substantial shareholders<sup>2</sup> or the officers of the Company that could interfere, or be reasonably perceived to interfere, with the exercise of their independent business judgement in the best interests of the Company. In particular, none of the independent Directors is or has been employed by the Company or any of its related corporations in the current or any of the past three financial years or has an immediate family<sup>3</sup> member who is employed or has been employed by the Company or any of its related corporations in the current or any of the past three financial years, and whose remuneration is or was determined by the Remuneration Committee of the Company.

With respect to the year under review, the NC considered, in particular, Mr Timothy Chia Chee Ming's role as an independent non-executive director of Thai Beverage Public Company Limited ("**ThaiBev**") which is a substantial shareholder of the Company. The NC was satisfied that Mr Chia's role as an independent non-executive director of ThaiBev did not affect his continued ability to exercise strong objective judgement and to be independent in the expression of his views and in his participation in the deliberation and decision making of the Board and Board Committees of which he is a member.

The six independent Directors on the F&N Board help to uphold good corporate governance at the Board level and their presence facilitates the exercise of objective independent judgment on corporate affairs. Their participation and input also ensures that key issues and strategies are critically reviewed, constructively challenged, fully discussed and thoroughly examined, always taking into account the long-term interests of F&N and its shareholders. As at 30 September 2021, none of the independent Directors have served on the Board for more than nine years continuously.

### Notes:

- 1 The Code states that "**related corporation**" in relation to a company shall have the same meaning as currently defined under the Companies Act i.e. a corporation that is the company's holding company, subsidiary or fellow subsidiary.
- 2 Under the Code, the term "**substantial shareholder**" refers to a shareholder who has an interest or interests in one or more voting shares (excluding treasury shares) in the company and the total votes attached to that share, or those shares, is not less than 5% of the total votes attached to all voting shares (excluding treasury shares) in the company, in line with the definition set out in section 2 of the SFA.
- 3 Under the Listing Rules, the term "**immediate family**" refers to the person's spouse, child, adopted child, step-child, sibling and parent.

The NC undertakes an annual review of the size and composition of the Board to ensure alignment with the needs of the Group. The NC is of the view that the current size and composition of the F&N Board helps avoid groupthink, foster constructive debate, facilitates effective decision-making and is appropriate for the scope and nature of the Group's operations. Taking into account the requirements of the Group's businesses and the need to avoid undue disruptions from changes to the Board and Board Committees, the NC is of the view that the current size of the Board is not so large as to be unwieldy or as to interfere with efficient decision-making. No individual or group dominates the Board's decision-making process. The NC is of the view that there is an appropriate balance of expertise and skills amongst the Directors as they collectively bring with them a broad range of complementary competencies and experience.



# Corporate Governance

FOR THE YEAR ENDED 30 SEPTEMBER 2021

## A. BOARD MATTERS (cont'd)

The Company has also adopted a Board Diversity Policy which sets out the approach which the Company takes towards diversity on its Board. The Board Diversity Policy recognises that a diverse Board would be beneficial to the Company as it would allow for the harnessing of a variety of skills, industry and business experiences, gender, age, ethnicity, cultural, educational and geographical background and other distinguishing qualities of members of the Board. The NC will monitor and implement the Board Diversity Policy and will take the principles of the policy into consideration when determining the optimal composition of the Board, and when recommending any proposed changes to the Board. The policy also provides that the NC will review and assess the structure and composition of the Board and recommend to the Board such adjustments as it may deem necessary in order to complement the Company's objective and strategies. Although there were no Board composition changes during the financial year ended 30 September 2021, the Company remains committed to implementing the Board Diversity Policy and any progress made towards the implementation of such policy will be disclosed in future Corporate Governance Reports, as appropriate. The current Board composition reflects the Company's commitment to Board diversity, especially in terms of female representation (25%), geographical background and experience (Singapore, Thailand and Malaysia) and diverse age range (46 to 78 years).

The Board views diversity at the Board level as an essential element for driving value in decision-making and proactively seeks as part of its diversity policy to maintain an appropriate balance of expertise, skills and attributes among the Directors. This is reflected in the diversity of backgrounds and competencies of our Directors, whose competencies range from banking, finance and accounting to relevant industry knowledge, entrepreneurial and management experience, and familiarity with regulatory requirements and risk management. This is beneficial to the Company and its management as decisions by, and discussions with, the Board are enriched by the broad range of views and perspectives and the breadth of experience of our Directors.

### Principle 3: Chairman and Chief Executive Officer

The Chairman of the Company and the CEOs are separate persons to ensure an appropriate balance and separation of power, increased accountability, and greater capacity of the Board for independent decision making. The Chairman, who is non-executive, is not related to any of the CEOs. There is no business relationship between him and any of these CEOs. Likewise, none of the CEOs are related to each other, and neither is there any other business relationship between or among them. The division of responsibilities between the Chairman and the CEOs is clearly set out in writing. Having clarity of their respective responsibilities and separating the respective roles avoids concentration of power, ensures a degree of checks and balances, increases accountability and ensures greater capacity of the Board for independent decision making.

The Chairman leads the Board and ensures its effectiveness by, among other things, steering effective, productive and comprehensive discussions amongst Board members and the management team on strategic, business and other key issues pertinent to the businesses and operations of the Group. In addition, the Chairman promotes a culture of openness and debate at Board meetings and also ensures, with the support of the Company Secretary, that Directors are provided with clear, complete and timely information to enable them to make sound, informed decisions.

The Chairman encourages active and effective engagement, participation and contribution from all Directors, and facilitates constructive relations among and between them and management. With the full support of the Board, the Company Secretary and management, the Chairman facilitates and encourages the Company in its bid to promote and maintain high standards of corporate governance and transparency. The Chairman also sees to it that there is overall effective communication to and with shareholders on the performance of the Group. In turn, the CEOs are responsible for executing the Group's strategies and policies and are accountable to the Board for the conduct and performance of the respective business operations under their charge.

### Lead Independent Director

Tengku Syed Badarudin Jamalullail, Chairman of the NC, was appointed as Lead Independent Director on 7 May 2015. As the Lead Independent Director, he serves in a lead capacity to coordinate the activities of the independent Directors when necessary and especially where the Chairman is conflicted. The Lead Independent Director is available to address shareholders where they have concerns for which contact through normal channels such as the Chairman, the CEOs or the Chief Financial Officer of the Company is inappropriate or inadequate. As disclosed above, the Lead Independent Director also has the authority to call and lead meetings of the independent Directors when necessary and appropriate and to provide feedback to the Chairman after such meetings.

## A. BOARD MATTERS (cont'd)

### Principle 4: Board Membership

#### Nominating Committee

The Nominating Committee is made up of the following Directors:

Tengku Syed Badarudin Jamalullail	Chairman
Mrs Siripen Sitasuwan	Member
Mr Thapana Sirivadhanabhakdi	Member

A majority of the members of this Board Committee, including its Chairman, are independent and non-executive Directors. The Lead Independent Director, Tengku Syed Badarudin Jamalullail is the Chairman of the NC.

The NC is guided by written Terms of Reference, which are approved by the Board. The Terms of Reference clearly set out the authority and duties of the NC. The responsibilities of the NC include reviewing the structure, size, composition and independence of the Board and its Board Committees. The NC also identifies the balance of skills, qualification, experience and diversity required for the Board to discharge its responsibilities effectively and nominates candidates to meet the needs and requirements of the Group. Apart from the foregoing, the NC also reviews and makes recommendations to the Board on the succession plans for the Directors, the Board Chairman and the key management personnel (including the CEOs).

#### Independence

The NC determines the independence of each Director annually and as and when circumstances require, based on the definitions set out in the Listing Rules and the guidelines of independence set out in the Code and its accompanying Practice Guidance. The NC provides its views to the Board for the Board's consideration.

Directors are expected to disclose any relationships with the Company, its related corporations, its substantial shareholders or its officers which may affect their independence, as and when they arise. In particular, the independent Directors are given an independence declaration form each year, under which they are asked to assess their own independence annually, with specific references to the relevant provisions in the Listing Rules, the Code and its accompanying Practice Guidance.

Based on the declarations of independence of the Directors and having regard to the circumstances set forth in Rule 210(5)(d) of the SGX-ST Listing Manual, Provision 2.1 of the Code and the accompanying Practice Guidance and based on the review and recommendations of the NC, the Board has, for the financial year ended 30 September 2021, determined the status of each Director as follows:

Mr Charoen Sirivadhanabhakdi <sup>1</sup>	Non-Independent
Khunying Wanna Sirivadhanabhakdi <sup>1</sup>	Non-Independent
Tengku Syed Badarudin Jamalullail	Independent
Mrs Siripen Sitasuwan	Independent
Mr Timothy Chia Chee Ming	Independent
Mr Charles Mak Ming Ying	Independent
Mr Chan Heng Wing	Independent
Dr Sujittra Sombuntham	Independent
Mr Koh Poh Tiong <sup>2</sup>	Non-Independent
Mr Chotiphat Bijananda <sup>3</sup>	Non-Independent
Mr Thapana Sirivadhanabhakdi <sup>4</sup>	Non-Independent
Mr Sithichai Chaikriangkrai <sup>5</sup>	Non-Independent

#### Notes:

- Each of Mr Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi are directly or indirectly interested in not less than five percent (5%) of the total voting shares in the Company through their interests in TCC Assets Limited ("TCCA") and ThaiBev. As at 30 September 2021, TCCA has a direct interest of 59.10% in the Company and ThaiBev, through its indirect wholly-owned subsidiary InterBev Investment Limited, holds a 28.41% interest in the Company. Mr Charoen Sirivadhanabhakdi is married to Khunying Wanna Sirivadhanabhakdi.
- Mr Koh Poh Tiong is also an adviser to the Board, and has received compensation for provision of services other than Director's fees.
- Mr Chotiphat Bijananda is the son-in-law of Mr Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi and is a director of TCCA.
- Mr Thapana Sirivadhanabhakdi being a son of Mr Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi is an immediate family member of a substantial shareholder of the Company.
- Mr Sithichai Chaikriangkrai is a Director, Senior Executive Vice-President and Group Chief Financial Officer of ThaiBev.



# Corporate Governance

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## A. BOARD MATTERS (cont'd)

### Process and Criteria for Appointment of New Directors and Re-Appointment of Existing Directors

The NC also takes the lead in identifying, evaluating and selecting suitable candidates for appointment as Directors. In its search and selection process, the NC considers factors such as the ability of the prospective candidate to contribute to discussions, deliberations and activities of the Board and Board Committees. It also reviews the composition of the Board, including the mix of expertise, skills and attributes of existing Directors, so as to identify needed and/or desired competencies to supplement the Board's existing attributes. Where it deems necessary or appropriate, the NC may tap on its networking contacts and/or engage external professional headhunters to assist with identifying and shortlisting candidates. The NC will also take into consideration whether a candidate had previously served on the board of companies with adverse track records or a history of irregularities and assess whether a candidate's resignation from the board of any such company would cast any doubt on his ability to act as a Director of the Company.

The NC reviews all nominations for appointments and re-appointments to the Board and to Board Committees (including Alternate Directors), and submits its recommendations for approval by the Board, taking into account an appropriate mix of core competencies for the Board to fulfil its roles and responsibilities and the need for progressive renewal of the Board.

The Company's Constitution provides that at least one-third of its Directors shall retire from office and are subject to re-election at every Annual General Meeting of the Company ("**AGM**"). All Directors are required to retire from office at least once every three years. The NC will assess and evaluate whether Directors retiring at each AGM are properly qualified for re-appointment by virtue of their skills, experience and contributions. Newly appointed Directors during the year must also submit themselves for retirement and re-election at the next AGM immediately following their appointment. The shareholders approve the appointment or re-appointment of Board members at the AGM.

Where Directors step down from the Board, cessation announcements providing detailed reason(s) for the cessation are released on SGXNet in compliance with the requirements of the SGX-ST Listing Manual.

### Review of Director's Time Commitments

The NC also appraises the performance of the Board as a whole, and the contribution of each Director to the effectiveness of the Board. The NC determines annually whether Directors who hold multiple board representations and other principal commitments are able to and have been devoting sufficient time and attention to carry out their duties and discharge their responsibilities adequately. Details of other directorships (including listed company directorships) and other principal commitments of each of the Directors may be found on pages 14 to 23 of this Annual Report.

Instead of prescribing a maximum number of directorships and/or other principal commitments that each Director may have, the NC adopts a holistic assessment of each Director's individual capacity and circumstances to carry out his or her duties, taking into consideration not only the number of other board and principal commitments held by each Director, but also the nature and complexity of such commitments.

In determining whether each Director is able to devote sufficient time to discharge his or her duties as a director of the Company, the NC considers the attendance and contributions by each Director to and during meetings of the Board and relevant Board Committees and their personal capabilities are holistically assessed and taken into account. Having regard to each Director's attendance record and degree of participation at Board and Board Committee meetings during the year, the NC is of the view that all the Directors were able to effectively discharge their duties to the Company by being able to participate in meetings, devote sufficient time and attention to the affairs of the Company and adequately discharge their duties. The NC is therefore satisfied that during the year, where a Director had a significant number of other company board representations and/or other principal commitments, the Director nevertheless was able to effectively carry out and had been adequately carrying out his or her duties as a Director of the Company.

### Alternate Directors

The Board currently has two Alternate Directors, namely Mr Michael Chye Hin Fah who is the Alternate Director to Mr Thapana Sirivadhanabhakdi and Mr Prapakon Thongthepairot who is the Alternate Director to Mr Sithichai Chaikriangkrai. Mr Michael Chye Hin Fah and Mr Prapakon Thongthepairot are familiar with the affairs of the Company. The Board has considered the expertise, business and financial backgrounds of Mr Michael Chye Hin Fah and Mr Prapakon Thongthepairot and is satisfied that they are both appropriately qualified to serve as Alternate Directors.

## A. BOARD MATTERS (cont'd)

### Key Information regarding Directors

Key information on the Directors is set out on pages 14 to 23 of this Annual Report.

### Principle 5: Board Performance

The Board, with the assistance of the NC, has approved the objective performance criteria and implemented a formal process for annual assessment of the effectiveness of the Board as a whole and its Board Committees and the contribution by each Director to the effectiveness of the Board.

The assessment is designed to provide an evaluation of the current effectiveness of the Board and to support the Chairman and the Board in proactively considering what can enhance the readiness of the Board to address emerging strategic priorities of the Group.

All Directors are required to assess the performance of the Board and the Board Committees. The assessment covers areas such as Board processes, managing the Company's performance, effectiveness of the Board and the Board Committees and Director development. As part of this process, Directors are requested to complete an evaluation questionnaire which includes questions on (i) how the Board plays an effective role and adds value on critical issues, (ii) how the Board operates to deliver impact and value, and (iii) the evaluation of the Board Committees. Directors can also provide input on issues which do not fall under these categories, for instance, addressing specific areas where improvements can be made.

The Board has also implemented a formal process for assessing the contribution by each individual Director to the effectiveness of the Board.

Feedback and comments received from the Directors are reviewed by the NC.

Based on the NC's review, the Board and the various Board Committees operate effectively and each Director is contributing to the overall effectiveness of the Board.

## B. REMUNERATION MATTERS

### Principle 6: Procedures for Developing Remuneration Policies

#### Remuneration Committee ("RC")

The RC is made up of non-executive Directors, the majority of whom, including its Chairman, are independent Directors. The RC comprises the following members:

Mr Timothy Chia Chee Ming <sup>1</sup>	Chairman
Mrs Siripen Sitasuwan	Member
Mr Thapana Sirivadhanabhakdi	Member

#### Note:

<sup>1</sup> As announced on 5 November 2021, Mr Timothy Chia Chee Ming will step down as a Director at the end of 31 December 2021 and will cease to be Chairman of the RC. Mr Chan Heng Wing will be appointed as Chairman of the RC with effect from 1 January 2022.

The RC is guided by written Terms of Reference, which are approved by the Board. The Terms of Reference clearly set out the authority and duties of the RC. The RC's main responsibility is to assist the Board in establishing a formal and transparent process for developing policies on executive remuneration and for fixing the remuneration packages of individual directors and key management personnel. The RC reviews and recommends to the Board, remuneration packages and service terms of individual Directors and each of the CEOs. When carrying out its duties, the RC also reviews and makes recommendations, for endorsement by the Board, on the remuneration framework which covers all other aspects of remuneration including salaries, allowances, performance bonuses, grant of share awards and incentives. In discharging its responsibilities, the RC considers all aspects of remuneration and performs benchmarking against comparable market data, to ensure that all aspects of remuneration (including termination terms) are fair and competitive.

# Corporate Governance

FOR THE YEAR ENDED 30 SEPTEMBER 2021

## B. REMUNERATION MATTERS (cont'd)

### Remuneration Action Framework

The RC reviews on an annual basis, the level and mix of remuneration and benefits policies and practices of the Company, including long-term incentives. When conducting such reviews, the RC takes into account the performance of the Company and employees. It also reviews and approves the framework for salary reviews, performance bonus and incentives for key management of the Group.

The RC also aligns the CEOs' leadership, through appropriate remuneration and benefits policies and long-term incentives, with the Company's strategic objectives and key challenges. Performance targets are also set for the CEOs and their performances evaluated yearly.

The RC may from time to time, and where necessary or required, engage external consultants in framing the remuneration policy and determining the level and mix of remuneration for Directors and management. Among other things, this helps the Company to stay competitive in its remuneration packages. During the financial year ended 30 September 2021, Korn Ferry Hay Group Pte Ltd was appointed as remuneration consultant. The Company does not have any relationship with Korn Ferry Hay Group Pte Ltd which would affect its independence and objectivity.

### Principle 7: Level and Mix of Remuneration

In recommending the level and mix of remuneration, the RC seeks to build, motivate and retain Directors to provide good stewardship of the Company and for key management to successfully manage the Company for the long term. It ensures that competitive remuneration policies and practices are in place to draw and motivate high-performing executives so as to drive the Group's businesses to greater growth, efficiency and profitability. In its deliberation, the RC also takes into consideration industry practices and benchmarks against relevant industry players to ensure that its remuneration and employment conditions are competitive.

The Company's compensation framework comprises fixed remuneration, annual variable bonuses and long-term incentives. Annual variable bonuses are linked to achievement of financial and non-financial key performance indicators. The Company also uses indicators such as core values, key performance indicators, performance rating, and potential of the employees (including key management) to link a significant and appropriate proportion of remuneration to corporate and individual performance. Long-term incentive plans are in place and are conditional upon pre-determined performance targets being met. The long-term incentive plans serve to motivate and reward employees and align their interests with those of shareholders and other stakeholders, as well as to maximise long-term shareholder value.

### Long-Term Incentive Plans

The RC administers the Company's share-based remuneration incentive plans. The F&N Restricted Share Plan ("**RSP**") and the F&N Performance Share Plan ("**PSP**") were adopted at an extraordinary general meeting of the Company held on 22 January 2009. Both the RSP and the PSP had a duration of 10 years commencing from the date of adoption on 22 January 2009 and both expired on 21 January 2019. The expiry of the RSP and the PSP on 21 January 2019 does not affect awards granted prior to expiry of these share plans and which are pending final release.

At the Annual General Meeting of the Company held on 29 January 2019, the Company adopted a new F&N Restricted Share Plan 2019 ("**RSP 2019**") to replace the RSP and the PSP.

The RSP, PSP and the RSP 2019 (collectively, the "**Share Plans**") seek to foster a greater ownership culture within the Group by aligning more directly the interests of key senior management and senior executives with the interest of shareholders, and for such employees to participate and share in the Group's long-term growth and success.

The primary objectives of the Share Plans are to increase the Company's flexibility and effectiveness in its continuing efforts to attract, motivate and retain talented senior executives and to reward these executives for the performance of the Company.

Under the Share Plans, the Company grants share-based awards ("**Base Awards**") which are conditional upon pre-determined performance targets being met. These targets are set by the RC in its absolute discretion for the performance conditions to be met over the performance period. The first grant of Base Awards under the RSP 2019 was made on 28 August 2020. The performance periods for the RSP and the PSP are two and three years respectively. For the RSP 2019, the performance period is one year.

The pre-set targets under the RSP and RSP 2019 were the achievement of Net Revenue, Profit Before Interest and Tax, Attributable Profit Before Fair Value Adjustment and Exceptional Items and/or Return On Capital Employed. For the PSP, the pre-set targets were based on Return On Invested Capital, Total Shareholders' Return Relative to Straits Times Index and Absolute Total Shareholders' Return as a multiple of Cost of Equity.

## B. REMUNERATION MATTERS (cont'd)

The Base Awards under the Share Plans represent the right to receive fully paid ordinary shares, their equivalent cash value or a combination thereof free of charge, provided certain prescribed performance and service conditions are met. The final number of shares to be released will depend on the achievement of the pre-determined targets at the end of the relevant performance periods. If the pre-determined targets are exceeded, more shares than the Base Awards can be delivered, subject to a maximum percentage of the Base Awards.

The aggregate number of new ordinary shares allotted and issued and/or to be allotted and issued, when aggregated with existing ordinary shares (including shares held in treasury) delivered and/or to be delivered, (i) pursuant to the RSP and the PSP, shall not exceed 10% of the total number of issued ordinary shares of the Company (excluding treasury shares) and (ii) pursuant to the RSP 2019 shall not exceed 8% of the total number of issued ordinary shares of the Company (excluding treasury shares and subsidiary holdings) from time to time. Although the 8% limit under the RSP 2019 is lower than the 10% limit under the RSP and the PSP, the Company is of the view that an 8% limit will be sufficient to achieve the primary objectives of the RSP 2019.

The RC currently does not intend, in any given year, to grant awards under the RSP 2019 which would comprise more than 0.8% of the total number of issued ordinary shares from time to time (the "Yearly Limit"). However, if the Yearly Limit is not fully utilised in any given year, the balance of the unutilised Yearly Limit may be used by the Company to make grants of awards in subsequent years.

### Principle 8: Disclosure on Remuneration

#### Remuneration of Directors and Key Management Personnel

Information on the remuneration of Directors of the Company and the top five key management personnel of the Group is set out below.

Directors of the Company as at 30 September 2021	Remuneration \$	Director Fee %	Adviser Fee %	Allowances %	Total %
Mr Charoen Sirivadhanabhakdi	- <sup>1</sup>	-	-	-	-
Khunying Wanna Sirivadhanabhakdi	- <sup>1</sup>	-	-	-	-
Tengku Syed Badarudin Jamalullail	136,000 <sup>2</sup>	100.0	-	-	100.0
Mrs Siripen Sitasuwan	175,000	100.0	-	-	100.0
Mr Timothy Chia Chee Ming	144,000	100.0	-	-	100.0
Mr Charles Mak Ming Ying	80,000	100.0	-	-	100.0
Mr Chan Heng Wing	80,000	100.0	-	-	100.0
Dr Sujittra Sombuntham	80,000	100.0	-	-	100.0
Mr Koh Poh Tiong	2,157,729 <sup>3,4</sup>	8.3	84.4	7.3	100.0
Mr Chotiphat Bijananda	80,000	100.0	-	-	100.0
Mr Thapana Sirivadhanabhakdi	164,000 <sup>4</sup>	100.0	-	-	100.0
Mr Sithichai Chaikriangkrai	158,000	100.0	-	-	100.0
Mr Michael Chye Hin Fah (Alternate Director)	49,000	100.0	-	-	100.0
Mr Prapakon Thongtheppairot (Alternate Director)	48,000	100.0	-	-	100.0

#### Notes:

- 1 Mr Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi waived payment of Directors' fees due to them.
- 2 Includes the payment of \$20,000 being the basic fee for serving as the Lead Independent Director.
- 3 Includes payment of \$1,822,000 being fees for services provided as adviser to the Board, and \$157,729 being car allowance paid pursuant to this appointment.
- 4 The Directors, who are also directors of Times Publishing Limited ("TPL"), have agreed to waive payment of directors' fees due to them from TPL for the year ended 30 September 2021.

# Corporate Governance

FOR THE YEAR ENDED 30 SEPTEMBER 2021

## B. REMUNERATION MATTERS (cont'd)

Key Management Personnel of the Group as at 30 September 2021	Fee %	Salary %	Bonus %	Allowances & Benefits %	Others %	Long-Term Incentives <sup>1</sup> %	Total %
<b>Between \$1,000,000 and \$1,249,999</b>							
Mr Lee Meng Tat	-	67.0	20.0	4.0	-	9.0	100.0
Mr Lim Yew Hoe	-	51.0	14.0	26.0	-	9.0	100.0
Mr Hui Choon Kit	-	62.0	23.0	5.0	-	10.0	100.0
<b>Between \$500,000 and \$749,999</b>							
Ms See Kwan Kit Jennifer	-	61.0	18.0	6.0	-	15.0	100.0
Mr Siew Peng Yim	-	73.0	19.0	8.0	-	0.0	100.0
<b>Total:</b>							<b>\$4,807,282</b>

**Note:**

<sup>1</sup> The value of the long-term incentives was calculated based on the closing share price of F&N shares of \$1.42 on 10 February 2021.

No termination, retirement and post-employment benefits were granted to Directors and the above-mentioned key management personnel.

There are no employees within the Group who are substantial shareholders of the Company, or are immediate family members of a Director or a substantial shareholder of the Company, and whose remuneration exceeds \$100,000 during the year.

### Directors' Fees

The remuneration of non-executive Directors takes into account their level and quality of contribution and their respective responsibilities, including attendance and time spent at Board meetings and Board Committee meetings. Directors are paid a basic fee and attendance fees for attending Board meetings. Non-executive Directors who perform services through Board Committees are paid additional basic and attendance fees for such services. No Director decides his own fees. Directors' fees are reviewed annually to benchmark such fees against the amounts paid by other major listed companies. The Company's Board fee structure during the year is as set out below. The Board fee structure remains unchanged from that in the preceding financial year i.e. financial year ended 30 September 2020.

	Basic Fee (\$)	Attendance Fee (\$)
<b>Board</b>		
- Chairman	150,000	2,000
- Member	75,000	1,000
- Lead Independent Director	20,000	-
<b>Audit Committee and Board Exco</b>		
- Chairman	50,000	2,000
- Member	25,000	1,000
<b>NC, RC and SRMC</b>		
- Chairman	30,000	2,000
- Member	15,000	1,000

Shareholders' approval will be sought at the 123<sup>rd</sup> AGM of the Company on 18 January 2022, for the payment of Directors' fees proposed for the financial year ending 30 September 2022 up to \$2,000,000, the same amount for which approval was sought and obtained at the 122<sup>nd</sup> AGM of the Company.

## C. ACCOUNTABILITY AND AUDIT

### Principle 9: Risk Management and Internal Controls

The Board is responsible for the governance of risks and for ensuring that management maintains a sound system of risk management and internal controls with a view to safeguarding the Company's assets and shareholders' interests.

#### Accountability

F&N prepares its financial statements in accordance with the Singapore Financial Reporting Standards (International) ("SFRS (I)") prescribed by the Accounting Standards Council. The Board is responsible for presenting a balanced and understandable assessment of the Group's performance, position and prospects and the Board provides shareholders with financial statements and business updates in compliance with the requirements under the Listing Rules.

The Board releases its financial results through announcements, press releases and presentation packs to the SGX-ST. In communicating and disseminating its results, the Board aims to present a balanced and clear assessment of the Company's performance, position and prospects. The Company has ceased to announce quarterly financial statements and has instead adopted half-yearly reporting of its financial statements beginning from the date of release of the Company's first half financial statements for the period ended 31 March 2020. During the year, the Company provided voluntary business updates for the first and third quarter performance of the Group and by way of these updates the Company kept the investing public informed of material developments concerning the Group during the relevant periods, including details on the impact of the COVID-19 pandemic on the Group's business operations and performance.

In order to enable the Board to obtain adequate and timely information, management provides the Board Exco with management accounts at every Board Exco meeting. Minutes of all such Board Exco meetings are circulated to the Board. This is in addition to such other information as the Board may require from time to time to make a balanced and informed assessment of the Company's performance, position and prospects.

#### Sustainability and Risk Management Committee and Audit Committee

During the year, the Board, through the Audit Committee and the Sustainability and Risk Management Committee, reviewed the adequacy and effectiveness of the Company's internal controls and risk management systems.

#### Internal Controls

The Audit Committee ("AC"), with the assistance of internal and external auditors, reviews and reports to the Board on the adequacy and effectiveness of the Company's system of internal controls (including financial, operational, compliance and information technology controls) established by management. In assessing the adequacy and effectiveness of internal controls, the AC ensures primarily that key objectives are met, material assets are properly safeguarded, fraud or errors in the accounting records are prevented or detected, accounting records are accurate and complete, and reliable financial information is prepared in compliance with applicable internal policies, laws and regulations.

The importance and emphasis placed by the Group on internal controls is underpinned by the fact that the key performance indicators for management's performance takes into account the findings of both internal and external auditors and the number of unresolved or outstanding issues raised in the process.

#### Risk Management Systems

The Sustainability and Risk Management Committee ("SRMC") reviews and reports to the Board on the adequacy and effectiveness of the Group's risk management framework to ensure that robust risk management and internal controls systems are in place.

The Company has adopted an enterprise-wide risk management ("ERM") framework to enhance its risk management capabilities. An outline of the Group's ERM framework and progress report is set out on pages 60 and 61 of this Annual Report.

Key risks, mitigating measures and management actions are continually identified, reviewed and monitored as part of the ERM process. Financial and operational key risk indicators are in place to track key risk exposures. Key business risks are thoroughly assessed by management and each significant transaction is comprehensively analysed so that management understands the risks involved before it is embarked upon.



# Corporate Governance

FOR THE YEAR ENDED 30 SEPTEMBER 2021

## C. ACCOUNTABILITY AND AUDIT (cont'd)

The SRMC also assists the Board in carrying out its responsibility of overseeing the Company's risk management framework and policies, in determining environmental, social and governance factors ("**ESG Factors**") identified as material to the business, monitoring and managing of ESG Factors and overseeing standards, management processes and strategies to implement sustainability practices which are in compliance with the SGX-ST Listing Manual. The SRMC is responsible for, among other things, reviewing the Group's ERM framework, processes and procedures for identifying, measuring, reporting and mitigating key risks in the Group's businesses and operations. Together with the AC, the SRMC helps to ensure that management maintains a sound system of risk management and internal controls to safeguard the interests of shareholders and the assets of the Group. The SRMC also provides guidance to management, and renders assistance to the Board to oversee the ERM framework and for determining the nature and extent of significant risks which the Board would be willing to take in achieving the Group's strategic objectives and value creation. The meetings of the SRMC are attended by senior management of the Company's business divisions, and serve as a forum to review and discuss material risks and exposures of these businesses and their strategies to mitigate risks.

Periodic updates are provided by senior management of the Company's business divisions to the SRMC on the Group's risk profile, and on the status of key enterprise risk management and business continuity initiatives. These updates include the assessment of the Group's key risks by major business units, risk categories, and the status and changes in plans undertaken by management to manage key risks. Risk tolerance statements, which set out the nature and extent of significant risks which the Group is willing to take in achieving its strategic objectives, are monitored and reported to the SRMC.

The SRMC comprises the following members:

Mr Koh Poh Tiong	Chairman
Mr Thapana Sirivadhanabhakdi	Member
Mr Sithichai Chaikriangkrai	Member
Mr Michael Chye Hin Fah	Member
Mr Prapakon Thongtheppairot	Member

To assist the Company in ascertaining the adequacy and effectiveness of the Group's internal controls and risk management systems, management implements a control self-assessment exercise. Management also maps out key risks with the existing assurance processes in a comfort matrix every year. Using a comfort matrix of key risks, the material financial, operational, compliance and information technology risks of the Company have been documented and presented against strategies, policies, people, processes, systems, mechanisms and reporting processes that have been put in place.

The Board has received relevant assurances from:

(a) Financial Records and Financial Statements

the CEOs, the chief financial officers or financial controllers ("**Heads of Finance**") of each of the Group's business divisions and the Chief Financial Officer of the Company ("**CFO**") that, as at 30 September 2021, the financial records of the Group have been properly maintained and the financial statements for the year ended 30 September 2021 give a true and fair view of the Group's operations and finances;

(b) System of Internal Controls

the CEOs, the Heads of Finance and other key management personnel who are responsible in each of the Group's business divisions, and the CFO that, as at 30 September 2021, the system of internal controls in place for the Group is adequate and effective to address financial, operational, compliance and information technology risks which the Group considers relevant and material to its operations; and

(c) Risk Management Systems

the CEOs, the Heads of Finance and other key management personnel who are responsible in each of the Group's business divisions, and the CFO that, as at 30 September 2021, the risk management system in place for the Group is adequate and effective to address risks which the Group considers relevant and material to its operations.

### C. ACCOUNTABILITY AND AUDIT (cont'd)

Based on the internal controls established and maintained by the Group, work performed by internal and external auditors, reviews performed by the AC and SRMC and assurance from the CEOs, the Heads of Finance and other key management personnel who are responsible in each of the Group's business divisions, and the CFO, the Board is of the view that, as at 30 September 2021, the Group's internal controls were adequate and effective to address financial, operational, compliance and information technology risks, which the Group considers relevant and material to its operations.

Based on the enterprise-wide risk management framework adopted by the Company, reviews performed by the SRMC and assurance from the CEOs, the Heads of Finance and other key management personnel who are responsible in each of the Group's business divisions, and the CFO, the Board is of the view that, as at 30 September 2021, the Group's risk management system was adequate and effective to address risks which the Group considers relevant and material to its operations.

The Board notes that the system of internal controls and risk management provides reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that could be reasonably foreseen as it works to achieve its business objectives. In this regard, the Board also notes that no system of internal controls and risk management can provide absolute assurance against the occurrence of material errors, poor judgment in decision making, human error, losses, fraud or other irregularities.

The AC concurs with the Board's view that as at 30 September 2021, the Group's internal controls (including financial, operational, compliance and information technology controls) and risk management systems were adequate and effective to address risks which the Group considers relevant and material to its operations.

#### Principle 10: Audit Committee

The AC, on behalf of the Board, undertakes the monitoring and review of the system of internal controls. Its main responsibilities are to assist the Board in the discharge of its oversight responsibilities in the areas of internal controls, financial reporting, operational, compliance and information technology controls. Significant findings are reported to the Board.

The AC is guided by written Terms of Reference endorsed by the Board which clearly sets out its authority and duties. It is duly authorised to investigate any matter within such Terms of Reference, and has full access to and the co-operation of management, as well as the full discretion to invite any Director or executive officer to attend its meetings. Under the Terms of Reference of the AC, a former partner or director of the Company's existing auditing firm or auditing corporation shall not act as a member of the AC (i) within a period of 2 years commencing on the date of his ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case (ii) for so long as he has any financial interest in the auditing firm or auditing corporation.

The AC comprises the following three members:

Mrs Siripen Sitasuwan	Chairman
Mr Timothy Chia Chee Ming <sup>1</sup>	Member
Mr Sithichai Chaikriangkrai	Member

#### Note:

<sup>1</sup> As announced on 5 November 2021, Mr Timothy Chia Chee Ming will step down as a Director at the end of 31 December 2021 and will cease to be a member of the AC. Mr Ng Tat Pun will be appointed as a Director, and a member of the AC with effect from 1 January 2022.

The AC is made up of non-executive Directors, the majority of whom, including its Chairman, are independent Directors. The members of the AC, including its Chairman are appropriately qualified and have recent and/or relevant accounting and related financial management expertise or experience. Their collective wealth of experience and expertise in accounting and financial management enables them to discharge their responsibilities competently.

The AC has reasonable resources to enable it to discharge its functions effectively. None of the members of the AC were previous partners or directors of the Company's auditor, KPMG LLP ("KPMG"), and none of the members of the AC hold any financial interest in KPMG.

# Corporate Governance

FOR THE YEAR ENDED 30 SEPTEMBER 2021

## C. ACCOUNTABILITY AND AUDIT (cont'd)

During the year, the key activities of the AC included the following:

- Reviewing the financial statements and related SGX-ST announcements, including the external auditors' report for the full-year and significant financial reporting issues and assessments, to safeguard the integrity in financial reporting, and to ensure compliance with the requirements of the SFRS (I). In the review of the financial statements, the significant matters referred to in Table A were reviewed by the AC and discussed with management and external auditors.
- Assessing the impact of the COVID-19 pandemic and ensuring adequate cash flow to sustain the Group's operations on an ongoing basis.
- Reviewing and approving the internal and external audit plans to ensure the adequacy of the audit scope, including reviewing and approving adjustments to the annual internal audit plan to prioritise and address risks and constraints arising during the COVID-19 pandemic.
- Recommending, for the approval of the Board, the financial results and related SGX-ST announcements.
- Reviewing the independence, adequacy and effectiveness, scope and results of the Group's internal audit function, including the adequacy of internal audit resources and its appropriate standing within the Group.
- Assessing the independence and objectivity of the external auditors and the quality of the work carried out by the external auditors, using ACRA's Audit Quality Indicators Disclosure Framework as a basis.
- Reviewing the assurance from the CEOs and the Heads of Finance of each of the Group's significant business divisions and the Chief Financial Officer of the Company on the financial records and financial statements.
- Reviewing with internal and external auditors, the scope and results of the audit reports and their recommendations, and monitoring the timely and proper implementation of any required corrective or improvement measures.
- Reviewing and evaluating with internal and external auditors, and reporting to the Board at least annually on the adequacy and effectiveness of internal control systems, including financial, operational, compliance and information technology controls and together with SRMC, risk management systems.
- Reviewing the whistle-blowing policy and any whistle-blowing investigations within the Group and ensuring appropriate follow-up actions, if required.

**Table A**

Significant matters	How the AC reviewed these matters
Impairment of fixed assets and investment in subsidiaries	<p>The AC considered the approach and methodology used by management in determining the recoverable amount of fixed assets and investment in subsidiaries.</p> <p>The AC was satisfied that the approach and methodology used by management in this process was appropriate.</p> <p>Impairment of fixed assets and investment in subsidiaries were also areas of focus for the external auditors who have included this item as a key audit matter in their audit report for the financial year ended 30 September 2021.</p>
Impairment of goodwill and intangible assets (including brands)	<p>The AC considered the approach and methodology used by management in determining the recoverable amount of goodwill and intangible assets (including brands).</p> <p>The AC was satisfied that the approach and methodology used by management in this process was appropriate.</p> <p>Impairment of goodwill and intangible assets (including brands) were also areas of focus for the external auditors who have included this item as a key audit matter in their audit report for the financial year ended 30 September 2021.</p>

### C. ACCOUNTABILITY AND AUDIT (cont'd)

The AC also meets with internal audit and KPMG in each case, without the presence of management at least once a year, to obtain feedback on the competency and adequacy of the finance function, to review the assistance given by the Company's management to internal and external auditors and to ascertain if there are any material weaknesses or control deficiencies in the Group's financial reporting and operational systems. In addition, updates (if any) on changes in accounting standards and treatment are prepared by KPMG and circulated to members of the AC.

The AC reviews and approves the remuneration and terms of engagement of KPMG. The AC also makes recommendations to the Board regarding the appointment, re-appointment and removal of the Company's external auditor. Upon the Board's approval, the relevant recommendations are tabled for approval by shareholders.

During the year, the AC conducted a review of the adequacy, effectiveness, scope and results of audit by KPMG, and their cost effectiveness, as well as the independence and objectivity of KPMG. It also reviewed all non-audit services provided by KPMG, and the aggregate amount of audit fees paid/payable to them. For details of fees paid/payable to KPMG in respect of audit and non-audit services, please refer to Note 4 of the Notes to the Financial Statements on page 125 of this Annual Report. The AC is satisfied that neither their independence nor their objectivity was put at risk, and that they were able to meet the audit requirements and statutory obligations of the Company. The AC is also satisfied with the aggregate amount of audit fees paid to KPMG. Accordingly, the AC has recommended the re-appointment of KPMG at the AGM of the Company. In recommending the re-appointment of the auditors, the AC considered and evaluated a variety of factors including the audit engagement partner to be assigned to the audit, the number and experience of supervisory and professional staff to be assigned to the audit and the size and complexity of the Group, its business and operations.

The Company has complied with Rule 712 of the Listing Rules which requires, amongst others, that a suitable auditing firm be appointed by the Company, having regard to the factors set out therein. The Company has also complied with Rule 715 of the Listing Rules which requires that the same auditing firm of the Company audits its Singapore-incorporated subsidiaries and significant associated companies, and that a suitable auditing firm be engaged for its significant foreign-incorporated subsidiaries and associated companies.

#### Whistle-Blowing Policy

The Group has in place a Whistle-Blowing Policy ("**Policy**"). This Policy provides an independent feedback channel through which matters of concern about any possible improprieties, misconduct or wrongdoing relating to F&N in matters of financial reporting or other matters may be raised by staff and any other person in confidence and in good faith, without fear of reprisal. F&N will treat all information received confidentially and protect the identity of all whistle-blowers. It is also committed to ensuring that whistle-blowers will be treated fairly, and protected against detrimental or unfair treatment for whistle-blowing in good faith. Details of this Policy and the procedures for raising concerns have been disseminated and made available to all employees. This Policy is also available on the Company's website. The improprieties that are reportable under the Whistle-Blowing Policy include:

- (a) financial or professional misconduct;
- (b) improper conduct, dishonest or unethical behaviour;
- (c) any irregularity or non-compliance with laws/regulations or the Company's procedures, policies and codes of conduct including but not limited to those relating to financial reporting, accounting, audit and/or internal controls;
- (d) violence at the workplace, or any conduct that may threaten health and safety;
- (e) conflicts of interest;
- (f) corruption or bribery;
- (g) mismanagement of the Company's resources;
- (h) conduct that may cause loss (whether financial or otherwise) to the Company;
- (i) sexual harassment; and
- (j) any other improprieties or matters that may adversely affect shareholders' interests in, and assets of, the Company and its reputation.

All whistle-blowing complaints are independently investigated and appropriate actions taken. The AC, which is responsible for oversight and monitoring of whistle-blowing, reviews and ensures that independent investigations and any appropriate follow-up actions are carried out.

# Corporate Governance

FOR THE YEAR ENDED 30 SEPTEMBER 2021

## C. ACCOUNTABILITY AND AUDIT (cont'd)

### Internal Audit

The Internal Audit (“IA”) Department is an independent function within the Company. It conducts objective and independent assessments on the adequacy and quality of the Group’s system of internal controls. The Head of IA, who is a Chartered Accountant of Singapore, reports directly to the AC.

The Head of IA is an appointed member of the Board of Governors of the Institute of Internal Auditors, Singapore. The IA Department has adopted and complied with the International Standards for the Professional Practice of Internal Auditing (“**IIA Standards**”) laid down in the International Professional Practices Framework issued by The Institute of Internal Auditors. To ensure that the internal audits are effectively performed, it recruits and employs suitably qualified staff with the requisite skills and experience. Such staff are also given relevant training and development opportunities to update their technical knowledge and auditing skills. Key staff members of the IA Department also attend relevant technical training and seminars organised by the Institute of Internal Auditors, Singapore and other professional bodies. All senior internal audit staff are required to enrol as members of the Institute of Internal Auditors, Singapore or the Information Systems Audit and Control Association, upon confirmation of their employment.

The IA Department operates within the framework stated in its Terms of Reference, which is approved by the AC. Under its Terms of Reference, the AC has the authority to approve the hiring, removal, evaluation and compensation of the Head of IA. The IA Department has unfettered access to all the Company’s documents, records, properties and personnel including access to the AC. The IA Department adopts a risk-based audit methodology to develop its audit plans, and its activities are aligned to key risks of the Group. Based on risk assessments performed, greater focus and appropriate review intervals are set for higher risk activities, and material internal controls, including compliance with the Company’s policies, procedures and regulatory responsibilities.

During the year, the IA Department conducted its audit reviews based on the internal audit plan approved by the AC. At each quarterly meeting with the AC, the Head of IA presents on the status of the internal audit plan and proposes adjustments to the plan with a view to enhancing agility and relevance of audits performed. All audit reports detailing audit findings and recommendations are provided to management who would respond on the actions to be taken. The audit reports are also circulated to the AC and the external auditors. Each quarter, the IA Department also presents to the AC, a summary of the key audit findings and actions taken by management on such findings, including tracking of implementation of audit recommendations for past audit reports to ensure proper closure of agreed action plans by management. The AC monitors the timely and proper implementation of required corrective, preventive or improvement measures undertaken by management.

The IA Department has a Quality Assurance and Improvement Programme (“**QAIP**”) in place to ensure that its audit activities conform to the IIA Standards. An external Quality Assurance Review (“**QAR**”) is carried out at least once every five years by qualified professionals from an external consulting firm to be approved by the AC. Based on the external QAR that was last carried out by Ernst & Young Advisory Pte Ltd during the financial year ended 30 September 2018, the internal audit function had been rated to have conformed with the IIA Standards. In 2018, the QAIP was expanded to include an internal self-assessment QAR to be conducted once every two years. During the financial year ended 30 September 2021, the first self-assessment QAR was performed by the IA Department and the results of the self-assessment were discussed and approved by the AC.

The AC is satisfied that the internal audit function is independent and effective and that the IA Department has adequate resources and appropriate standing within the Company to perform its function effectively.

## D. SHAREHOLDER RIGHTS AND ENGAGEMENT

### Principle 11: Shareholder Rights and Conduct of General Meetings

F&N believes in treating all shareholders fairly and equitably. It is committed to keeping all its shareholders and other stakeholders informed, in a timely and consistent manner, of its corporate activities, including changes (if any) in the Company or its businesses which are likely to materially affect the price or value of its shares or are likely to influence persons who commonly invest in securities in deciding whether or not to subscribe for, or buy or sell its shares, in a timely and consistent manner.

Shareholders of F&N are also given the opportunity to participate effectively and vote at general meetings of the Company, where relevant rules and procedures governing such meetings (for instance, how to vote) are clearly communicated.

## D. SHAREHOLDER RIGHTS AND ENGAGEMENT (cont'd)

### Conduct of Shareholder Meetings

The Board supports and encourages active shareholder participation at AGMs. It believes that general meetings serve as an opportune forum for shareholders to meet the Board and senior management, and to interact with them.

The Company's Constitution allows (i) each shareholder who is not a relevant intermediary (as defined in the Companies Act) the right to appoint up to two proxies and (ii) each shareholder who is a relevant intermediary to appoint more than two proxies to attend and vote on their behalf in shareholders' meetings. A copy of the Notice of AGM is sent to all shareholders. As for the Annual Report and the Company's letter to shareholders in relation to certain resolutions being tabled at the AGM ("**Letter to Shareholders**"), in line with the Group's sustainability strategy, these documents are made available for download from the Company's corporate website. Printed copies of the Annual Report and Letter to Shareholders are available on request.

At general meetings, the Company sets out separate resolutions on each substantially separate issue unless the issues are interdependent and linked so as to form one significant proposal. Where resolutions are "bundled", the Company explains the reasons and material implications for doing in the notice calling for the general meeting. Shareholders are given the opportunity to raise questions and clarify any issues that they may have relating to the resolutions to be passed.

Board members and senior management are present at each shareholders' meeting to respond to questions from shareholders. In general, all Directors are expected to attend general meetings of shareholders, unless they are unable to attend due to exigencies. The Company's independent auditor is also present to address queries about the conduct of audit and the preparation and content of the independent auditor's report.

For greater transparency, F&N has implemented electronic poll voting since its 2010 AGM. This entails shareholders being invited to vote on each of the resolutions by poll, using an electronic voting system (instead of voting by hand), thereby allowing all shareholders present or represented at the meeting to vote on a one share, one vote basis. The voting results of all votes cast for, or against, each resolution is then screened at the meeting and announced to the SGX-ST after the meeting. An independent external party is appointed as scrutineer for the electronic voting process to count and validate the votes at general meetings.

Provision 11.4 of the Code provides for a company's constitution to allow for absentia voting at general meetings of shareholders. F&N's Constitution currently does not, however, permit shareholders to vote at general meetings in absentia (such as via mail, email or fax). F&N will consider implementing the relevant amendments to the Constitution if the Board is of the view that there is a demand for such alternative methods of voting, and after the Company has evaluated and put in place the necessary security processes to facilitate in absentia voting, and prevention measures against errors, fraud and other irregularities. In line with Principle 11 of the Code, shareholders nevertheless have the opportunity to communicate their views on matters affecting the Company even when they are not in attendance at general meetings as shareholders are able to appoint proxies to vote on their behalf at general meetings through proxy forms sent in advance.

Beginning from the 2020 AGM, F&N has published minutes of general meetings of shareholders on its corporate website as soon as practicable after the relevant general meeting. Such minutes will record substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting, and responses from the Board and management, which are addressed at the AGM.

### 2021 AGM

In view of the COVID-19 pandemic, the 2021 AGM was convened and held by way of electronic means on 21 January 2021, pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (the "**COVID-19 Temporary Measures Order**"). The alternative arrangements put in place for the conduct of the 2021 AGM included (i) attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), (ii) submission of questions to the Chairman of the meeting in advance of the AGM, and (iii) voting at the AGM by appointing the Chairman of the Meeting as proxy.

### 2022 AGM

In view of the ongoing COVID-19 situation in Singapore, the forthcoming 2022 AGM will again be convened and held by way of electronic means on 18 January 2022, pursuant to the COVID-19 Temporary Measures Order. The same alternative arrangements for the AGM will be put in place as last year except that this year, Shareholders will additionally be able to (i) submit questions to the Chairman of the Meeting "live" at the AGM, and (ii) vote at the AGM "live" by electronic means or by appointing a proxy(ies) (other than the Chairman of the Meeting) to vote on their behalf.



# Corporate Governance

FOR THE YEAR ENDED 30 SEPTEMBER 2021

## D. SHAREHOLDER RIGHTS AND ENGAGEMENT (cont'd)

### Principle 12: Engagement with Shareholders

The Company prides itself on its high standards of disclosure and corporate transparency. F&N is committed to providing fair, relevant, comprehensive and timely information regarding the Group's performance and progress to shareholders and the investment community to enable them to make informed investment decisions. The Group's dedicated Investor Relations ("IR") team is tasked with and focuses on facilitating communications between the Company and its shareholders, as well as with the investment community. F&N has in place an investor relations policy which allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with shareholders.

The IR team communicates regularly with shareholders and the investment community, with timely disclosures of material and other pertinent information, through regular dialogues and announcements to SGX-ST. The team conducts roadshows (together with senior management), and participates in investor seminars and conferences to keep the market and investors apprised of the Group's corporate developments and financial performance. During the year, the IR team engaged with Singapore and foreign investors at one-on-one and group meetings virtually. The aim of such engagements is to provide shareholders and investors with prompt disclosure of relevant information, to enable them to have a better understanding of the Company's businesses and performance and to solicit and understand the views of such shareholders and investors.

The Company makes available all its briefing materials to analysts and the media. In line with F&N's investor relations policy, such information, financial information, annual reports and all announcements of the Company are made available to the SGX-ST and on the Company's website at <https://www.fraserandneave.com>, with contact details for investors to channel their comments and queries.

Further details on IR's activities and responsibilities during the year can be found in the Investor Relations section of this Annual Report on page 58.

In determining dividends, the Board balances the need for a satisfactory return to shareholders against the Company's investment requirement to ensure sustainable growth in the future. Over the years, the Board has maintained a track record of generous shareholder distributions. As a matter of policy, the Board remains committed to paying approximately fifty percent (50%) of Group Attributable Profit Before Fair Value Adjustment and Exceptional Items.

### Principle 13: Engagement with Stakeholders

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served.

#### Stakeholder Engagement

The Company strives to build and maintain strong relationships based on trust and respect with all stakeholders including the investment community, employees, distributors and trade customers, consumers, suppliers, regulators and the broader community. The Company has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationships with such groups. The Company also maintains a corporate website to communicate and engage with stakeholders.

In order to facilitate the Company's planning and strategy for sustainable value creation, the Company engages with various key stakeholders, including employees, suppliers, customers and the investment community to gather feedback on the sustainability issues most important to them. Information and responses received from key stakeholders is then used by the Company to identify material environmental, social and governance factors and develop a materiality matrix that prioritises the Company's strategy and key areas of focus in relation to the management of stakeholder relationships for the year under review.

For more information on the Company's stakeholder engagement please refer to the Company's Sustainability Report 2021 which can be downloaded at <https://www.fraserandneave.com/investor-relations/corporate-sustainability>.

Please also refer to the Enterprise Wide Risk Management Report on pages 60 and 61 of this Annual Report and the Company's Sustainability Report 2021 for further details on how the Company has adapted and responded to its stakeholders on the various issues arising in connection with the COVID-19 pandemic.

## D. SHAREHOLDER RIGHTS AND ENGAGEMENT (cont'd)

### Code of Business Conduct

The Company has adopted a Code of Business Conduct, with the key objectives of providing clear guidelines on ethics and relationships, in order to safeguard the reputation and interests of the Group and stakeholders of the Company. The Code of Business Conduct sets out the policies and procedures dealing with various issues such as conflicts of interests, dealings with government officials, the maintenance of records and reports, equal employment opportunities and sexual harassment.

The Code of Business Conduct governs the conduct of employees and is disseminated and distributed to all employees for compliance, and where applicable, is made available to other stakeholders of the Group such as suppliers, business associates and customers. In addition, Directors, officers and employees are required to observe and maintain high standards of integrity in carrying out their roles and responsibilities, and to comply with relevant and applicable laws and regulations, as well as with Company policies.

### Dealings in Securities

The Company has established a procedure for dealings in the securities of the Company, which sets out the implications of insider trading and guidance on such dealings, including the prohibition on dealings with the Company's securities on short-term considerations.

In compliance with the best practices in Listing Rule 1207 sub-Rule (19) of the Listing Rules, the Group issues reminders to its Directors, officers and relevant employees on the restrictions in dealings in listed securities of the Group during the period commencing one month before the announcement of the Group's half-year and full-year financial statements, and ending on the date of such announcements. Similar reminders are also sent to Directors, officers and relevant employees on the restrictions in dealings in listed securities of the Group during the period commencing two weeks before the announcement of the Group's voluntary business updates for the first and third quarters of each financial year, and ending on the date of such announcements.

Apart from the foregoing, Directors, officers and relevant employees are also reminded not to trade in listed securities of the Group at any time while in possession of unpublished price or trade sensitive information and to refrain from dealing in the Group's securities on short-term considerations.

# Corporate Governance

FOR THE YEAR ENDED 30 SEPTEMBER 2021

## Summary of Compliance with Express Disclosure Requirements under the Provisions of the Code

The following table benchmarks the disclosures in this Corporate Governance Report and Annual Report against the express disclosure requirements under the provisions of the Code.

Provisions of the Code - Express Disclosure Requirements	Page Reference in F&N Annual Report 2021
<b>Provision 1.2</b> The induction, training and development provided to new and existing Directors	Page 65
<b>Provision 1.3</b> Matters that require Board approval	Page 63
<b>Provision 1.4</b> Names of the Board Committee members, the terms of reference, delegation of the Board's authority to make decisions, and a summary of each Board Committee's activities	Pages 63 to 79
<b>Provision 1.5</b> The number of Board and Board Committee meetings held in the year and each individual Directors' attendances at such meetings	Page 65
<b>Provision 2.1</b> (read with Guideline 2.4 of the Code of Corporate Governance 2012) Where the Board considers a director, who has served on the Board for more than nine years from the date of his/her first appointment, to be independent, the reasons for considering him/her as independent	Not applicable, see negative statement on page 67
<b>Provision 2.4</b> The board diversity policy and progress made towards implementing the board diversity policy, including objectives	Page 68
<b>Provision 4.3</b> Process for the selection, appointment and reappointment of Directors to the Board, including the criteria used to identify and evaluate potential new Directors and channels used in searching for appropriate candidates	Page 70
<b>Provision 4.4</b> If the Board, having taken into account the views of the Nominating Committee, determines that a Director is independent notwithstanding the existence of a relationship(s) with the Company, its related corporations, its substantial shareholders or its officers, which may affect his/her independence, the relationship(s) and the Board's reasons for considering him/her as independent	Not applicable, see negative statement on page 67
<b>Provision 4.5</b> (a) Listed company directorships and principal commitments of each Director	Pages 14 to 23
(b) Where a Director holds a significant number of directorships and principal commitments, the Nominating Committee's and Board's reasoned assessment of the Directors' ability to diligently discharge his/her duties	Page 70
<b>Provision 5.2</b> How the assessments of the Board, its Board Committees and each Director have been conducted, including the identity of any external facilitator and its connection (if any) with the Company or any of its Directors	Page 71

## Summary of Compliance with Express Disclosure Requirements under the Provisions of the Code

Provisions	Page Reference in F&N Annual Report 2021
<b>Provision 6.4</b> The engagement of any remuneration consultants and their independence	Page 72
<b>Provision 8.1</b> The policy and criteria for setting remuneration, as well as names, amounts and breakdown of remuneration of: (a) each individual Director and the CEO; and  (b) at least the top five key management personnel (who are not Directors or the CEO) in bands no wider than S\$250,000 and in aggregate the total remuneration paid to these key management personnel	Pages 73 to 74
<b>Provision 8.2</b> Names and remuneration of employees who are substantial shareholders of the Company, or are immediate family members of a Director, the CEO or a substantial shareholder of the Company, and whose remuneration exceeds S\$100,000 during the year, in bands no wider than S\$100,000. The employee's relationship with the relevant Director or the CEO or substantial shareholder should also be clearly stated	Not applicable, see negative statement on page 74
<b>Provision 8.3</b> All forms of remuneration and other payments and benefits, paid by the Company and its subsidiaries to Directors and key management personnel of the Company and details of employee share schemes	Page 72 to 74
<b>Provision 9.2</b> The Board has received assurance from: (a) the CEO and the Chief Financial Officer 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  (b) the CEO and other key management personnel who are responsible, regarding the adequacy and effectiveness of the Company's risk management and internal control systems	Page 76
<b>Provision 10.1(f)</b> The existence of a whistleblowing policy and procedures for raising concerns about possible improprieties in financial reporting or other matters	Page 79
<b>Provision 11.3</b> Directors' attendance at general meetings of shareholders held during the financial year	Page 65
<b>Provision 12.1</b> The steps taken to solicit and understand the views of shareholders	Pages 81 to 82
<b>Provision 13.2</b> The Company's strategy and key areas of focus in relation to the management of stakeholder relationships during the reporting period	Page 82