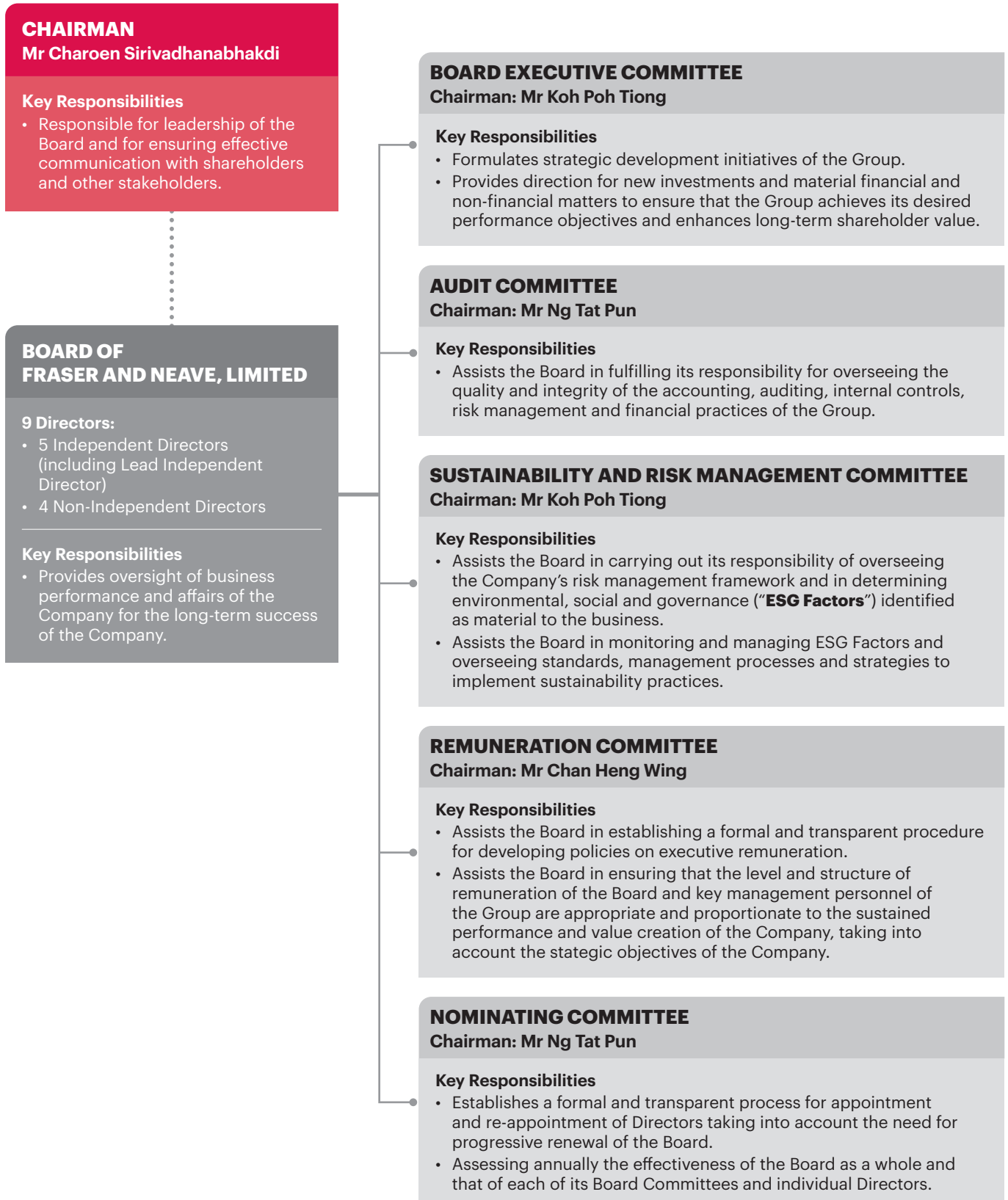


# CORPORATE GOVERNANCE

FOR THE YEAR ENDED 30 SEPTEMBER 2024

## OUR GOVERNANCE FRAMEWORK

(AS AT 30 SEPTEMBER 2024)



# CORPORATE GOVERNANCE

FOR THE YEAR ENDED 30 SEPTEMBER 2024

Fraser and Neave, Limited (“**F&N**” or the “**Company**”) is dedicated to upholding high standards of corporate governance. The Company has in place processes and practices to help F&N and its subsidiaries (the “**Group**”) maintain consistently high standards of integrity, accountability and governance in all activities undertaken by the Group.

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. The practices of the board of directors of the Company (the “**Directors**” or the “**Board**”) and the management of the Group (“**Management**”) adhere closely to the provisions under the Code. To the extent that the Company’s practices may vary from any provisions of the Code, appropriate explanations have been provided as to how its practices are consistent with the intent of the relevant principle of the Code.

## GOVERNANCE PRINCIPLES

1. F&N believes that a high standard of corporate governance is essential for pursuing growth and enhancing corporate performance and value on a sustainable basis.
2. F&N adheres to corporate policies, business practices and systems of risk management and internal controls to maintain consistently high standards of integrity, accountability and governance with a view to safeguarding the Company’s assets and shareholders’ interests.
3. The Board works with Management to ensure effective and accountable leadership and an appropriate balance of power in decision-making processes across the Group.

This Corporate Governance Report sets out the Group’s key corporate governance practices for the financial year ended 30 September 2024 (“**FY2024**”) and 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. BOARD MATTERS

### The Board’s Conduct of Affairs

**Principle 1: The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.**

The Board oversees the conduct of the Group’s affairs and is accountable to shareholders for the long-term performance and success of Group.

In this regard, the Board sets the long-term strategy and direction of the Group which includes focusing on value creation, innovation, and sustainability.

The Board determines the Group’s approach to corporate governance and sets an appropriate tone-from-the-top in respect of good principles of ethics, values and organisational culture.

The Board also works closely with Management to ensure that necessary resources are in place for the Company to meet its strategic objectives. Specifically, the Board:

- (a) reviews annual budgets, financial plans, major acquisitions and divestments, funding and investment proposals;
- (b) monitors the financial performance of the Group;
- (c) oversees processes for evaluating the adequacy of internal controls, risk management, financial reporting and compliance;
- (d) holds Management accountable for performance by constructively challenging Management and reviewing performance;
- (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.

The Directors of the Company are fiduciaries who exercise independent objective judgement and make decisions in the best interests of the Company. All Directors have direct and independent access to key management personnel and senior management.

Through the Group’s enterprise-wide risk management (“**ERM**”) framework, the Board maintains a sound risk management process to effectively monitor and manage risks with a view to achieving an appropriate balance between risks and company performance. Further details on the issues reviewed by the Board can be found in the ERM Report on pages 66 to 68 of this Annual Report and the Company’s Sustainability Report 2024 which can be downloaded at <https://www.fraserandneave.com/investor-relations/corporate-sustainability>.

## A. BOARD MATTERS (cont'd)

During FY2024, all Directors participated in a two-day Board Summit that provided a platform to deepen their understanding of key strategic areas vital to the Group's long-term sustainability and resilience. The discussions covered critical topics, including sustainability and risk management, cybersecurity, and climate transition, along with the development of plans to address these emerging challenges. This Summit allowed the Board to engage in forward-looking discussions to further strengthen the Group's ability to navigate its evolving business environment.

During FY2024, the Board worked closely with Management to evaluate new business opportunities while navigating challenges related to foreign exchange volatility, inflationary pressures, and cost management. The Board remained engaged in reviewing the financial impacts of these macroeconomic factors and supported efforts to manage costs effectively, ensuring the Group's resilience and competitiveness in an evolving market environment.

As at 30 September 2024, the Board comprises 9 Directors, all of whom are non-executive Directors. They are:

Mr Charoen Sirivadhanabhakdi	Chairman
Mr Ng Tat Pun	Lead Independent Director
Mr Chan Heng Wing	
Mr Charles Mak Ming Ying	
Dr Sujittra Sombuntham	
Ms Suong Dao Nguyen	
Mr Koh Poh Tiong	
Mr Thapana Sirivadhanabhakdi	
Mr Sithichai Chaikriangkrai	

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

Mr Michael Chye Hin Fah <sup>1</sup>	(alternate Director to Mr Koh Poh Tiong)
Mr Kosit Suksingha <sup>2</sup>	(alternate Director to Mr Thapana Sirivadhanabhakdi)
Mr Prapakon Thongtheppairot	(alternate Director to Mr Sithichai Chaikriangkrai)

### Notes:

- As announced on 26 March 2024, Mr Michael Chye Hin Fah ("**Mr Chye**") ceased to be an alternate Director to Mr Thapana Sirivadhanabhakdi ("**Mr Thapana**") at the end of 28 March 2024 and Mr Chye was appointed as an alternate Director to Mr Koh Poh Tiong with effect from 28 March 2024.
- As announced on 26 March 2024, Mr Kosit Suksingha was appointed as an alternate Director to Mr Thapana with effect from 28 March 2024.

Profiles of each of the Directors can be found on pages 16 to 26 of this Annual Report.

### Delegation of Authority

The Board has formed and has delegated authority to five board committees (each, the "**Board Committee**" and collectively, the "**Board Committees**") which oversee specific areas for greater efficiency. The Board Committees are: the Board Executive Committee ("**Board Exco**"), the Audit Committee ("**AC**"), the Nominating Committee ("**NC**"), the Remuneration Committee ("**RC**") and the Sustainability and Risk Management Committee ("**SRMC**").

Each Board Committee is governed by clear written terms of reference (the "**Terms of Reference**") which set out the composition, authority and duties of each committee including reporting back to the Board. The Terms of Reference have been approved by the Board and 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 the Directors are aware of and kept updated as to the proceedings and matters discussed during such meetings.

# CORPORATE GOVERNANCE

FOR THE YEAR ENDED 30 SEPTEMBER 2024

## A. BOARD MATTERS (cont'd)

The Company also adopts a framework of delegated authorisations in its Manual of Authority (“**MOA**”). The MOA, which is approved by the Board, defines the procedures and levels of authorisation required for specified transactions. It also sets out approval limits for operating and capital expenditure as well as acquisitions and disposals of assets and investments. The MOA is clearly communicated to Management in writing.

In order to facilitate the Board’s exercise of its leadership and oversight of the Group, the MOA contains a schedule of matters specifically reserved for approval by the Board. These include approval of (i) any transaction for the acquisition or disposal of assets that is material to the Company; (ii) acceptance of all banking and credit facilities; and (iii) annual capital and annual operating budgets.

The MOA delegates authority for approval of transactions below certain limits to the Board Exco, beyond which the approval of the Board needs to be obtained. Below the Board and Board Exco levels, appropriate delegation of authority and approval sub-limits are set at Management level, to facilitate day to day operations of the Group’s business.

### Board Executive Committee

The Board Exco assists the Board in formulating strategic development initiatives of the Group, 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. The Board Exco assists the Board in overseeing the Group’s conduct and corporate governance structure and in enhancing business strategies which contribute towards the strengthening of core competencies of the Group. The Board Exco reviews and approves corporate decisions, such as capital investments, acquisitions, investments and divestments (other than those which are material to the Company requiring Board approval). The Board Exco also reviews and approves or recommends, as appropriate, the succession plans in respect of senior management of the Company.

As at 30 September 2024, 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 Kosit Suksingha <sup>1</sup>	Member
Mr Prapakon Thongtheppairot	Member

**Note:**

<sup>1</sup> As announced on 26 March 2024, Mr Kosit Suksingha was appointed as a Member of the Board Exco with effect from 28 March 2024.

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 and when 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. If required, additional time is set aside after scheduled Board and Board Committee meetings for discussions among the Directors without the presence of Management as this facilitates a more effective check on Management.

The Directors are also given direct access to the management team of the Group’s business divisions<sup>1</sup> through presentations by such management teams at Board and Board Committee meetings. Where required or requested by Board members, site visits and meetings with various personnel from the Group’s business divisions are also arranged to allow Directors to have a better understanding of the key business operations of each business 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.

For FY2024, 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 FY2024 is set out on page 73 of this Annual Report.

**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 FY2024 and the attendance of Directors at these meetings are as follows:

	Board	Board Exco	AC	SRMC	RC	NC	AGM
<b>Meetings held for FY2024</b>	5	4	5	3	2	2	1
Mr Charoen Sirivadhanabhakdi	5/5	-	-	-	-	-	1/1
Mr Ng Tat Pun	5/5	-	5/5	-	2/2	2/2	1/1
Mr Chan Heng Wing	5/5	-	5/5	-	2/2	-	1/1
Ms Suong Dao Nguyen	4/5	-	-	-	-	1/2	0/1
Mr Charles Mak Ming Ying	5/5	-	-	-	-	-	1/1
Dr Sujittra Sombuntham	5/5	-	-	-	-	-	1/1
Mr Koh Poh Tiong	5/5	4/4	-	3/3	-	-	1/1
Mr Thapana Sirivadhanabhakdi	4/5	3/4	-	3/3	2/2	2/2	1/1
Mr Sithichai Chaikriangkrai	5/5	3/4	5/5	3/3	-	-	1/1
Mr Michael Chye Hin Fah <sup>1</sup> (alternate Director)	1/1	4/4	-	3/3	-	-	-
Kosit Suksingha <sup>2</sup> (alternate Director)	-	4/4	-	1/3	-	-	-
Mr Prapakon Thongthepairoi <sup>3</sup> (alternate Director)	-	3/4	-	2/3	-	-	-

### Notes:

- Mr Michael Chye Hin Fah ("**Mr Chye**") ceased to be an alternate Director to Mr Thapana Sirivadhanabhakdi ("**Mr Thapana**") at the end of 28 March 2024 and Mr Chye was appointed as an alternate Director to Mr Koh Poh Tiong with effect from 28 March 2024. Mr Chye is a Member of the Board Exco and SRMC.
- Mr Kosit Suksingha ("**Mr Kosit**") was appointed as an alternate Director to Mr Thapana with effect from 28 March 2024. On this date, Mr Kosit was also appointed as a Member of the Board Exco and a Member of the SRMC respectively. His attendance at these Board Committee meetings excludes meetings held before his appointment to the Board Exco and SRMC on 28 March 2024.
- Mr Prapakon Thongthepairoi is a Member of the Board Exco and SRMC.

### Orientation and Training for Directors

The NC is tasked with reviewing and making recommendations to the Board on matters relating to training and professional development programmes for the Board and its Directors. The NC also has overall oversight to ensure that new Directors understand the Group's business and 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, responsibilities, and obligations as a Director of the Company, including his or her responsibilities as fiduciaries and how to deal with conflicts of interest that may arise. A comprehensive induction and orientation programme is also conducted 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 Chief Executive Officer of the Company as well as the chief executive officers and senior management of each of the Group's business divisions. The orientation programme 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 the roles and responsibilities of a director of a listed issuer as prescribed by the SGX-ST.

# CORPORATE GOVERNANCE

FOR THE YEAR ENDED 30 SEPTEMBER 2024

## A. BOARD MATTERS (cont'd)

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 developments in accounting principles and financial reporting standards and on the latest key changes to any applicable legislation and changes to the listing manual of the SGX-ST (the "**SGX-ST Listing Manual**"). These updates are given by way of briefings held by the Company's lawyers and auditors.

During FY2024, the Directors attended briefings on, among others, (i) updates to the SGX-ST Listing Manual and (ii) sustainability and ESG reporting conducted by the Company's lawyers. Members of the AC and SRMC also attended a briefing regarding directors' duties on workplace safety and health.

Pursuant to Listing Rule 720(7) of the SGX-ST Listing Manual, all of the Directors in office as at the end of FY2024 have completed the required training on sustainability matters as prescribed by the SGX-ST.

To ensure that Directors have the opportunities to develop their skills and knowledge 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. Directors are also encouraged to be members of the Singapore Institute of Directors ("**SID**") and to receive updates and training from SID in order to stay abreast of relevant developments in financial, legal and regulatory requirements. The Company Secretary supports professional development of Directors by identifying and keeping the Board informed of relevant courses and training offered by SID.

### 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 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.

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 within a stipulated time frame before each scheduled Board and Board Committee meeting. This is to give Directors sufficient time to review and consider the matters being tabled 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. 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.

The Board also has separate and independent access to Management and the Company Secretary.

### Conflicts of Interest

The Board has put in place clear procedures to address and manage possible conflicts of interest that may arise between Directors' interests and those of the Group. The procedures which the Company has put in place apply in addition to the Directors' obligation to comply with disclosure obligations under the Company's Constitution and the Companies Act 1967 (the "**Companies Act**").

In the event of any conflict of interest, in addition to complying with disclosure obligations under the Company's Constitution and the Companies Act, Directors are required to promptly declare any conflict of interest at a meeting of the Directors or by way of written notification to the Company Secretary. The Directors are required to take such action as is necessary to effectively resolve the conflict by, for example, recusing themselves and refraining from participating in meetings or discussions (or relevant segments thereof) and abstaining from voting, on any matter in which they are interested or conflicted.

### The Company Secretary

The Board is supported by the Company Secretary, who is legally trained and familiar with company secretarial practices. The Company Secretary is responsible for administering and executing Board and Board Committee procedures, in compliance with the Company's Constitution and applicable laws. The Company Secretary also provides advice and guidance on relevant rules and regulations, including disclosure requirements under the Securities and Futures Act 2001 (the "**SFA**"), the Companies Act and the SGX-ST Listing Manual, as well as corporate governance practices and processes.

The Company Secretary attends all Board and Board Committee meetings and reviews the minutes of proceedings.

## A. BOARD MATTERS (cont'd)

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. The Directors have separate and independent access to the Company Secretary whose responsibilities include supporting and advising the Board on corporate and administrative matters.

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 the SGX-ST.

The appointment and removal of the Company Secretary is subject to the approval of the Board.

### Board Composition and Guidance

**Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.**

The Board and Board Committees are of an appropriate size and possess an appropriate balance and mix of skills, experience and knowledge to foster constructive debate, set strategic objectives and achieve effective decision-making in the best interests and for the long-term success of the Group. The Board is diversified in terms of gender, geographical background and experience, skills and experience and age. The Board comprises highly qualified and effective members with an appropriate combination of qualifications and competencies which are important to the Group. This includes competencies in the fast-moving consumer goods and food and beverage business, finance and accounting, legal, strategy and analytics, information technology, sales and marketing, human resources and labour relations, branding and healthcare.

The NC undertakes an annual review of the structure, size and composition of the Board and Board Committees to ensure alignment with the needs of the Group and taking into account the requirements of the Code and the Company's Board Diversity Policy.

Taking into consideration the requirements of the Group's businesses and the need to avoid undue disruptions which may arise from changes to the Board and Board Committees, the NC is of the view that the current size and composition of the Board and Board Committees is appropriate as the Board comprises Directors who as a group provide an appropriate balance and mix of skills, knowledge and experience, and other aspects of diversity (such as gender and age) to foster constructive debate and to avoid groupthink. No individual or group dominates the Board's decision-making process.

Details relating to the Board Diversity Policy and progress made towards implementing the Board Diversity Policy, including objectives, are disclosed on pages 76 to 79 of this Annual Report.

### Directors' Independence

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. Listing Rule 210(5)(c) of the SGX-ST Listing Manual requires that independent directors comprise at least one-third of an issuer's board.

As at 30 September 2024, all of the Directors on the Board are non-executive and the Board, which is chaired by a non-independent Chairman comprises a majority of independent Directors (five out of nine). The Company's current Board composition meets the independence requirements of the SGX-ST Listing Manual and the Code.

Each of the NC, RC and AC comprises a majority of and is chaired by independent Directors. 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.

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 and diversity of thought through the collective weight of the current composition of 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.

# CORPORATE GOVERNANCE

FOR THE YEAR ENDED 30 SEPTEMBER 2024

## A. BOARD MATTERS (cont'd)

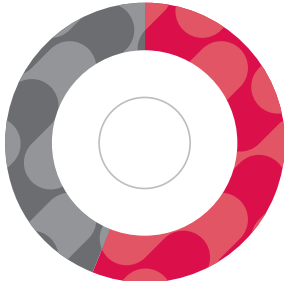
The independent Directors complete a declaration of independence annually which is then reviewed by the NC. Based on the declarations of independence, none of the independent Directors has any relationship with the Company, its related corporations<sup>1</sup>, its substantial shareholders<sup>2</sup> 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 RC of the Company.

The five independent Directors on the Board help to uphold unbiased decision-making and 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 serve to ensure 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 2024, none of the independent Directors have served on the Board for an aggregate period of more than nine years. Board renewal is a continuing process, and the appropriate composition of the Board is continually under review. The tenure of each independent Director is monitored so that the process for Board renewal is commenced ahead of any independent Director reaching the nine-year mark to facilitate a smooth transition and to ensure that the Board continues to have an appropriate level of independence. To this end the NC is tasked with undertaking the process of reviewing, considering and recommending any changes to the composition of the Board, where appropriate, taking into account the requirements to be met by independent Directors, including having regard to the circumstances set out under Listing Rule 210(5)(d) of the SGX-ST Listing Manual.

### Board Composition in terms of Independence and Tenure (as at 30 September 2024)

#### Independence



**INDEPENDENT AND  
NON-EXECUTIVE DIRECTORS**  
**56%**

**NON-INDEPENDENT AND  
NON-EXECUTIVE DIRECTORS**  
**44%**

#### Tenure



**3 YEARS OR LESS**  
**22%**

**BETWEEN 3 AND 7 YEARS**  
**11%**

**MORE THAN 7 YEARS**  
**67%**

#### Notes:

- The Code states that the term "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.
- 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.
- Under the SGX-ST Listing Manual, the term "immediate family" refers to the person's spouse, child, adopted child, step-child, sibling and parent.

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

The Company embraces diversity and has in place a Board Diversity Policy which sets out the approach taken by the Company towards diversity on its Board.

The Company recognises that a diverse Board would be beneficial as it would support good decision-making for the benefit of the Company by allowing for the harnessing of a variety of skills, industry and business experiences and other distinguishing qualities of members of the Board. Board diversity may also help the Board better understand the perspectives of its various stakeholders, including customers, suppliers and employees as well as have a wider reach to resources and networks.

With an appropriately diverse group of Directors, the Board will be able to provide a broader range insights and foster open, frank and constructive debate, so as to avoid groupthink and better identify potential risks, raise challenging questions and improve problem-solving, all in the best interests of the Company.



**A. BOARD MATTERS (cont'd)**

The NC is responsible for the Board Diversity Policy which has been adopted by the Board, and for:

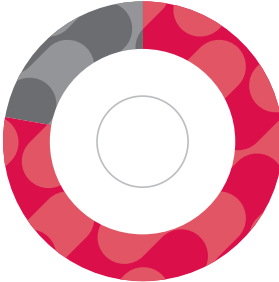
- (a) monitoring and implementing the Board Diversity Policy; and
- (b) taking the principles of the Board Diversity Policy into consideration when determining the optimal composition of the Board and recommending any proposed changes to the Board.

The Board Diversity Policy also highlights that gender, skills and experience are important aspects of diversity and that the NC will therefore take steps and strive to ensure that these aspects of diversity are achieved on the Board.

The Board Diversity Policy also provides that the NC will from time to time discuss and agree on relevant qualitative and measurable quantitative objectives (where appropriate) for promoting and achieving diversity on the Board and make its recommendations for consideration and approval by the Board.

The Company remains committed to implementing the Board Diversity Policy in order to complement the Company’s objectives and strategies. The current Board composition reflects the Company’s commitment to Board diversity in terms of gender, geographical background and experience, skills and experience and age.

The Company’s diversity targets for the Board, its plans and timelines for achieving the targets, and its progress towards achieving the targets, are described below.

Diversity Targets and Timelines	Progress
<b>Gender</b>	
<p>We aim to ensure that at least 30% of the Board is made up of women by financial year ending 30 September 2030 (“<b>FY2030</b>”), or (if applicable) to maintain such level of gender diversity in the period leading up to FY2030.</p> <p>The Company believes in achieving an optimum mix of gender representation on the Board to provide for gender balance and different approaches and perspectives. The push for greater gender diversity would also provide the Company with access to a broader talent pool and improve its capacity for strategic thinking and problem solving.</p>	<p><b>In Progress</b> – As at 30 September 2024, two out of nine Directors, or approximately 22% of the Board, are female.</p> <p>The Company is committed to achieving the 30% target for female representation. The Company’s Board Diversity Policy provides, <i>inter alia</i>, that (i) any brief to external search consultants to search for candidates for appointment to the Board will include a requirement to present female candidates; and (ii) when seeking to identify a new Director for appointment to the Board, the NC will request for female candidates to be included for consideration.</p> <p><b>Gender</b></p> <div style="display: flex; align-items: center; justify-content: center;">  <div style="margin-left: 20px;"> <p><b>MALE</b> <b>78%</b></p> <p><b>FEMALE</b> <b>22%</b></p> </div> </div>

# CORPORATE GOVERNANCE

FOR THE YEAR ENDED 30 SEPTEMBER 2024

## A. BOARD MATTERS (cont'd)

### Diversity Targets and Timelines Progress

#### Expertise and Experience by Geography

We aim to ensure that our Directors, as a group, represent expertise and experience based on geographically diverse backgrounds and experiences, especially in the markets in which the Group has key operations.

The Company’s target is to maintain the current mix of diversity in geographical background and experience in the period leading up to 30 September 2026.

The Company believes that expertise and experience by geography benefits the Company in effectively navigating challenges and opportunities in various jurisdictions (especially in its key operating markets). Further, such diversity would enhance Board and Board Committee performance and deliberations via a broader spectrum of perspectives, as well as a deeper understanding of the relevant markets in which the Group operates.

**Achieved** – As at 30 September 2024, the Board, as a group, consists of Directors with varied geographical backgrounds and experience. In particular, our Directors collectively have backgrounds or significant experience in Singapore, Malaysia, Myanmar, Hong Kong, Thailand and Indochina, being the regions in which the Group has key operations.

#### Geographical Coverage



### Skills and Experience

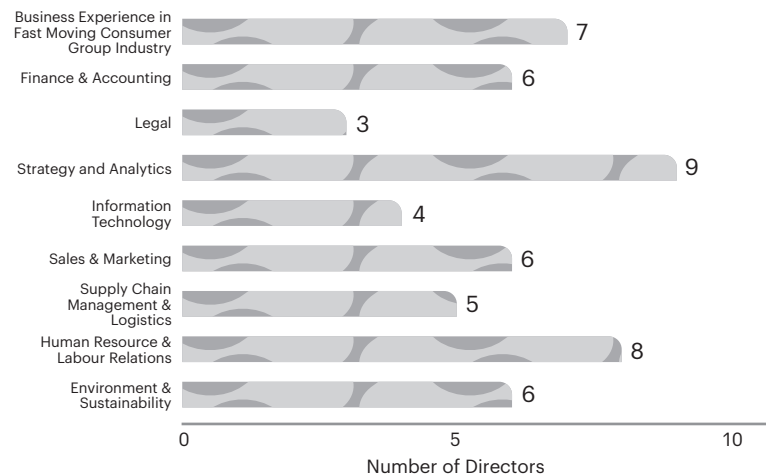
We aim to have Directors who, as a group, possess a variety of relevant industry experience, qualifications and competencies, including skillsets and/or experience in at least a majority of the identified core competencies of relevant industry knowledge in the Fast-Moving Consumer Goods/Food & Beverage Business, Strategy & Analytics, Human Resource & Labour Relations, Finance & Accounting, Sales & Marketing, Environment & Sustainability, Supply Chain Management & Logistics, Legal, and Information Technology.

The Company’s target is to maintain this level of diversity in industry experience and skills sets during the period leading up to 30 September 2026.

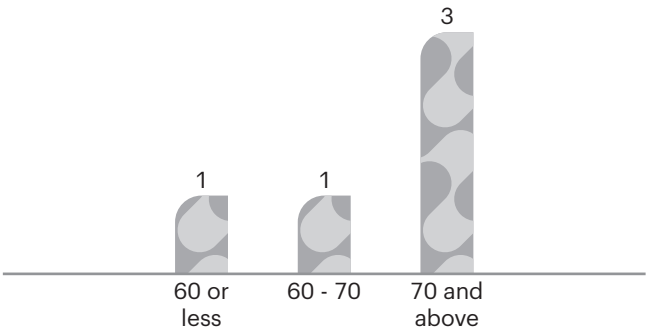
The Company believes that diversity in skills and experience would support the work of the Board and Board Committees and support the needs of the Company. It would facilitate the effective guidance and oversight of Management and the Group’s businesses operations and would also help shape the Company’s strategic objectives.

**Achieved** – As at 30 September 2024, the Board comprises Directors who collectively possess an optimal mix of industry experience and skills sets in all of the identified core competencies of Strategy & Analytics, Fast-Moving Consumer Goods/Food & Beverage Business Experience, Human Resource & Labour Relations, Finance & Accounting, Sales & Marketing, Environment & Sustainability, Supply Chain Management & Logistics, Legal, and Information Technology. In terms of industry experience and skill sets, the Directors collectively have an appropriate combination of qualifications and competencies.

#### Professional & Industry Skills



## A. BOARD MATTERS (cont'd)

Diversity Targets and Timelines	Progress								
<b>Age</b>									
<p>We aim to maintain age diversity by ensuring that the independent Directors on the Board fall within at least 3 out of the 4 age categories below:</p> <ul style="list-style-type: none"> <li>(a) 50 and below;</li> <li>(b) 51 to 60;</li> <li>(c) 61 to 70; and</li> <li>(d) 71 and above.</li> </ul>	<p><b>Achieved</b> – As at 30 September 2024, the ages of the independent Directors on the Board fall within the following 3 age categories: (a) 60 or less, (b) 60 to 70 and (c) 70 and above, representing diversity in the age ranges of the independent Directors on the Board.</p> <p><b>Age Group for Independent Directors</b> (As at 30 September 2024)</p>								
<p>The Company's target is to maintain this level of age diversity amongst independent Directors in the period leading up to 30 September 2026.</p>	 <table border="1"> <caption>Age Group for Independent Directors (As at 30 September 2024)</caption> <thead> <tr> <th>Age Category</th> <th>Number of Directors</th> </tr> </thead> <tbody> <tr> <td>60 or less</td> <td>1</td> </tr> <tr> <td>60 - 70</td> <td>1</td> </tr> <tr> <td>70 and above</td> <td>3</td> </tr> </tbody> </table>	Age Category	Number of Directors	60 or less	1	60 - 70	1	70 and above	3
Age Category	Number of Directors								
60 or less	1								
60 - 70	1								
70 and above	3								
<p>The Company believes that age diversity amongst the independent Directors would contribute beneficially to the Board's diversity of thought and deliberations and avoid the risk of groupthink, while ensuring the Board's decisions and/or strategies stay relevant as markets evolve.</p>									

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 gender, geographical background and experience, age, and the competencies of our Directors. Each Director brings in different perspectives and ideas at Board discussions. In particular, the Board comprises Directors whose competencies range from banking, finance and accounting, legal, strategy and analytics, sales and marketing and relevant industry knowledge in the fast-moving consumer goods and food & beverage business. Our Directors have entrepreneurial and management leadership experience and are familiar with regulatory requirements and risk management. This is beneficial to the Company and its Management as decisions by and discussions with the Board especially in relation to key markets in which the Group operates are enriched by the broad range of views and perspectives and the breadth of experience of our Directors.

The Board, taking into account the views of the NC, considers that diversity of the Board in terms of, *inter alia*, gender, geographical background and experience, skills and experience and age, will contribute to the quality of its decision-making process and serve the needs and plans of the Group.

### Chairman and Chief Executive Officer

**Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.**

The Chairman of the Board (the “**Chairman**”) and the Chief Executive Officer of the Company are separate persons, each carrying out their respective roles as Chairman and Chief Executive Officer of the Company, in alignment with Principle 3 of the Code which calls for a clear division of responsibilities and an appropriate balance of power and authority between the leadership of the Board and Management.

The Chairman of the Board is non-executive and is not related to the Chief Executive Officer of the Company. There is no business relationship between the Chairman of the Board and the Chief Executive Officer of the Company.

The division of responsibilities between the Chairman of the Board and the Chief Executive Officer of the Company 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.

# CORPORATE GOVERNANCE

FOR THE YEAR ENDED 30 SEPTEMBER 2024

## A. BOARD MATTERS (cont'd)

### The Chairman of the Board

The Chairman provides leadership to the Board by:

- (a) setting the right ethical and behavioural tone and desired organisational culture;
- (b) ensuring the Board's effectiveness by, among other things, promoting a culture of openness and debate at Board meetings and maintaining high standards of corporate governance and transparency;
- (c) overseeing the establishment and maintenance of a framework of prudent and effective controls to enable risks to be assessed and managed; and
- (d) ensuring that an appropriate balance is maintained between the interests of shareholders and other material stakeholders of the Company such as customers, employees and regulators.

The Chairman ensures that the Board is properly organised and functions effectively to meet its obligations and responsibilities. This includes ensuring, 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 also sees to it that there is effective communication to and with shareholders, financial analysts and the media on critical issues that could significantly affect the reputation and standing of the Company and ensures that there is overall effective communication to and with shareholders on the performance of the Group.

### The Chief Executive Officer

The Chief Executive Officer of the Company provides strategic leadership and manages the Group to ensure that the mission, vision and core values of the Company are put into practice and executed in an effective, focused and sustainable manner. He is also responsible for leading, promoting and conducting the affairs of the Group with the highest standards of integrity, corporate governance and transparency. He leads Management, which includes the chief executive officers of each of the Group's business divisions and reviews and implements the business direction, business plans and processes and the strategies for the Group as approved by the Board. The Chief Executive Officer of the Company works together with the Board to formulate such strategies, plans and processes. The Chief Executive Officer of the Company seeks business opportunities, drives new initiatives and is responsible for the operational performance of the Group as well as building and maintaining strong relationships with stakeholders of the Group. Key initiatives led by the Chief Executive Officer of the Company include:

- (a) leading the Group's evolution amid changes brought by external factors, building resilient and sustainable business platforms, and strengthening the Group's capabilities;
- (b) maintaining the Company's active capital management discipline; and
- (c) driving organisation culture and developing the Company's purpose. The Chief Executive Officer of the Company is also the Chairman of the Sustainability Development Committee ("SDC"). The SDC regularly monitors the sustainability priorities and initiatives of the Group and ensures the implementation of such initiatives.

The Chief Executive Officer of the Company is accountable to the Board for the conduct and performance of the Group's business operations.

### Lead Independent Director

Mr Ng Tat Pun, Chairman of the AC and NC, was appointed as Lead Independent Director of the Company on 8 January 2023.

The Lead Independent Director provides leadership in situations where the Chairman is conflicted, chairs meetings in the absence of Chairman and works with the Chairman in leading the Board.

The Lead Independent Director acts as an additional conduit to the Board for communicating shareholder concerns where the normal channels of communication, such as the Chairman or the Chief Executive Officer of the Company, is inappropriate or inadequate.

The Lead Independent Director represents the independent Directors in responding to questions from shareholders that are directed to the independent Directors as a group.

In addition, as disclosed above, the Lead Independent Director has the authority to 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. Regular meetings of the independent Directors and/or other non-executive Directors were held during the year under review. The Lead Independent Director provides feedback to the Chairman of the Board as appropriate.

## A. BOARD MATTERS (cont'd)

### Board Membership

**Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.**

#### Nominating Committee

As at 30 September 2024, the NC is made up of the following Directors:

Mr Ng Tat Pun	Chairman
Ms Suong Dao Nguyen	Member
Mr Thapana Sirivadhanabhakdi	Member

A majority of the members of the NC, including the Chairman, are independent and non-executive Directors. The Lead Independent Director, Mr Ng Tat Pun, 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:

- establishing a formal and transparent process for the appointment and re-appointment of Directors, taking into account the need for progressive renewal of the Board;
- assessing annually the effectiveness of the Board as a whole, and that of each of its Board Committees and individual Directors;
- reviewing the structure, size, composition of the Board (including gender, skills, experience, qualifications and other aspects of diversity as are relevant to the Company) and reviewing independence of the Board and its Board Committees and recommending to the Board such adjustments as it may deem necessary;
- reviewing and making recommendations to the Board on the succession plans for the Directors, the Chairman of the Board and the key management personnel (including the Chief Executive Officer of the Company and the chief executive officers of each of the Group's business divisions);
- reviewing and making recommendations to the Board on training and professional development programmes for the Board and the Directors; and
- determining the independence of Directors.

Further information on the main activities of the NC is outlined below and in the following sections of this report:

- 'Orientation and Training for Directors' on pages 73 to 74;
- 'Board Composition' on pages 75 to 79;
- 'Directors' Independence' on pages 75 to 76.

#### Independence

The NC determines the independence of each Director annually and as and when circumstances require, based on the definitions set out in the SGX-ST Listing Manual 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 complete an independence declaration form each year which is then reviewed by the NC.

# CORPORATE GOVERNANCE

FOR THE YEAR ENDED 30 SEPTEMBER 2024

## A. BOARD MATTERS (cont'd)

Based on the declarations of independence of the Directors and having regard to the circumstances set forth in Listing 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 determined the independence status of each Director holding office as at 30 September 2024 as follows:

Mr Charoen Sirivadhanabhakdi <sup>1</sup>	Non-Independent
Mr Ng Tat Pun	Independent
Mr Chan Heng Wing	Independent
Mr Charles Mak Ming Ying	Independent
Dr Sujittra Sombuntham	Independent
Ms Suong Dao Nguyen	Independent
Mr Koh Poh Tiong <sup>2</sup>	Non-Independent
Mr Thapana Sirivadhanabhakdi <sup>3</sup>	Non-Independent
Mr Sithichai Chaikriangkrai <sup>4</sup>	Non-Independent

### Notes:

- 1 Mr Charoen Sirivadhanabhakdi ("**Mr Charoen**") is a substantial shareholder of the Company as he is directly or indirectly interested in not less than five percent (5%) of the total voting shares in the Company through his interests in TCC Assets Limited ("**TCCA**") and Thai Beverage Public Company Limited ("**ThaiBev**"). As at 30 September 2024, TCCA has a direct interest of 17.61% in the Company and ThaiBev, through its indirect wholly-owned subsidiary InterBev Investment Limited, holds a 69.64% interest in the Company.
- 2 Mr Koh Poh Tiong is also an adviser to the Board and has received compensation for the provision of advisory services other than Director's fees.
- 3 Mr Thapana Sirivadhanabhakdi, being the son of Mr Charoen and the late Khunying Wanna Sirivadhanabhakdi, is an immediate family member of a substantial shareholder of the Company.
- 4 Mr Sithichai Chaikriangkrai is a Vice Chairman of the Executive Committee of ThaiBev.

### Board Succession Planning

With a view to ensuring orderly succession and renewal of the Board, the NC reviews and makes recommendation to the Board on succession plans for the Directors. The process for the selection, appointment and re-appointment of Directors takes into account the composition and progressive renewal of the Board and Board Committees. In this regard, the Board has put in place processes for the renewal of the Board and the selection of new directors so that the experience of longer serving directors can still be relied upon while tapping into the new perspectives and insights which new appointees bring to the Board.

### Process and Criteria for Appointment of New 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. The NC also takes into account the Company's strategic priorities and the factors and trends affecting the long-term success of the Company. The NC also reviews the composition of the Board, including the mix of expertise, skills and attributes of existing Directors, so as to identify additional and/or desired competencies to supplement the Board's existing attributes. Where it deems necessary or appropriate, the NC may broaden the candidate pool by tapping on its networking contacts and/or engage external professional head-hunters to assist with identifying and shortlisting suitable candidates. In order to ensure that a diverse slate of candidates is presented for the NC's and the Board's consideration, 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 or her ability to act as a Director of the Company. To facilitate shareholders' and investors' understanding of its nomination process, the Company will also disclose the channels used in the search and nomination process for identifying appropriate candidates and the channel via which the eventual appointee was found, and the criteria used to identify and evaluate the candidates.

The NC reviews all nominations for appointments and re-appointments to the Board and to Board Committees and submits its recommendations for approval by the Board, taking into account, among other things, the succession plans for Directors, whether Directors (including those who hold multiple board representations and other principal commitments) are able to and have been able to contribute and devote sufficient time to discharge their responsibilities adequately and identifying the balance of skills, knowledge and experience required for the Board to discharge its responsibilities effectively. The NC also reviews nominations and appointments of alternate Directors.

## A. BOARD MATTERS (cont'd)

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

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. As part of this review, the NC assesses whether Board members have been and are able to:

- (a) effectively manage their directorships and principal commitments and make the substantial time commitments required to contribute to the Board;
- (b) carry out their duties adequately; and
- (c) fulfil their responsibilities and duties to the Company and its shareholders

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 factors such as the number of other board and principal commitments held by each Director and the nature and complexity of such commitments.

In determining whether each Director is able to devote sufficient time and attention to discharge his or her duties as a director of the Company, the NC considers the commitment, conduct and contributions by each Director to and during meetings of the Board and relevant Board Committees (including attendance, meaningful participation, candour and rigorous decision-making at such meetings).

The personal capabilities of Directors 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 each Director has been able to effectively discharge his or her duties as a director of the Company by being able to participate in meetings, devote sufficient time and attention to the affairs of the Company. 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 discharge his or her duties as a Director of the Company.

Details of other directorships (including listed company directorships) and other principal commitments of each of the Directors may be found on pages 16 to 26 of this Annual Report.

### Alternate Directors

As at 30 September 2024, the Board has three alternate Directors who have been appointed as alternates to three non-independent Directors. Mr Kosit Suksingha is the alternate Director to Mr Thapana Sirivadhanabhakdi, Mr Michael Chye Hin Fah is the alternate Director to Mr Koh Poh Tiong and Mr Prapakon Thongtheppairot is the alternate Director to Mr Sithichai Chaikriangkrai.

The NC has assessed the qualifications, skills and experience of Mr Michael Chye Hin Fah, Mr Kosit Suksingha and Mr Prapakon Thongtheppairot and is satisfied that the alternate Directors have the requisite business expertise and financial background to be able to serve as alternate Directors and contribute effectively to the Board. Based on the review and recommendations of the NC, the Board has approved the appointment of the alternate Directors.

### Key Information regarding Directors

Key information on the Directors is set out on pages 16 to 26 of this Annual Report.

# CORPORATE GOVERNANCE

FOR THE YEAR ENDED 30 SEPTEMBER 2024

## A. BOARD MATTERS (cont'd)

### Board Performance

**Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.**

The NC is tasked with making recommendations to the Board on the process and objective performance criteria for evaluation of the performance of the Board as a whole, each of the Board Committees and the individual Directors.

The Board, with the recommendation of the NC, has approved the objective performance criteria and implemented a formal process for assessing on an annual basis:

- (a) the effectiveness of the Board as a whole and its Board Committees separately; and
- (b) the contribution by the Chairman and each individual Director to the effectiveness of the Board.

As part of the Board evaluation process, each Director is required to complete a Board evaluation questionnaire, a Board Committee evaluation questionnaire and an individual Director self-evaluation questionnaire ("**the Questionnaires**"). The Questionnaires have been designed to assess the current effectiveness of the Board and Board Committees and to support the Chairman and the Board in proactively considering improvements to enhance the Board's readiness to address emerging strategic priorities of the Group as a whole.

The objective performance criteria covered in the Board evaluation exercise include the following key segments:

- (a) Board composition (including an evaluation of independence, board size and diversity);
- (b) Strategy and performance (including an evaluation of sufficient time spent on critical oversight and guiding performance);
- (c) Governance (including an evaluation of the system in place to review the adequacy and effectiveness of internal controls and risk management and an evaluation of effective measures to anticipate and address ESG factors);
- (d) Talent management and succession planning; and
- (e) Director development and training.

Directors can also provide general comments and input on issues which may or may not fall under the above-mentioned categories by addressing other specific areas where improvements can be made.

The Board Committee evaluation questionnaire and the individual Director self-assessment questionnaire aim to assess whether each Director is able to devote sufficient time and attention, contribute effectively to the Board, and demonstrate commitment to his or her roles on relevant Board Committees (if any).

For the financial year ended 30 September 2024, the outcome of the evaluation was generally affirmative across the evaluation categories. The responses to the Questionnaires and feedback from the Directors will be consolidated into a report and taken into consideration by the NC and where appropriate, necessary follow-up actions will be undertaken with a view to improving the overall effectiveness of the Board in fulfilling its role and meeting its responsibilities to shareholders.

The NC Chairman will, where necessary, provide feedback to the Directors with a view to improving Board performance and, where appropriate, the NC Chairman will propose changes to the composition of the Board.

Based on the NC's review, the Board and the various Board Committees operate effectively and each Director is able to fulfil his or her roles in contributing to the overall effectiveness of the Board.



## B. REMUNERATION MATTERS

### Procedures for Developing Remuneration Policies

**Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her remuneration.**

#### Remuneration Committee (“RC”)

The RC is made up of non-executive Directors, the majority of whom, including its Chairman, are independent Directors. As at 30 September 2024, the RC comprises the following members:

Mr Chan Heng Wing	Chairman
Mr Ng Tat Pun	Member
Mr Thapana Sirivadhanabhakdi	Member

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 role of the RC 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 also assists the Board in ensuring that the level and structure of remuneration of the Board and key management personnel of the Group are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company.

#### Remuneration 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 personnel of the Group. The remuneration framework is endorsed by the Board.

In discharging its responsibilities, before making recommendations for endorsement by the Board, the RC considers all aspects of remuneration, including Directors’ fees, salaries, allowances, bonuses, share-based incentives and awards, benefits in kind, and termination payments, to ensure that these are fair. The RC performs benchmarking against comparable market data, to ensure that all aspects of remuneration (including termination terms) are competitive. The RC aims to be fair and to avoid rewarding poor performance.

The remuneration framework is tailored to the specific role and circumstances of each Director and key management personnel, to ensure an appropriate remuneration level and mix that recognises the performance potential and responsibilities of these individuals. The RC also aligns the leadership of the Chief Executive Officer of the Company and the chief executive officers of each of the Group’s business divisions, through appropriate remuneration and benefits policies and long-term incentives, bearing in mind the Company’s strategic objectives and key challenges. Performance targets are also set for the Chief Executive Officer of the Company and the chief executive officers of each of the Group’s business divisions. The performance of such individuals is evaluated yearly.

#### Engagement of External Consultants

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 FY2024, Mercer (Singapore) Pte Ltd was appointed as remuneration consultant. The Company does not have any relationship with Mercer (Singapore) Pte Ltd which would affect its independence and objectivity.

#### Level and Mix of Remuneration

**Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.**

The RC reviews and makes recommendations to the Board on the remuneration framework for independent Directors and other non-executive Directors, the Chief Executive Officer of the Company and other key management personnel of the Group. The remuneration framework is endorsed by the Board.

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 personnel to successfully manage the Company for the long term.

# CORPORATE GOVERNANCE

FOR THE YEAR ENDED 30 SEPTEMBER 2024

## B. REMUNERATION MATTERS (cont'd)

The RC 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 personnel) 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 performance measures and 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 2019 ("**F&N RSP 2019**") was adopted by the Company at the AGM of the Company held on 29 January 2019.

The F&N RSP 2019 seeks 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 F&N RSP 2019 is 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 F&N RSP 2019, the Company grants a base number of conditional share-based awards ("**Base Awards**") to eligible participants annually. The Base Awards are conditional upon pre-determined performance targets being met. These targets are set by the RC in its absolute discretion for the pre-determined performance targets to be met over the relevant performance periods. The first grant of Base Awards under the F&N RSP 2019 was made on 28 August 2020. The performance period for the F&N RSP 2019 is one year.

For the F&N RSP 2019, the pre-set targets are based on the achievement of specified targets by the Company relating to:

- Total Revenue,
- Profit Before Interest and Tax,
- Attributable Profit Before Fair Value Adjustment and
- Exceptional Items and Return On Capital Employed.

The Base Awards under the F&N RSP 2019 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. Such performance conditions are generally performance indicators that are key drivers of business performance, shareholder value creation and aligned to the Group's business objectives. 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 initial 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, pursuant to the F&N 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.

The RC currently does not intend, in any given year, to grant awards under the F&N RSP 2019 which would comprise more than 0.8% of the total number of issued ordinary shares (excluding treasury shares and subsidiary holdings) 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 for the duration of the F&N RSP 2019 and subject to the overall maximum limit of 8%.

## B. REMUNERATION MATTERS (cont'd)

### Disclosure on Remuneration

**Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.**

### Remuneration of Directors, Chief Executive Officer of the Company and Key Management Personnel

Details of remuneration of the Directors, Chief Executive Officer of the Company and key management personnel, together with a breakdown in percentage terms, are set out below.

Information on remuneration of the Directors of the Company for FY2024 is set out below:

Directors of the Company during the financial year ended 30 September 2024	Remuneration \$	Director Fee %	Adviser Fee %	Allowances %	Total %
Mr Charoen Sirivadhanabhakdi	- <sup>1</sup>	-	-	-	-
Mr Ng Tat Pun	211,000 <sup>2</sup>	100.0%	0.0%	0.0%	100.0%
Mr Chan Heng Wing	144,000	100.0%	0.0%	0.0%	100.0%
Ms Suong Dao Nguyen	95,000	100.0%	0.0%	0.0%	100.0%
Mr Charles Mak Ming Ying	80,000	100.0%	0.0%	0.0%	100.0%
Dr Sujittra Sombuntham	80,000	100.0%	0.0%	0.0%	100.0%
Mr Koh Poh Tiong	2,000,000 <sup>3,4</sup>	8.7%	91.3%	0.0%	100.0%
Mr Thapana Sirivadhanabhakdi	159,000 <sup>4</sup>	100.0%	0.0%	0.0%	100.0%
Mr Sithichai Chaikriangkrai	155,000	100.0%	0.0%	0.0%	100.0%
Mr Michael Chye Hin Fah (alternate Director)	47,000	100.0%	0.0%	0.0%	100.0%
Mr Kosit Suksingha (alternate Director)	26,430 <sup>4,5</sup>	100.0%	0.0%	0.0%	100.0%
Mr Prapakon Thongtheppairot (alternate Director)	46,000	100.0%	0.0%	0.0%	100.0%

**Notes:**

- 1 During FY2024, Mr Charoen Sirivadhanabhakdi waived payment of Director's fees due to him.
- 2 Includes the payment of \$20,000 being the basic fee for serving as the Lead Independent Director.
- 3 Includes payment of \$1,826,000 being fees for services provided as adviser to the Board.
- 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 2024.
- 5 Mr Kosit Suksingha ("**Mr Kosit**") was appointed as an alternate Director to Mr Thapana Sirivadhanabhakdi with effect from 28 March 2024. On this date, Mr Kosit was also appointed as a Member of the Board Exco and a Member of the SRMC and his basic fee for serving on the Board Exco and the SRMC have been pro-rated accordingly.

Information on remuneration of the Chief Executive Officer of the Company for FY2024 is set out below:

Chief Executive Officer of the Company as at 30 September 2024	Remuneration \$	Fee %	Salary %	Bonus <sup>1</sup> %	Allowances & Benefits %	Others %	Long-Term Incentives <sup>2</sup> %	Total %
Mr Hui Choon Kit	904,814	0.0%	82.8%	0.0%	5.8%	0.0%	11.4%	100.0%

**Notes:**

- 1 Information is not available as at the time of publication.
- 2 The value of the long-term incentives was calculated based on the closing share price of F&N shares of \$1.05 on 29 February 2024.

# CORPORATE GOVERNANCE

FOR THE YEAR ENDED 30 SEPTEMBER 2024

## B. REMUNERATION MATTERS (cont'd)

Information on remuneration of the top five key management personnel of the Group for FY2024 is set out below:

Key Management Personnel of the Group as at 30 September 2024	Fee %	Salary %	Bonus <sup>1</sup> %	Allowances & Benefits %	Others %	Long-Term Incentives <sup>2</sup> %	Total %
<b>Between \$1,000,000 to \$1,249,999</b>							
Mr Lim Yew Hoe	0.0%	60.1%	0.0%	30.2%	0.0%	9.7%	100.0%
<b>Between \$750,000 to \$999,999</b>							
Mr Koh Tai Hong	0.0%	49.7%	0.0%	39.5%	0.0%	10.8%	100.0%
<b>Between \$500,000 to \$749,999</b>							
Ms See Kwan Kit Jennifer	0.0%	77.9%	0.0%	7.1%	0.0%	15.0%	100.0%
Mr Siew Peng Yim	0.0%	86.0%	0.0%	8.7%	0.0%	5.3%	100.0%
Mr Leong Chi How Christopher	0.0%	74.6%	0.0%	7.5%	0.0%	17.9%	100.0%
<b>Aggregate of total remuneration for top five key management personnel (excluding Chief Executive Officer of the Company):</b>						<b>\$3,741,322</b>	

### Notes:

<sup>1</sup> Information is not available as at the time of publication.

<sup>2</sup> The value of the long-term incentives was calculated based on the closing share price of F&N shares of \$1.05 on 29 February 2024.

No termination, retirement and post-employment benefits were granted to Directors, the Chief Executive Officer of the Company 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, the Chief Executive Officer of the Company 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. Independent Directors and other non-executive Directors do not receive options, share-based incentives or bonuses. Directors are paid a basic fee and attendance fees for attending Board meetings. Directors who render services through Board Committees are paid additional basic and attendance fees for such services. No Director decides his or her 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 2023.

	Basic Fee (\$)	Attendance Fee (\$)
<b>Board</b>		
- Chairman	150,000	2,000
- Member	75,000	1,000
- Lead Independent Director	20,000	-
<b>AC 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 126<sup>th</sup> AGM of the Company on 16 January 2025 (the "2025 AGM"), for the payment of proposed Directors' fees of up to \$2,000,000 for the financial year ending 30 September 2025, the same amount for which approval was sought and obtained at the AGM of the Company held on 24 January 2024.

## C. ACCOUNTABILITY AND AUDIT

### Risk Management and Internal Controls

**Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.**

#### 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 SGX-ST Listing Manual.

The Company releases its financial results through announcements, press releases and presentation packs on SGXNet.

The Company announces its financial statements on a half-yearly basis.

During the year, the Company also provided voluntary business updates for the first and third quarter performance of the Group. By way of these updates, the Company kept the investing public informed of material developments concerning the Group during the relevant periods.

In communicating and disseminating its results, the Company aims to present a balanced and clear assessment of the Group’s performance, position and prospects.

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 Board Exco meetings are circulated to the Board. Such updates keep the Board members informed of the Company’s and the Group’s performance, position and prospects.

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

During the year, the Board, through the AC and the SRMC, reviewed the adequacy and effectiveness of the Company’s internal controls and risk management systems.

#### Internal Controls

The AC, on behalf of the Board, undertakes the monitoring and review of the system of internal controls.

The AC, with the assistance of internal and external auditors and taking into consideration the review and/or assessment by the SRMC of any issues arising in respect of internal controls and risk management, 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 and highlights to the Board any significant findings. 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 SRMC reviews and reports to the AC and 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 the ERM framework to enhance its risk management capabilities. An outline of the Group’s ERM framework and progress report is set out on pages 66 and 68 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, including regulatory and sustainability risk exposure.

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.

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.

# CORPORATE GOVERNANCE

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

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 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 SRMC also assists the Board in carrying out its responsibility to oversee the Company's risk management framework and policies, determine environmental, social and governance factors ("**ESG Factors**") identified as material to the business, monitor and manage 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 also tasked with assessing the Group's material sustainability issues in relation to ESG Factors, as well as climate-related physical and transition risks, in line with recommendations of the Task Force on Climate-related Financial Disclosures ("**TCFD**") and/or such other applicable recommendations, regulations, standards, policies and guidelines.

The meetings of the SRMC serve as a forum to review and discuss material risks and exposures for the Company and the Group and the strategies to mitigate risks. The meetings of the SRMC are attended by various representatives from Management including senior management from the Company's business divisions and members of the SDC. As disclosed above, the SDC is chaired by the Chief Executive Officer of the Company and its members include the chief executive officers of each of the Group's business divisions and senior management across various functions. The SDC supports the SRMC by monitoring and gathering data on the Group's sustainability priorities and initiatives with a view to regularly reporting on the progress of sustainability and climate-related strategies, projects and goals.

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.

In addition, as part of the risk management system, to assist the Company in ascertaining the adequacy and effectiveness of the Group's internal controls, Management also maps out key risks with the existing assurance processes in a comfort matrix every year. Using a comfort matrix, 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 by the Group.

As at 30 September 2024, 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 Kosit Suksingha <sup>1</sup>	Member
Mr Prapakon Thongthepairot	Member

**Note:**

<sup>1</sup> As announced on 26 March 2024, Mr Kosit Suksingha was appointed as a Member of the SRMC with effect from 28 March 2024.

### Management Assurance

The heads of business divisions are required to provide the Company with written assurances as to the adequacy and effectiveness of their system of internal controls and risk management.

The Board has received relevant assurances from:

(a) Financial Records and Financial Statements

the Chief Executive Officer of the Company, the Senior Director, Group Finance of the Company (the "**Senior Director, Group Finance**"), the chief executive officers of each of the Group's business divisions, the chief financial officers or financial controllers of each of the Group's business divisions ("**Heads of Finance**") that, as at 30 September 2024, the financial records of the Group have been properly maintained and the financial statements for FY2024 give a true and fair view of the Group's operations and finances;

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

### (b) System of Internal Controls

the Chief Executive Officer of the Company, the Senior Director, Group Finance, the chief executive officers of each of the Group's business divisions, the Heads of Finance and other key management personnel who are responsible in each of the Group's business divisions, that, as at 30 September 2024, 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 Chief Executive Officer of the Company, the Senior Director, Group Finance, the chief executive officers of each of the Group's business divisions, the Heads of Finance and other key management personnel who are responsible in each of the Group's business divisions, that, as at 30 September 2024, 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.

### Board's Comment

Based on the internal controls established and maintained by the Group, work performed by internal and external auditors, reviews performed by Management and the various Board Committees and the assurance from the Chief Executive Officer of the Company, the Senior Director, Group Finance and the chief executive officers of each of the Group's business divisions, the Heads of Finance and other key management personnel who are responsible in each of the Group's business divisions, the Board is of the view that, as at 30 September 2024, 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 ERM framework established and adopted by the Company, reviews performed by Management and the SRMC and assurance from the Chief Executive Officer of the Company, the Senior Director, Group Finance, the chief executive officers of each of the Group's business divisions, the Heads of Finance and other key management personnel who are responsible in each of the Group's business divisions, the Board is of the view that, as at 30 September 2024, 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 2024, 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.

### Audit Committee

#### Principle 10: The Board has an Audit Committee which discharges its duties objectively.

As at 30 September 2024, the AC comprises the following three members:

Mr Ng Tat Pun	Chairman
Mr Chan Heng Wing	Member
Mr Sithichai Chaikriangkrai	Member

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.

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 fulfilling its responsibility for overseeing the quality and integrity of the financial reporting system, audit of internal controls systems and processes, risk management and financial practices of the Company and the Group. Significant findings are reported to the Board.

The AC is guided by written Terms of Reference endorsed by the Board which clearly set 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.

# CORPORATE GOVERNANCE

FOR THE YEAR ENDED 30 SEPTEMBER 2024

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

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. 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.

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

- Reviewing the financial statements and related SGXNet 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 below were reviewed by the AC and discussed with Management and external auditors.
- Reviewing and approving the internal and external audit plans to ensure the adequacy of the audit scope.
- Recommending, for the approval of the Board, the financial results and related SGXNet announcements.
- Reviewing the independence, adequacy and effectiveness, scope and results of the Group's internal audit function, including the budget for the Internal Audit Department, 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, as a basis, the Audit Quality Indicators Disclosure Framework published by the Accounting and Corporate Regulatory Authority of Singapore.
- Reviewing the assurance from the Chief Executive Officer of the Company, the Company's Senior Director, Group Finance, the chief executive officers of each of the Group's business divisions and Heads of Finance of each of the Group's significant business divisions 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 property, plant and equipment and investment in subsidiaries	<p>The AC considered the approach and methodology used by Management in determining the recoverable amount of property, plant and equipment 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 property, plant and equipment 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 2024.</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 2024.</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 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 the Company's external auditor. 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 140 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 2025 AGM. 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 Listing Rule 712 of the SGX-ST Listing Manual which requires, amongst others, that a suitable auditing firm be appointed by the Company to meet its audit obligations. The Company has also complied with Listing Rule 715 read with Listing Rule 716 of the SGX-ST Listing Manual in relation to its auditing firms. For purposes of Listing Rule 715(1) of the SGX-ST Listing Manual, where auditing firms other than the Company's external auditors are appointed for its Singapore-incorporated subsidiaries, the Board and the AC are satisfied that such appointment would not compromise the standard and effectiveness of the audit of the Company.

#### Whistle-Blowing Policy

The Group has in place a Whistle-Blowing Policy. This Whistle-Blowing 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. Whistle-blowers may report any matters of concern by mail, electronic mail or by calling a hotline, details of which are provided in the Whistle-Blowing Policy, which is available on the Company's website. The Company 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 from reprisal actions or any detrimental or unfair treatment for whistle-blowing in good faith. Details of this Whistle-Blowing Policy and the procedures for raising concerns have been disseminated and made available to all employees. The improprieties that are reportable under the Whistle-Blowing Policy include:

- (a) financial or professional misconduct;
- (b) improper conduct, dishonest, fraudulent 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 without proper disclosure;
- (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 will be taken. In particular, if it is determined that the complaint or report falls within the scope of the Whistle-Blowing Policy, the AC may delegate the task of investigation to a senior member of Management whom it considers to have sufficient independence and objectivity to oversee the investigation, and/or an independent third party. 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 (including reporting to the Board of any significant matters raised through the whistle-blowing channel).

# CORPORATE GOVERNANCE

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

### Internal Audit

The Internal Audit Department ("**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 Internal Audit ("**Head of IA**"), who is a Chartered Accountant of Singapore, reports directly to 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 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 Internal Audit Charter, which is approved annually by the AC. 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 also conducts an internal review of the Group's sustainability reporting process. Such review is conducted based on the internal audit plan approved by the AC. With a view to ensuring reliability, data accuracy and data integrity in the Company's sustainability reporting process, the internal review of the sustainability reporting process focuses on the design of internal controls and compliance by each auditable entity, with relevant laws, policies and procedures.

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 last external QAR that was carried out by Ernst & Young Advisory Pte Ltd ("**EY**") during the financial year ended 30 September 2023, the internal audit function has been rated to have conformed with the IIA Standards. The benchmarking exercise conducted by EY as part of the external QAR, has assessed the IA Department to be a "Progressive" function when benchmarked against leading internal audit functions globally and across sectors.

As part of the QAIP, in addition to the external QAR, an internal self-assessment QAR is also typically conducted once every two years.

During FY2024, the IA Department conducted a benchmarking exercise of its current audit process and methodology against the requirements of the new Global Internal Audit Standards ("**New IIA Standards**") which will take effect from 9 January 2025. The IA Department intends to align its current audit processes and practices to conform with the New IIA Standards. In view of this benchmarking exercise to conform with the New IIA Standards, the internal self-assessment QAR which was due to be performed during this financial year has been deferred to the financial year ending on 30 September 2025.

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

### Shareholder Rights and Conduct of General Meetings

**Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.**

The Company 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.

### Conduct of Shareholder Meetings

The Board supports and encourages active shareholder participation at AGMs as it believes that general meetings serve as an opportune forum for shareholders to meet the Board and senior management, and to interact with them. Shareholders of F&N are 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 prior to the start of the meeting.

The Company generally provides shareholders with longer than the minimum notice period required for the conduct of general meetings and the Company tries its best not to schedule its AGMs during peak periods which may coincide with the AGMs of other listed companies. A copy of the Notice of AGM is sent to all shareholders. Shareholders are also informed of general meetings through notices published in the newspapers and via SGXNet.

If any shareholder is unable to participate at the meeting, such shareholders are able to appoint proxies to vote on their behalf at general meetings through proxy forms submitted in advance. 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 at general meetings.

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. In the event resolutions are "bundled", the Company explains the reasons and material implications for doing so 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.

At the AGM, a presentation by Management is made to shareholders to update on the Company's performance, position and prospects. The presentation materials are made available on SGXNet and the Company's website for the benefit of shareholders.

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.

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) for security, integrity and related considerations. Notwithstanding the deviation from Provision 11.4, in line with Principle 11 of the Code, all shareholders nevertheless have the opportunity to participate effectively and communicate their views on matters affecting the Company even when they are not in attendance at general meetings. In addition to allowing for the appointment of proxies to vote on their behalf, shareholders are also invited to submit questions they may have on the motions to be debated and decided upon. Responses to all substantial and relevant questions submitted by shareholders within the deadline set prior to the meetings are uploaded to SGXNet and the Company's website prior to the meeting. In addition, the Company will respond to substantial and relevant questions or follow-up questions submitted after the deadline either within a reasonable timeframe before the AGM or at the AGM itself.

For greater transparency, F&N has implemented electronic poll at its AGMs where shareholders are invited to vote on each of the resolutions by poll, using an electronic voting system (instead of voting by hand). This allows 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 presented at the meeting and announced on SGXNet after the meeting. An independent external party is appointed as scrutineer for the electronic voting process to verify the count and validate the votes at general meetings.

# CORPORATE GOVERNANCE

FOR THE YEAR ENDED 30 SEPTEMBER 2024

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

The Company prepares and uploads the minutes of general meetings on the Company's website and on SGXNet within one month from the date of the general meeting. Such minutes capture (a) the attendance of Board members at general meetings, (b) matters approved by shareholders, (c) voting results and (d) 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.

### Engagement with Shareholders

**Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.**

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 released on SGXNet. 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 both in-person and 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 on SGXNet 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 64.

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.

### Engagement with Stakeholders

**Principle 13: 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.**

The Board supports the Company's inclusive approach in managing stakeholder relationships to ensure that the best interest of the Company is 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. These arrangements as well as strategies and key areas of focus in relation to the management of stakeholder relationships are set out in the Company's Sustainability Report. The Company also maintains a corporate website to communicate and engage with stakeholders.

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

### **Sustainability**

In order to facilitate the Company's planning and strategy for sustainable value creation, the Company proactively reviews global initiatives and frameworks, identifies external trends and conducts peer benchmarking. The Company also engages with various key stakeholders, including employees, suppliers, customers and the investment community, to gather feedback on sustainability issues that are important to them. Information and responses received are then used by the Company to identify and prioritise material ESG Factors and plot a materiality matrix which guides the development of the Company's sustainability strategy and key areas of focus for the year under review.

The Company's Sustainability Report 2024 sets out information on the Company's sustainability strategy, taking reference from the Global Reporting Initiative (GRI) Universal Standards 2021. The seven core areas of the Company's sustainability framework include (i) Responsible Business Practice, (ii) Responsible Product Stewardship, (iii) Responsible Supply Chain, (iv) Creating Value for Society, (v) Empower our People, (vi) Operational Eco-Efficiency, and (vii) Value Chain Impacts. Following the requirements of SGX-ST Listing Manual on climate reporting, the Company's Sustainability Report 2024 also provides climate-related disclosures on key material physical and transition risks and opportunities, consistent with recommendations of the TCFD.

Please refer to the Company's Sustainability Report 2024 which can be downloaded at <https://www.fraserandneave.com/investor-relations/corporate-sustainability>.

### **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.

### **Anti-Bribery**

The Company has procedures in place to comply with applicable anti-bribery laws and regulations. Under the Company's Code of Business Conduct and Anti-Bribery Policy, employees are not to accept, offer, promise, or pay anything of value to another person with the intention to obtain or retain business, to improperly influence an official action or to secure an unfair business advantage, whether directly or through a third party.

### **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(19) of the SGX-ST Listing Manual, 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.