

Corporate **Governance**

Del Monte Pacific Limited (Company or DMPL) is committed to the highest standards of corporate governance and supports the principles of openness, integrity and accountability advocated by the Singapore Exchange Securities Trading Limited (SGX-ST), and similarly upheld by The Philippine Stock Exchange, Inc (PSE) and the Philippine Securities and Exchange Commission (SEC).

The Board of Directors (Board) and Management are also committed to use their best endeavours to align the Company's governance framework with the recommendations of the 2012 Code of Corporate Governance issued on 2 May 2012 by the Monetary Authority of Singapore (MAS) (2012 Code) and the SEC Code of Corporate Governance for Publicly Listed Companies which took effect on 1 January 2017 (SEC CG Code), as well as the Singapore Governance and Transparency Index (SGTI) and the ASEAN Corporate Governance Scorecard (ACGS). In addition, the Board and Management are cognizant of the 2018 Code of Corporate Governance issued on 6 August 2018 by the MAS (2018 Code) and where possible, had voluntarily elected for early adoption of certain provisions contained in the 2018 Code.

The Company confirms that it has adhered to the principles and guidelines set out in the 2012 Code and the SEC CG Code, where applicable, and has identified and explained areas of non-adherence in this report. Areas adopting the 2018 Code are also specifically identified.

This report describes the Company's corporate governance policies and practices with specific reference made to each of the principles of the 2012 Code and certain provisions of the 2018 Code (where stated) in compliance with the Listing Manual of the SGX-ST.

BOARD MATTERS

Principle 1

The Board's Conduct of Affairs

The Board oversees Management and ensures that the long-term interests of the Company's shareholders are served.

The Board provides entrepreneurial leadership and sets the strategic direction for the Company which includes sustainability matters. The Company's summary Sustainability Report can be found in the "Sustainability" section of this Annual Report. (The complete Sustainability Report is available for download from www.delmontepacific.com and upon request starting August 2019).

The Board is responsible for the overall policies and integrity of the Group to ensure success. The Board will, amongst other things, review on an annual basis: (i) the vision, mission and strategy of the Company; and (ii) Management's performance. The Board had, on 20 June 2019, reviewed and confirmed the vision and strategy of the Company.

The Board has adopted a set of internal guidelines specifying matters requiring the Board's approval. These include approval of the Group's strategic plans, appointment of Directors and Key Management Personnel, annual budgets, major investment proposals, and review of the financial performance of the Group. Key Management Personnel refers to the CEO and other persons having authority and responsibility for planning, directing and controlling the activities of the Group. The Board, on the recommendation of the Remuneration and Share Option Committee (RSOC), also approves all remuneration matters of Key Management Personnel.

The Company has established guidelines setting forth matters reserved for the Board's decision. Management was also given clear directions on matters (including set thresholds for certain operational matters relating to subsidiaries) that require the Board's approval.

Certain material corporate actions or material transactions that require the Board's approval include:

- the Group's strategic plans;
- the Group's annual operating plans (AOP);
- quarterly results announcements;

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- annual results and financial statements;
- issuance of shares or securities, and grant of share awards or options;
- remuneration and HR matters;
- declaration of dividends;
- convening of shareholders' meetings;
- merger and acquisition transactions;
- certain interested person transactions;
- major transactions and investments exceeding certain thresholds;
- capital expenditure exceeding certain material limits;
- gearing levels and financial risk appetite of the Group; and
- succession plans for Key Management Personnel, including appointments and the appropriate level of compensation.

The Company's Memorandum of Association and Articles of Association require Directors to abstain from participating in Board discussions on a particular agenda item if they are conflicted.

The Board likewise reviews and approves all corporate actions for which shareholders' approval is required.

To facilitate effective management, certain functions have been delegated to various Board committees, each of which has its own written terms of reference (TOR) and whose actions are reported to, and monitored by, the Board.

The Board committees, namely, the Audit and Risk Committee (ARC), the Nominating and Governance Committee (NGC), and the RSOC support the Board in discharging its responsibilities. The role and powers of each of the Board committees are set out separately in this Report. Each committee has been constituted with a clearly written TOR that sets out its duties, authorities and accountabilities. The TORs are reviewed on a regular basis (at least once annually) to ensure continued relevance and consistency with the 2012 Code and the SEC CG Code.

To achieve its goals, the Board ensures that the Company is equipped with the necessary financial, technical and human resources. The Board, together with Management, shapes the Company's values and standards to be more strategic, innovative and global in its mindset and outlook.

The Board works closely with Management to drive the Group's business to a higher level of success. Management is accountable to the Board and its performance is reviewed by the Board annually. The Board approves the AOP with key performance metrics. The Board then sanctions and works with the Del Monte Performance Management System as a tool for alignment on annual key result areas (key results performance objectives, with assigned weight and ratings).

The Board has also put in place a framework of prudent and effective controls that allows risks to be assessed and managed, including the safeguarding of shareholders' interests and the Company's assets.

The Board ensures that obligations to shareholders and other stakeholders are understood and complied with. Stakeholders include shareholders, business partners, suppliers, communities (in areas where the Group has a presence), customers and employees. With the Company Secretary's assistance, the Board and Management are kept continually apprised of their compliance obligations and responsibilities arising from various regulatory requirements and changes.

The Board meets at least quarterly, or more frequently when required, to review and evaluate the Group's operations and performance, and to address key policy matters.

Board meetings are scheduled to enable the Board to perform its duties. These meetings are scheduled before the start of each financial year. Management endeavours to provide Board papers to the Board at least five business days before the date of meetings.

During the year in review, the Board held six meetings. The Company's Articles of Association allow for tele-conference and video-conference meetings to facilitate participation by Board members and Management.

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Attendance for FY2019 (from 1 May 2018 to 30 April 2019)

Directors	Board Meetings	Audit and Risk Committee Meetings	Remuneration and Share Option Committee Meetings	Nominating and Governance Committee Meetings	Annual General Meeting	General Meetings
Mr Rolando C Gapud	6	NA	NA	3	1	2
Mr Joselito D Campos, Jr	6	NA	NA	NA	1	2
Mr Edgardo M Cruz, Jr	6	NA	NA	3	1	2
Mr Benedict Kwek Gim Song	6	5	3	3	1	1
Mr Godfrey E Scotchbrook	6	5	3	3	1	1
Dr Emil Q Javier	6	5	3	3	1	2
Mrs Yvonne Goh	6	5	3	3	1	2
Total No. of Meetings Held	6	5	3	3	1	2

New Directors undergo an orientation programme whereby they are briefed by the Company Secretary on their obligations as Directors, as well as the Group's corporate governance practices, and relevant statutory and regulatory compliance issues, as appropriate. They are also briefed by Management on the Group's industry and business operations. Ongoing orientation includes visits to the Group's plantation and manufacturing facilities for Board members to gain a first-hand understanding and appreciation of the Group's business operations. During the year in review, there was no appointment of new Director in the Company.

Timely updates on developments in accounting matters, legislation, jurisprudence, government policies and regulations affecting the Group's business and operations are likewise provided to all Directors. The Board was duly updated on the 2012 Code and SEC CG Code, as well as on any developments or changes to relevant laws and related matters. The Board also receives regular training updates on matters affecting the Group's business and operations. In addition, all Directors are required to undergo annual continuing training as may be relevant to the effective discharge of their responsibilities, at the expense of the Company, as set out in the table below:

DIRECTORS AND OFFICERS TRAINING AND SEMINARS ATTENDED IN FY2019 (MAY 2018 – APRIL 2019)

Date	Location	No. of hours	Training/Seminar/Conference	Organiser	Attendees
16-18 Jul 2018	USA	24.0	IFT 18 – A Matter of Science + Food	Institute of Food Technologists	Ma Bella Javier
26 Jul 2018	Singapore	2.0	Executive and Directors Remuneration	SID	Benedict Kwek
31 Jul 2018	Singapore	6.0	Disruptive Technologies for Directors	SID	Yvonne Goh
25 Sep 2018	Singapore	8.0	Listed Entity Director Essentials	SID	Yvonne Goh
25 Sep 2018	Singapore	2.0	Guide to Annual Reports in Singapore 2018	Black Sun	Ignacio Sison
3 Oct 2018	Singapore	2.0	2018 Singapore Directorship Report & CG Guides	SID	Yvonne Goh
8 Oct 2018	Manila	8.0	GRI Sustainability Summit: Together Towards a Sustainable Philippines	GRI	Ignacio Sison
17 Oct 2018	Manila	4.0	Digital Security Risk Management in Corporate Governance and Update on the Enforcement of the Anti-Money Laundering Act of 2001 as amended and the 2016 Implementing Rules and Regulations	Philippine Corporate Enhancement and Governance, Inc	Edgardo Cruz, Jr and Antonio Ungson
20 Oct 2018	Manila	4.5	Advanced Corporate Training Course on Digital Trade-offs and Data Privacy	Institute of Corporate Directors	Emil Javier
21-25 Oct 2018	France	32.0	SIAL 2018 – International Food Exhibition	SIAL – Comexposium	Ma Bella Javier
23 Oct 2018	Manila	8.0	5th SEC-PSE Corporate Governance Forum: Ushering in the Era of Sustainability and Sustainable Business	SEC and PSE Philippines	Edgardo Cruz Jr and Ignacio Sison
24 Oct 2018	Singapore	2.0	Independent Directors and the Integrity Agenda	Ernst & Young	Yvonne Goh
2 Nov 2018	Singapore	2.0	Ethics & Corruption	SID	Yvonne Goh
6 Nov 2018	Manila	2.5	Digital Transformation	Boston Consulting Group	Ignacio Sison

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Date	Location	No. of hours	Training/Seminar/Conference	Organiser	Attendees
7 Nov 2018	Manila	1.5	War for Talent: Winning in the Age of Digital Disruption	Boston Consulting Group	Ignacio Sison
14 Nov 2018	Singapore	16.0	Disruptive Innovation for Sustainability in Food and Agriculture	Rabobank	Ignacio Sison
6 Dec 2018	Manila	4.0	Corporate Governance Forum	Risks, Opportunities, Assessment and Management, Inc	Joselito Campos, Jr
7 Dec 2018	Singapore	4.0	Nominating Committee Essentials (Instructor)	SID	Yvonne Goh
16 Jan 2019	Singapore	2.0	ACRA-SGX-SID Audit Committee Seminar 2019	ACRA, SGX and SID	Benedict Kwek
26 Jan 2019	Manila	6.0	Propak Philippine 2019 – International Processing & Packaging Trade Event	UBM Exhibitions Philippines Inc	Ma Bella Javier
31 Jan 2019	Bangkok	8.0	Invest Cannabis Asia 2019	Everbrite UK	Ma Bella Javier
Mar 2019	Hong Kong	2.0	Sustainable Practices in the Supply Chain		Godfrey Scotchbrook
Mar 2019	Hong Kong	2.0	Environment Health and Safety		Godfrey Scotchbrook
19, 20 March and 3 April 2019	Manila	24.0	Various Mandatory Continuing Legal Education Courses	Asian Center for Legal Excellence	Antonio Ungson
11 Apr 2019	Manila	4.5	2019 Revised Corporation Code of the Philippines	Center for Global Best Practices	Edgardo Cruz Jr
12 Apr 2019	Manila	4.0	SEC-PSE Conference on Building a Sustainable Business Community	Securities and Exchange Commission and the Philippine Stock Exchange	Ignacio Sison
9 May 2019	Hong Kong	2.0	Seminar on Cybersecurity		Godfrey Scotchbrook
14 May 2019	Singapore	2.0	Breaking the Rules : An Insider's Perspective	SID	Yvonne Goh

The NGC has formalised procedures for the selection, appointment and re-appointment of Directors. Letters of appointment are issued to new Directors setting out their duties, obligations and terms of appointment, as appropriate.

The Board is of the view that all Directors objectively discharge their duties and responsibilities at all times as fiduciaries, in the best interest of the Company.

The Board received the Best Managed Board (Gold) Award twice from the Singapore Corporate Awards (for companies with a market capitalisation of between S\$300 million to less than S\$1 billion), and it will continue to uphold the Company's high standards of corporate governance.

Principle 2

Board's Composition and Guidance

The Board comprises seven Directors, three of whom are Executive Directors. The four Non-Executive Directors are Independent Directors. The composition of the Board is as follows:

Mr Rolando C Gapud	Executive Chairman
Mr Joselito D Campos, Jr	Managing Director and CEO
Mr Edgardo M Cruz, Jr	Executive Director
Mr Benedict Kwek Gim Song	Lead Independent Director
Mr Godfrey E Scotchbrook	Independent Director
Dr Emil Q Javier	Independent Director
Mrs Yvonne Goh	Independent Director

The profiles of the Directors, including information on their appointments and re-appointments, are set out in the "Board of Directors" section of this Report.

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Lead Independent Director

Mr Benedict Kwek Gim Song acts as the Lead Independent Director and is the principal liaison to address shareholders' concerns, for which direct contact through normal channels of the Chairman, CEO or Management has failed to resolve, or for which such contact is inappropriate. His role as Lead Independent Director includes the following:

- Act as liaison between the Independent Directors and the Chairman of the Board, and lead the Independent Directors to provide a non-executive perspective in circumstances where it would be inappropriate for the Chairman to serve in such capacity, and contribute a balanced viewpoint to the Board;
- Advise the Chairman of the Board as to the quality, quantity and timeliness of information submitted by Management that is necessary or appropriate for the Independent Directors to effectively and responsibly perform their duties;
- Assist the Board in better ensuring compliance with, and implementation of, governance guidelines; and
- Serve as a liaison for consultation and communication with shareholders.

The Board is of the view that a strong element of independence is present on the Board with Independent Directors making up more than half the Board. The Board exercises objective and independent judgment on the Group's corporate affairs. No individual or group of individuals dominates the Board's decision-making.

The Non-Executive Directors contribute to the Board process by monitoring and reviewing Management's performance against pre-determined goals and objectives. Their views and opinions provide an alternative and objective perspective to the Group's business. The Directors exercise independent judgment and discretion on the Group's business activities and transactions, in particular, in situations involving conflicts of interest and other complexities.

The NGC, on an annual basis, determines whether or not a Director is independent, taking into account the 2012 Code's definition.

Independence is taken to mean that Directors have no relationship with the Company, or its related corporations, its 10% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgment. Disclosures of Directors' interests and their interest in transactions are standing agenda items in all Board meetings, and would be circulated and tabled for Board members' information, as appropriate.

The 2012 Code states that the independence of any Director who has served on the Board beyond nine years from the date of his first appointment should be subject to particularly rigorous review.

Consistent with previous practice, the NGC had undertaken a rigorous review of the independence of each Independent Director, including those whose tenure had exceeded nine years from the date of their first appointment. Led by the NGC Chairperson and facilitated by Boardroom Corporate & Advisory Services Pte Ltd, the Company's external corporate secretarial service provider, the assessment was conducted by means of a confidential and incisive questionnaire completed by each Director and a declaration completed by each of the Independent Directors.

As part of this rigorous review, Board members were asked to share their observations on how the Independent Directors whose tenure had exceeded 9 years, namely Messrs Benedict Kwek Gim Song, Emil Q Javier and Godfrey Scotchbrook, have demonstrated their independence on the Board. Board members were invited to cite, as appropriate, specific instances and examples.

The results were analysed and discussed at the NGC and Board meetings. It was concluded that there is a strong sense of independence amongst all Board members. Management is constantly challenged and questioned on proposals that come before the Board with all Directors engaging in thorough and robust discussion and deliberation, taking into consideration the interest of the Group's stakeholders.

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Based on the assessment, Messrs Benedict Kwek Gim Song (first appointed on 30 April 2007), Emil Q Javier (first appointed on 30 April 2007) and Godfrey E Scotchbrook (first appointed on 28 December 2000) have demonstrated independent mindedness and conduct at Board and Board committee meetings. The NGC is also of the firm view and opinion that these Directors continue to exercise independent judgment in the best interest of the Company in the discharge of their duties as Directors, and their more than nine years of exemplary service on the Board have not in any way affected their independence as throughout their tenure in office they had continually challenged and provided constructive feedback to Management.

Each member of the NGC had abstained from deliberations in respect of the assessment on his own independence.

The Directors also bring invaluable experience, extensive business network and expertise in specialised fields, such as strategic planning, mergers and acquisitions, corporate finance and restructuring, accounting, marketing and business development, risk and crisis management, corporate communications, investor relations, corporate governance and agronomy.

The size, composition, range of experience and the varied expertise of the current Board allow discussions on policy, strategy and performance to be critical, informed and effective.

The Board has adopted a Board Diversity Policy which recognises the importance of diversity. The Board firmly believes that its effectiveness and decision-making will be enhanced as it harnesses the variety of skills, industry and business experiences, gender, age, ethnicity and culture, geographical background and nationalities, tenure of service, and other distinguishing qualities of its own diverse Board.

The NGC is responsible for administering this policy and for evaluating it annually.

During the year in review, the Independent Directors met more than once without the presence of the Executive Directors and Management.

Principle 3

Chairman and Chief Executive Officer

There is a clear division of executive duties and responsibilities in the Company, providing checks and balances to ensure that there is no concentration of power, in any one individual and that accountability is increased. The Company's business is managed and administered by the Managing Director and CEO, Mr Joselito D Campos Jr, whilst the Board is headed by Mr Rolando C Gapud as Executive Chairman. The Chairman of the Board and the CEO are not related to each other.

The duties of the Executive Chairman include, amongst other things, providing leadership to the Board and ensuring the effectiveness of the Board in all aspects, leading the Company in its relationships with stakeholders and setting the course for the Company to reach greater heights. He works closely with the CEO, as well as the business unit heads on strategic planning. He leads the Board in charting the strategic roadmap of the Company including setting the vision and the key initiatives to achieve it. He is in the forefront of any acquisitions, joint ventures and strategic alliances of the Company.

The Executive Chairman also sets the tone of Board meetings to encourage proactive participation and constructive discussions on agenda topics. At Board meetings, he ensures that adequate time is available for discussion of all agenda items, in particular, discussions on strategic matters and issues. Constructive relations between the Board and Management are encouraged, as with Executive Directors and Non-Executive Directors. The Executive Chairman ensures that Directors and shareholders alike, receive clear, timely and accurate information from Management, thus maintaining the Company's high standards of corporate governance.

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The duties of the CEO include, amongst other things, determining the Company's strategic direction, formulating, executing and implementing the strategic plan together with its Key Management Personnel. He communicates and implements the Company's vision, mission, values and overall strategy, and promotes any organisation change in relation to the same. He oversees the operations of the Company, and manages the human and financial resources in accordance with the strategic plan. The CEO ensures that he has an intimate working knowledge of the Company's industry and market, and keeps up to date with developments in both. He also directs, evaluates and guides the work of the Company's Key Management Personnel, provides the Board with timely information, and interfaces between the Board and Management. He builds the corporate culture and motivates the Company's employees, and serves as the link between the Company and its stakeholders.

Principle 4

Board Membership

The Nominating Committee was set up on 7 February 2003 and renamed on 29 June 2017 as the Nominating and Governance Committee to include corporate governance matters in its functions. It currently comprises the following members, a majority of whom, including the Chairperson, are Independent Directors:

Mrs Yvonne Goh	NGC Chairperson
Mr Benedict Kwek Gim Song	Member
Mr Godfrey E Scotchbrook	Member
Dr Emil Q Javier	Member
Mr Rolando C Gapud	Member
Mr Edgardo M Cruz, Jr	Member

Under its TOR, the NGC is responsible for reviewing the Board's composition and effectiveness, and determining whether Directors possess the requisite qualifications, skills, experience and expertise to meet the Company's needs, and whether their independence is compromised. The NGC also oversees succession planning for Directors and Key Management Personnel of the Group. The NGC is also tasked with ensuring compliance with, and proper observance of, corporate governance principles and practices recommended by the 2012 Code and the SEC CG Code and where possible, with certain provisions of the 2018 Code.

All appointments and re-appointments of Directors are first reviewed and considered by the NGC and then recommended for approval by the Board. The NGC has formalised this process and has adopted procedures for the selection, appointment and re-appointment of Directors in order to increase transparency of the nominating process.

The NGC evaluates the balance of skills and competencies on the Board and, in consultation with the Chairman of the Board determines the desired skill sets and qualities for a particular appointment.

The NGC does not usually but may consider engaging the services of search consultants to identify prospective Board candidates if the need so arises. The NGC currently considers recommendations and referrals from other sources, provided the prospective candidates meet the qualification criteria established for the particular appointment.

The NGC undertakes the process of identifying the quality of Directors aligned with the Company's strategic directions. The NGC evaluates the suitability of a prospective candidate based on her or his qualifications and experience, ability to commit time and effort in the effective discharge of duties and responsibilities, independence, past business and related experience, and track record. The NGC identifies any core competencies that will complement those of current Directors on the Board.

The NGC is also tasked with reviewing the performance and contribution of the Directors in order to nominate them for re-election or re-appointment. The NGC will review, in particular, the Directors' attendance and participation at meetings of the Board and Board committees, and their efforts and contributions towards the success of the Group's business and operations.

The NGC reviews and determines the independence of each Director on an annual basis.

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Details of each Director's academic and professional qualifications, directorships or chairmanships in other companies, and other major appointments (where applicable) are presented in the "Board of Directors" section of this Annual Report.

DMPL's policy on Directors' conflict of interest states that Directors should consult the Chairman of the Board and the Chairperson of the NGC prior to accepting any appointments to the Board of Directors or advisory Board of another listed company or its principal subsidiaries, or any other principal commitments so that such appointments may be considered by the Board in accordance with corporate guidelines and the said policy.

In cases where a Director has multiple Board representations, the NGC also assesses whether such Director has been adequately carrying out his duties as a Director of the Company.

To address competing time commitments when Directors serve on multiple boards, the Board had set a maximum limit of four directorships and/or chairmanships that Executive Directors may hold concurrently for listed companies, and a maximum limit of five directorships and/or chairmanship in listed companies for Independent and Non-Executive Directors. None of the Directors hold multiple board seats in other listed companies.

Under Article 88 of the Company's Articles of Association, all Directors hold office for a maximum period of three years whereupon they shall retire, but are eligible for re-appointment. In addition, effective 1 January 2019, all Directors must submit themselves for re-nomination and re-appointment at least once every three years pursuant to Rule 720(5) of the Listing Manual of the SGX-ST.

Directors Retiring Under Article 88 and Rule 720(5) of the Listing Manual of the SGX-ST

Dr Emil Q Javier
Independent Director
Appointed on 30 April 2007
Last re-appointed on 30 August 2016

Mrs Yvonne Goh
Independent Director
Appointed on 4 September 2015
Last re-appointed on 30 August 2016

In reviewing the nomination for the re-appointment of Directors retiring under Article 88 of the Company's Articles of Association and Rule 720(5) of the Listing Manual of the SGX-ST, the NGC had considered the contributions and performance of each Director, taking into account his or her attendance and participation at Board and Board committee meetings, as well as his or her independence.

All Directors retiring have consented to continue in office and have offered themselves for re-appointment at the Company's AGM.

Both Dr Javier and Mrs Goh are not family-related to the other directors, substantial shareholders, or shareholders who own at least 10% of the Company. Please refer to the "Board of Directors" section of this Annual Report for more information on Dr Javier's and Mrs Goh's directorships in other listed companies and other principal commitments (where applicable).

Accordingly, the NGC supports the nomination of Dr Javier and Mrs Goh for re-appointment as Directors of the Company.

In its long-term drive towards excellence, the Company recognises the importance of sustainable leadership. To support this, a Succession Planning Programme has been established where a leadership talent bench is developed. DMPL is committed to building and sustaining leadership capabilities by strengthening the talent pipeline, rolling out a programme that identifies and sets out plans to develop expected leadership competencies, identifying high performers, and executing development and retention plans for these high performers. The Company further drives functional excellence via an integrated employee development programme which includes training, on-the-job learning, coaching and mentoring.

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There is a set retirement age for Key Management Personnel. The NGC conducts a regular review of the succession plan for Board members, CEO and Key Management Personnel of the Company.

The NGC implements an annual evaluation process to assess its effectiveness as a whole. The evaluation process is undertaken as an internal exercise and involves NGC members completing a questionnaire covering areas relating to:

- Memberships and appointments
- Conduct of NGC meetings
- Training and resources available
- Reporting to the Board
- Process for selection and appointment of new Directors
- Nomination of Directors for re-appointment
- Independence of Directors
- Board performance evaluation
- Succession planning
- Multiple Board representations
- Standards of conduct
- Communication with shareholders

The evaluation process takes into account the views of each NGC member and provides an opportunity for members to give constructive feedback on the workings of the NGC, including procedures and processes adopted, and if these may be improved upon.

During the year in review, the NGC held three meetings.

Principle 5

Board Performance

The Board, through the NGC, implements an annual evaluation process to assess the effectiveness of the Board as a whole. The evaluation process is undertaken as an internal exercise and involves Board members completing a questionnaire covering areas relating to:

- Board composition
- Information to the Board
- Board procedures
- Board accountability
- Communication with CEO and Key Management Personnel
- Succession planning of Key Management Personnel
- Standards of conduct by the Board

The evaluation process takes into account the views of each Board member and provides an opportunity for Directors to provide constructive feedback on the workings of the Board, including its procedures and processes and if these may be improved upon.

Led by the NGC Chairperson and facilitated by Boardroom Corporate & Advisory Services Pte. Ltd., an external service provider, this collective assessment was conducted by means of a confidential questionnaire completed by each Director, which is collated, analysed and discussed with the NGC and the Board with comparatives from the prior period evaluation. Recommendations to further enhance the effectiveness of the Board are implemented, as appropriate.

Each Board Committee undertakes an annual performance assessment of its effectiveness as a whole.

None of the Directors have appointed any alternate Director(s).

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Board Performance Criteria

Most of the Company's industry peers are not listed entities in Singapore. Comparative financial information and ratios are not easily obtainable for comparison and benchmarking purposes.

The NGC and the Board, having considered Management's rationale, concurred that it was not feasible for the Company to disclose the following details as recommended under Guideline 5.2 of the 2012 Code:

- performance criteria, which allow for comparison with industry peers;
- how the Board has enhanced long-term shareholder value; and
- justification by the Board on the circumstances that deem the changes on the performance criteria to be necessary.

The NGC would continue to review, on an ongoing basis, and recommend necessary changes to the Company's practices and disclosures as and when deemed feasible and appropriate.

Individual Director Evaluation

Each Director conducts a self-assessment of his performance and contribution to the Board through completion of a questionnaire the results of which are collated by an external facilitator and tabled for discussion by the NGC.

When nominating Directors who are retiring by rotation for re-appointment at the AGM, the NGC reviews each retiring Director's contribution, performance, attendance and participation at the Board and/or Board Committee meetings, and if the Director has devoted adequate time to the affairs of the Group to discharge his or her duties as a Director of the Company.

The NGC and the Board are cognizant of the recommendations as set out under Guideline 5.3 of the 2012 Code and would continue to review, on an ongoing basis, and recommend necessary changes to the Company's practices and disclosures as and when deemed feasible and appropriate .

Principle 6

Access to Information

Management endeavours to provide the Board with timely and complete information at least five business days prior to Board meetings and on an ongoing basis. These include relevant information and explanatory notes for matters that are presented to the Board, such as budgets and forecasts.

At Board meetings, when reviewing the Group's performance, its actual results are compared with budgets, and material variances are explained. The strategies and forecasts for the following months are discussed and approved as appropriate.

The Directors have separate and independent access to Management and the Company Secretary. The Company Secretary assists the Chairman in ensuring that Board procedures are followed and regularly reviewed, and that the Company's Memorandum and Articles of Association, and relevant rules and regulations are complied with.

The Company Secretary also assists in the preparation of the Agenda for Board and Board committee meetings, and attends and prepares minutes of all Board and Board committee meetings.

The Company Secretary ensures the flow of qualitative information within the Board and its committees, and between senior Management and the Non-Executive Directors. He is the primary channel of communication between the Company and the SGX-ST, the PSE and the SEC.

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The Company Secretary advises newly-appointed Directors on their duties and obligations as Directors, the Group's governance practices, and relevant statutory and regulatory compliance matters, as part of an orientation programme. In addition, he assists with the professional development and training of Board members, as appropriate.

The appointment and the removal of the Company Secretary is a matter for the Board as a whole.

The Company Secretary, Mr Antonio E S Ungson, is a lawyer by profession. He had previously served as company secretary in various companies during the course of his career. He also has an understanding of basic financial and accounting matters.

Aside from access to the advice and services of Management and the Company Secretary, the Directors may, in appropriate circumstances, seek independent professional advice concerning the Company's affairs at the Company's expense.

Remuneration Matters

Principle 7

Procedures for Developing Remuneration Policies

The RSOC was set up on 7 February 2003 and for the year in review, the RSOC comprises the following members who are all Independent Non-Executive Directors:

Mr Godfrey E Scotchbrook	RSOC Chairman
Mr Benedict Kwek Gim Song	Member
Dr Emil Q Javier	Member
Mrs Yvonne Goh	Member

The RSOC's principal function is to ensure that a formal and transparent procedure is in place for fixing the remuneration packages of the Directors as well as the Key Management Personnel of the Group. It is at liberty to seek independent professional advice as appropriate and has periodically sought the advice of remuneration consultants on remuneration matters for the Directors and Key Management Personnel.

Under its TOR, the RSOC is responsible for reviewing and recommending a remuneration framework for the Directors and Key Management Personnel. The RSOC considers all aspects of remuneration such as Director's fees, salaries, allowances, bonuses, options, share awards and other benefits-in-kind. All remuneration matters are ultimately approved by the Board.

In conjunction with the review of remuneration matters of the Key Management Personnel, the RSOC reviews individual performance appraisal reports and benchmark studies conducted by Management.

The RSOC's recommendation for Directors' fees had been made in consultation with the Chairman of the Board and endorsed by the entire Board, following which the recommendation is tabled for shareholders' approval at the Company's AGM. No member of the RSOC or the Board participated in the deliberation of his own remuneration.

The RSOC implements an annual evaluation process to assess its effectiveness as a whole. The evaluation process is undertaken as an internal exercise and involves RSOC members completing a questionnaire covering areas relating to:

- Memberships and appointments
- Conduct of RSOC meetings
- Scope of remuneration matters reviewed
- Reporting to the Board
- Standards of conduct
- Communication with shareholders

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The evaluation process takes into account the views of each RSOC member and provides an opportunity for members to give constructive feedback on the workings of the RSOC, including procedures and processes adopted and if these may be improved upon.

During the year in review, the RSOC held three meetings.

Principle 8

Level and Mix of Remuneration

The remuneration of the Company's Directors and Key Management Personnel has been formulated to attract, retain and motivate these executives to run the Company successfully. The level and structure of remuneration are aligned with the long-term interests and risk policies of the Company. Relative to industry practice, trends and norms, the Company has measurable standards to align the performance-based remuneration of the Executive Directors and Key Management Personnel with the long-term interests of the Company.

Where appropriate, the RSOC reviews the service contracts of the Company's Executive Directors and Key Management Personnel.

In reviewing the recommendation for Non-Executive Directors' remuneration for FY2019, the RSOC continued to adopt a framework based on guidelines of the Singapore Institute of Directors, which comprises a base fee, fees for membership on Board committees, as well as fees for chairing Board committees. The fees take into consideration the amount of time and effort that each Board member is required to devote to their role.

Directors' Fee Structure

- Board Chairman: US\$79,200 per annum
- Directors: US\$43,200 per annum
- ARC Chairman: US\$19,800 per annum
- RSOC Chairman: US\$9,900 per annum
- NGC Chairperson: US\$9,900 per annum
- ARC Members: US\$10,800 per annum
- RSOC Members: US\$5,400 per annum
- NGC Members: US\$5,400 per annum

The compensation structure for Key Management Personnel of the Company's subsidiaries consists of two key components – fixed cash and a short-term variable bonus. The fixed component includes salary, pension fund contributions and other allowances. The variable component comprises a performance-based bonus which is payable upon the achievement of individual and corporate performance targets such as revenue and net profit.

Restricted Share Plan/Performance Share Plan

The Company had two share plans – the Restricted Share Plan and the Performance Share Plan (collectively, Share Plans) which were also administered by the RSOC. The Share Plans were long-term incentive schemes based on participants achieving pre-set operating unit financial goals, individual performance, as well as achieving corporate financial goals in the case of the PSP.

The purpose of the Share Plans was to increase the Company's flexibility and effectiveness in its continuing efforts to reward, retain and motivate employees, currently targeted at executives holding key positions to excel in their performance. These were also designed to align the interest of these executives with those of the Company's shareholders.

Corporate **Governance**

Under the Share Plans, shares were delivered after the participant has served the Group for a specific period or after a further period beyond completion of prescribed performance targets.

The aggregate number of shares which may be offered under the Share Plans should not exceed 10% of the Company's total issued capital. The terms of the Share Plans are described in more detail in the Directors' Statement.

The Share Plans which were first adopted on 26 April 2005 had a duration of ten years and had expired on 25 April 2015. The RSOC would review and consider the necessity to adopt new share plans in the future. All share awards previously granted under the Share Plans had since 21 August 2017 completed its vesting and there are no further outstanding share awards under the Share Plans.

Share Option Plan

The Company also has the Del Monte Pacific Executive Share Option Plan 2016 (ESOP 2016), which was approved by shareholders at the general meeting held on 30 August 2016. The ESOP 2016 aims to provide an opportunity for Group executives and Directors to participate in the equity of the Company in order to motivate them to excel in their performance. The ESOP 2016 is valid for a period of ten years; however, no options have been granted to date.

Principle 9

Disclosure on Remuneration

The remuneration of Directors and the CEO are disclosed in bands of S\$250,000/- with a maximum disclosure band of S\$500,000/- and above.

The remuneration of the top five Key Management Personnel are similarly disclosed in bands of S\$250,000/- with a maximum disclosure band of S\$500,000/- and above.

Although the disclosure is not in compliance with the recommendation of the 2012 Code, the Board is of the view that it is in the best interest of the Company not to disclose such remuneration information in detail, given the confidentiality and commercial sensitivity (within the industry and within the Group itself) attached to remuneration matters and for personal security reasons, disclosure in bands of S\$250,000/- in excess of S\$500,000/- is not provided. Also for personal security reasons, the names of, and the aggregate remuneration paid to, the Company's top five Key Management Personnel are not disclosed. Similarly, the aggregate remuneration paid to the Executive Directors is not disclosed.

Employee who is an immediate family member of a director or the CEO, and whose remuneration exceeds S\$50,000 during the year

Ms Jeanette Beatrice Campos Naughton is Vice President, Strategic Planning of the Company's USA subsidiary, Del Monte Foods, Inc (DMFI). She is the daughter of Mr Joselito D Campos, Jr, DMPL's Managing Director and CEO, and DMFI's Vice Chairman and Director. Ms Naughton is responsible for spearheading DMFI's strategic planning function, with principal involvement in DMFI's mid-to-long term corporate vision, financial goals and key measures, business strategies and resources requirements. Her remuneration for the period in review was in the range of S\$500,000-S\$550,000. Ms Naughton formerly held management positions at Google in their Mountain View, California headquarters. She has an MBA from the Sloan School of Management of the Massachusetts Institute of Technology.

Corporate Governance

DISCLOSURE ON REMUNERATION OF DIRECTORS FOR FY2019

Remuneration Bands and Names of Directors	Fixed Salary/ Consultancy Fees %	Director Fees %	Variable Income / Bonus %	Benefits in Kind %
EXECUTIVE DIRECTORS				
Above S\$500,000				
Mr Joselito D Campos, Jr	55	2	43	–
Mr Rolando C Gapud	82	18	–	–
Mr Edgardo M Cruz, Jr	74	11	14	1
NON-EXECUTIVE DIRECTORS				
Below S\$250,000				
Mrs Yvonne Goh	–	100	–	–
Dr Emil Q Javier	56 ¹	38	6	–
Mr Benedict Kwek Gim Song	–	100	–	–
Mr Godfrey E Scotchbrook	–	100	–	–

Notes:

1 Refers to consultancy fees

DISCLOSURE ON REMUNERATION OF TOP FIVE KEY EXECUTIVES¹ FOR FY2019

Remuneration Bands and Number of Key Executives	Fixed Salary %	Variable Income / Bonus %	Benefits in Kind %
Above S\$500,000			
1	59	40	1
1	75	14	11
1	85	14	1
1	82	17	1
S\$250,000 to below S\$500,000			
1	82	17	1

Notes:

1 Key Management Personnel who are not Directors

Corporate **Governance**

ACCOUNTABILITY AND AUDIT

Principle 10

Accountability

There are in place comprehensive management reporting disciplines and structured financial approval authorities to govern the implementation of agreed Company policies and Board decisions, including the day-to-day management of the Group's operating units.

For effective monitoring of the Group's business and affairs, management and financial information are provided to the Board. Information such as disclosure documents, quarterly results, profit and loss statements, cash flow statements, working capital requirements and borrowing levels are presented using comparative figures between actual results, budgeted levels and prior year's results.

The Group's annual budget is reviewed and approved by the Board. A strategic plan, which defines business development goals and overall business objectives, is prepared and updated periodically.

Based on Management's reports, the Board provides a balanced and fair assessment of the Company's performance, position and prospects for interim reports, other price sensitive public reports and other reports to regulators as required.

Principle 11

Internal Controls

The Group maintains an effective system of internal controls addressing financial, operational, compliance and information technology (IT) risks. These controls are designed to provide reasonable assurance as to the adequacy, effectiveness and efficiency of operations, reliability of financial reporting, and compliance with applicable laws and regulations.

The adequacy and effectiveness of these controls is subject to a periodic review by the Group's Internal Audit department and monitored by the ARC. In addition, the Group's external auditors also review the effectiveness of the Group's key internal controls as part of their audit for the year with respect to financial reporting. Significant non-compliance in internal controls, if any, together with recommendations for improvement, is reported to the ARC. A copy of this report is also issued to the relevant department for follow-up action.

Risk assessment and evaluation takes place as an integral part of the AOP. Having identified key risks to the achievement of the Group's AOP, mitigating actions are formulated in respect of each significant risk. Identified risks are also included and monitored in the corporate risk register, and mitigating measures are followed up. The approach to risk management is set out in the "Risk Management" section of this Annual Report.

IT issues are also regularly reported to the Board through the ARC. Reports include matters on business continuity, disaster recovery and cybersecurity amongst others. The Board, through the ARC, provides directions on these matters which Management executes and Internal Audit monitors.

Amongst the significant control initiatives that came out of this process is the Cybersecurity Remediation Project. This initiative is intended to significantly improve the cybersecurity posture of the Group to better manage emerging cybersecurity threats.

In FY2019, the Company made significant progress in the roll-out of Advanced Persistent Threat protection for end point systems, Encryption and Data Loss Protection systems to key end user devices and pilot departments, respectively. To sustain the programme, the Company's Philippine subsidiary has also started rolling out cybersecurity awareness and training initiatives. The inputs gathered from these sessions would be used to complete the Information Security Policy which will be issued and cascaded to the entire organisation in due course. Data Privacy training sessions have also been started pursuant to an existing Data Privacy Policy and Manual.

Corporate **Governance**

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, assurances by the CEO, Chief Operating Officer, Chief Corporate Officer, Chief Financial Officer (CFO) and Chief Compliance Officer, and reviews performed by Management and various Board Committees, the Board is of the opinion, and the ARC concurs, that the Group's internal controls, addressing financial, operational, compliance and information technology risks, and its risk management systems were adequate and effective as at 30 April 2019.

For the year in review, the Board had received the written confirmation from the CEO and the CFO that (a) the financial records have been properly maintained, and the financial statements give a true and fair view of the Company's operations and finances; and (b) the Company's risk management and internal control systems remained adequate and effective.

The Board will, on a continuing basis, endeavour to further enhance and improve the Company's system of internal controls and risk management policies.

The Group's internal audit team, led by the Head of Internal Audit, reports directly to the ARC. An internal audit report is submitted to the ARC on a quarterly basis. The ARC reports all material updates to the Board. Hence, the Board is of the view that it is not necessary to establish a separate risk committee to oversee and monitor the Group's risk management framework and policies as recommended under Guideline 11.4 of the 2012 Code.

Principle 12

Audit and Risk Committee

The Audit Committee was set up on 9 July 1999 and renamed Audit and Risk Committee (ARC) on 25 June 2015 as it had always served the function of overseeing the Company's risk management framework and policies. The ARC comprises the following members who are all Independent Non-Executive Directors:

Mr Benedict Kwek Gim Song	ARC Chairman
Mr Godfrey E Scotchbrook	Member
Dr Emil Q Javier	Member
Mrs Yvonne Goh	Member

The members of the ARC are highly qualified with two members having the requisite financial management experience and expertise.

The ARC implements an annual evaluation process to assess its effectiveness as a whole. The evaluation process is undertaken as an internal exercise and involves ARC members completing a questionnaire covering areas relating to:

- Memberships and appointments
- Conduct of ARC meetings
- Training and resources available
- Financial reporting processes
- Financial and operational internal controls
- Risk management systems
- Internal and external audit processes
- Whistle blowing reporting processes
- ARC's relationship with the Board

The evaluation process takes into account the views of each ARC member and provides an opportunity for members to give constructive feedback on the workings of the ARC including procedures and processes adopted and if these may be improved upon.

Led by the ARC Chairman, a summary of findings prepared based on responses from the completed questionnaires was discussed with feedback noted.

Corporate **Governance**

Under its TOR, the ARC reviews the scope and results of the Company's annual audit and its cost effectiveness. The ARC also ensures the independence and objectivity of the external auditors. Likewise, it reviews the non-audit services provided by the Company's external auditors.

For FY2019, the ARC had reviewed the audit and non-audit services of the external auditors and was satisfied that the auditors continue to be independent, adequately resourced and effective. Non-audit fees include services related to tax advisory and transfer pricing review. A breakdown of the aggregate fees paid for audit and non-audit services is set out below:

	Year ended 30 April 2019 (US\$'000)
AUDIT FEES	
– paid to the auditors of the Company	345
– paid to other auditors	998
NON-AUDIT FEES	
– paid to the auditors of the Company	3
– paid to other auditors	141

The ARC also reviews significant financial reporting issues to ensure the integrity of the Company's financial statements and any announcements relating to the Company's financial performance. The ARC further conducts periodic reviews of all interested persons transactions.

The ARC reviewed the external auditor's audit plan for the financial year ended 30 April 2019 and agreed with the auditor's proposed significant areas of focus and assumptions that would have an impact on the financial statements. In the ARC review of the financial statements as at 30 April 2019, it had discussed with management the accounting principles applied and their judgment of items that could affect the integrity of the statements, and it had also considered the clarity of key disclosures in the statements. The ARC also reviewed and addressed among other matters, the following key audit matters (KAMs) as reported by the external auditor for the financial year ended 30 April 2019:

Fair Value of Biological Assets	<p>The ARC was provided with an understanding of the relevant processes the Group undertook in separating bearer plants from the agriculture produce.</p> <p>The ARC considered the reasonableness of the approach and methodology applied to the fair value of biological assets (fruits growing on bearer plants and fruits harvested), and reviewed management's estimates and assumptions as well as the adequacy of disclosures related to this matter.</p> <p>Additionally, the ARC also considered the external auditor's assessment of the valuation methodology and assumptions adopted by management in valuing the biological assets.</p> <p>The ARC was satisfied with the valuation process and the methodology adopted.</p>
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Corporate **Governance**

Recoverability of Goodwill and Indefinite Life Trademarks	<p>The ARC considered the approach and methodology applied to the valuation model in the goodwill impairment assessment. The ARC reviewed the reasonableness of cash flow forecasts, long term growth rate and discount rate as well as the independence and competency of the valuer appointed to perform the valuations.</p> <p>The Group has assessed the following trademarks as having indefinite useful lives: "Del Monte" in the United States, South America, Philippines and Indian subcontinent, "College Inn" in the United States, Australia, Canada and Mexico, "Today's" in the Philippines, and "S&W" in Asia (excluding Australia and New Zealand), Middle East, Western Europe, Eastern Europe and Africa.</p> <p>The ARC reviewed the data, estimates and assumptions used in each valuation model as well as the independence and competency of the valuer appointed to perform the valuations.</p> <p>The ARC considered the findings of the external auditors with regard to the appropriateness of the assumptions used.</p> <p>The ARC was satisfied that no impairment was required on the goodwill and indefinite life trademarks for the financial year.</p>
Recoverability of Deferred Tax Assets	<p>The ARC considered the methodology and assumptions applied to the recoverability or non-recoverability of deferred assets.</p> <p>The ARC reviewed the reasonableness of cash flow, forecasts, past performance and future plans associated with the Group's operations.</p> <p>The ARC also considered the external auditor's findings including their assessment of the key assumptions used and the procedures applied to test these assumptions.</p> <p>The ARC is satisfied with the methodology and assumptions used.</p> <p>The Group has recognised US\$106.3 million of deferred tax assets, which includes deferred tax assets recognised by Del Monte Foods, Inc, a subsidiary in the USA, amounting to US\$105.5 million.</p>
Measurement of Defined Benefit Liability	<p>Actuarial valuations of the Group's defined benefit obligations are undertaken annually, using the projected unit credit method. Accounting treatment for the defined pension plan can be found in note 4 Significant Accounting Policies, section 13.</p> <p>The ARC reviewed the reasonableness of the valuation of the Group's defined benefit plans, termination and retirement rates, discount rate and compensation increase assumptions, as well as the independence and competency of the valuer appointed to perform the valuations.</p> <p>The ARC also considered the external auditor's evaluation of the key actuarial assumptions and valuation methodology used by management.</p> <p>The ARC was satisfied with the valuation process used.</p>

The ARC concluded that the Group's accounting treatment in each of the significant matters was appropriate. All the KAMs that were raised by the external auditors for the financial year ended 30 April 2019 have been addressed by the ARC and covered in the above commentary. The KAMs in the auditors' report can be found on pages 97 to 100 of this Annual Report.

Except as disclosed, the Company did not enter into any other material contracts involving the interests of its CEO, Directors or controlling shareholders for FY2019.

Corporate **Governance**

The ARC keeps abreast of changes in accounting standards by requiring on a continuing basis Management and the external auditors to look into and present these changes as well as their implications on the Group's financial statements. The ARC monitors these changes and provides guidance on concomitant issues on financial reporting. These matters are taken up in ARC meetings, in ARC's separate meetings with the external auditors and their periodic meetings with the CFO.

The ARC has the authority to investigate any matter within its TOR, unrestricted access to Management and the Head of the Internal Audit department, and full discretion to invite any Director or executive officer to attend its meetings.

The ARC monitors the adequacy and effectiveness of the Group's internal control system and internal audit function. It has set in place arrangements to ensure independent investigation of matters such as improprieties in financial reporting.

The Company has a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices without fear of retaliation. A Whistleblower Policy has been in place since 2004 to promote the highest standards of business and personal ethics in the conduct of the Group's affairs. As representatives of the Group, officers and employees must practise honesty and integrity, and strictly comply with all applicable laws, rules and regulations.

The said policy aims to deter and uncover corrupt, illegal, unethical, fraudulent practices or other conduct detrimental to the interest of the Group committed by officers and employees, as well as third parties, such as, but not limited to, suppliers and contractors. The Group encourages its officers, employees, suppliers and contractors to provide information that evidences unsafe, unlawful, unethical, fraudulent or wasteful practices. It does not disregard anonymous complaints.

This policy enables the Group to effectively deal with reports from whistleblowers in a manner that will protect the identity of the whistleblower and provide for the appropriate use of the information provided. It also establishes the policies for protecting whistleblowers against reprisal by any person internal or external to the Company, and provide for the appropriate infrastructure, including the appointment of a Whistleblower Protection Officer and a Whistleblower Investigations Officer, as well as alternative means of reporting.

The Board, together with the Chairman of the ARC, had appointed the Group CFO as the Protection Officer and the Head of Internal Audit as the Investigations Officer to administer the Company's Whistleblower programme. These are the contact details:

For legal compliance: +632 856 2557, +63 917 534 1680, or email legalcompliance@delmonte-phil.com

For other matters: +6388 855 2090, +63 917 712 0311, or email othercompliance@delmonte-phil.com

The ARC also makes recommendations to the Board on the appointment, re-appointment and removal of the external auditors, including their remuneration and terms of engagement. Such recommendation, once approved by the Board, is then ratified by shareholders at a general meeting (GM). For any change in the external auditor, the Company provides the reason for the change in its disclosure to the regulators.

In appointing the external auditors for the Company and its subsidiaries, the Group has complied with Rule 712 of the SGX Listing Manual in having appointed a suitable auditing firm to meet its audit obligations, and one that is registered with the Accounting and Corporate Regulatory Authority of Singapore (ACRA). The Group has also complied with Rule 715 in having engaged the same auditing firm based in Singapore to audit its Singapore-incorporated subsidiaries and significant associated companies, and for having appointed suitable auditing firms for its significant foreign-incorporated subsidiaries and associated companies. The Group has also complied with the requirements of SRC Rule 68 in selecting an SEC-accredited auditing firm in the Philippines.

Corporate **Governance**

Consistent with the Company's rotation policy, the ARC and the Board undertake to conduct a comprehensive review of the external auditors at least every five years.

The ARC meets with the Group's external auditors and with the Head of Internal Audit department without the presence of Management at least once a year. During the year in review, the ARC had met with the Group's external auditors without the presence of Management more than once and Head of Internal Audit, without the presence of Management once.

During the year in review, the ARC held five meetings.

Principle 13 ***Internal Audit***

The Group's Internal Audit department is staffed by qualified, experienced and trained personnel who are members of the Institute of Internal Auditors. Their duties are appropriately segregated. The Head of Internal Audit is Mr Gil Ramon S Veloso who reports functionally to the ARC and administratively to the CEO.

This department commands a respectable standing within the Company and is responsible for reviewing the risk management, internal control and governance processes of the Group to ensure these are adequate and effectively implemented.

It is the Group's policy to support the Internal Audit department in complying with the International Professional Practices Framework set by The Institute of Internal Auditors. Training and development opportunities are provided for staff of the Internal Audit department to upgrade their technical knowledge and skill sets to ensure they remain current and relevant.

The Internal Audit department has unfettered access to all company documents, records, properties and personnel, including access to the ARC.

The ARC approves the hiring, removal, evaluation and compensation of the Head of Internal Audit. The ARC annually reviews the adequacy, effectiveness and independence of the internal audit function, and it is of the view that the Company's internal audit function is adequately resourced, effective and independent.

Principle 14 ***Shareholder Rights***

The Group treats all shareholders fairly and equitably, and recognises, protects and facilitates the exercise of shareholders' rights. Moreover, the Group continually reviews and updates such governance arrangements.

Shareholders are informed of changes in the Group's business that are likely to materially affect the value of the Company's shares.

The Group ensures that shareholders have the opportunity to participate effectively in, and vote at, GMs. Shareholders are informed of the rules and voting procedures that govern AGMs and GMs. The results of the votes taken during the AGM or GM are disclosed and made available to the public on the same day, and likewise uploaded on the Company's website within five days from the date of the meeting.

The Company's Memorandum and Articles of Association do not allow corporations which provide nominee or custodial services to appoint more than two proxies to vote. At present, only the Central Depository (Pte) Ltd is permitted to appoint more than two proxies. The Company does, however, allow non-shareholders to attend the AGM or GM as observers.

Corporate **Governance**

The Company's dividend policy for Ordinary Shares has been to distribute a minimum of 33% of full year profit. The holders of Ordinary Shares are entitled to receive dividends, as declared from time to time, after dividends of Preference Shares are paid. For FY2019, the Company declared 50% of its full year profit as dividends to Ordinary shareholders.

The dividend policy and terms, including the declaration dates from previous years, are provided in the Company's website. The Company endeavours to pay dividends within 30 days after declaration date.

Principle 15

Communication with Shareholders/Investor Relations

The Company is committed to engaging its stakeholders including its shareholders, and providing easy and regular access to timely, effective, fair, pertinent and accurate information about the Company. The Company has an Investor Relations policy that clearly articulates and promotes this.

The Company's Investor Relations (IR) is handled in-house. It has a dedicated Investor Relations team comprising the Chief Corporate Officer and Investor Relations Manager who regularly engage and communicate with the investing community. Various IR and communication modes are employed by the Company to provide information, gather feedback, and address questions and concerns. Insights and feedback gathered are taken and, where appropriate, acted upon.

The Company strengthens its relationship with the investing community and solicits their views through one-on-one meetings, participation in conferences, forums and road shows organised by stock broking and investing companies. Between May 2018 and April 2019, the Company met with 52 investors, brokers, lenders, and investment bankers, including conference calls, and did a roadshow for the planned IPO of the Company's subsidiary, Del Monte Philippines, Inc.

To maintain an open channel of communication, the Company also has an email alert system whereby emails on material developments and updates concerning the Company are sent out to investors. Such information, and other material information about the Company, including its financial position, performance, ownership, strategies, activities and governance, are disclosed to all shareholders and the investing community via the SGX-ST and PSE portals.

The Company has organised visits to its plantation and cannery, as well as trade checks, for the investing community, providing them with first-hand appreciation and understanding of the Group's operations and markets.

The Company provides descriptive and detailed disclosures whenever possible and avoids boilerplate disclosures, and immediately announces any material information on the Company or any of its subsidiaries or associated companies.

The Company observes a closed-window period of two weeks prior to the announcement of its quarterly results and one month prior to the announcement of its full year results. During this period, the Company does not meet nor communicate with the investing community to ensure no selective disclosure is made.

The Company announces its financial results on a quarterly basis within the prescribed timeframe and holds joint briefings or conference calls with the investing community. The briefings are held in an accessible central location. These briefings are also broadcast via webcast to global viewers, with a recording available for six months. Key Management Personnel are present during the briefings. The Company uploads on its website the materials for media briefings and press conferences.

The Management Discussion and Analysis (MDA) report, press release and presentation on the Company's financial results are disseminated through the SGX-ST and PSE portals, and the Company's email alerts and website all on the same day.

Corporate **Governance**

The Company's corporate website (www.delmontepacific.com) has an international design to promote DMPL as a global food and beverage player, while the structure and sitemap allow for easy navigation and access to key investor information. The website features the Company's four key brands (*Del Monte*, *S&W*, *Contadina* and *College Inn*), the international business and DMPL's various awards across many sectors. It also has links to the websites of its other subsidiaries and brands, and includes social media links to DMPL's subsidiaries' Facebook, Instagram, Twitter, Pinterest and LinkedIn pages. The website is mobile-responsive and accessible from tablets and smartphones.

The corporate website has a dedicated and comprehensive IR section that is user-friendly with easily downloadable and updated press releases, announcements, quarterly reports, presentations, annual reports and analyst reports. Announcements are uploaded as soon as they are released to the SGX-ST and PSE portals, including other disclosures and reports submitted to the Philippine SEC.

The following are also included in the IR site: IR policy, IR calendar, AGM and GM Minutes, dividend policy and payment details, share information, and the Company's top 20 shareholders. The following are also available on the website: Sustainability, Corporate Governance, profile of Directors and Senior Management, Memorandum and Articles of Association, Code of Business Ethics and other policies.

The IR email address (jluy@delmontepacific.com) and telephone number (+65 6594 0980) are listed prominently on the IR homepage and in the annual report, making DMPL's IR Manager accessible. The IR team endeavours to reply to emails and requests within a day.

The Company is guided by strong principles grounded on the guidelines of the 2012 Code, the SEC CG Code, the SGX Listing Manual, the SGTI and the ACGS to strengthen stakeholder relations. DMPL's IR is guided by principles of trust; good corporate governance; transparency, openness and quality of disclosure; fairness; timeliness; pro-activeness and engagement; accessibility; employment of IT; and continuous improvement.

The Company received the Best Investor Relations (Gold) Award in 2017 and the Best Annual Report (Silver) Award in 2018 from the Singapore Corporate Awards (SCA) for companies with a market capitalisation of between S\$300 million to less than S\$1 billion.

Since the SCA began in 2006, DMPL has won two Gold awards for the Best Managed Board and Best Investor Relations. DMPL is one of only less than ten companies from the 750 companies listed in Singapore to have achieved this.

The Company also received four distinct awards including that for the Best CFO and is one of only 12 companies to have achieved this.

The Company has won a total of 13 awards for nine consecutive years, since 2010.

The Company was ranked 13th amongst 606 Singapore-listed companies or within the top two percentile in the August 2018 SGTI. This is the highest ranking DMPL has achieved. DMPL also ranked 23rd amongst 100 largest Singapore-listed companies in the April 2018 ACGS.

As part of the Company's ongoing effort to improve investor relations, it will continue to review and update governance arrangements with stakeholders. The Company also benchmarks against peers and industry best practices by having its relevant executives attend seminars and forums, joining IR organisations, and keeping abreast of the 2018 Code and similar guidelines and recommendations.

Corporate **Governance**

Principle 16

Conduct of Shareholder Meetings

The Company encourages shareholder participation at AGMs or GMs, and ensures that the venue for the meetings is in a central location easily accessed by public transportation.

Shareholders have the opportunity to participate effectively and vote in the general meetings either in person or by proxy.

Resolutions on each distinct issue are tabled separately at GMs.

At general meetings, shareholders are given the opportunity to communicate their views and direct questions to Directors and Senior Management regarding the Company. The Chairman of the Board, the respective Chairperson of the ARC, NGC and RSOC, three other Directors, Senior Management including the CEO, and the external auditors were present at the most recent AGM to assist the Board in addressing shareholders' questions.

For greater transparency, the Company had since 2013 instituted electronic poll voting and all resolutions are put to vote by electronic poll at its AGMs and GMs. The voting procedures are discussed before the start of any meeting. The Company had also appointed independent scrutineers, Drewcorp Services Pte Ltd, to validate the votes at its most recent AGM. Announcement of the detailed results of the poll, including the number of votes cast for and against each resolution with the respective percentages, is made on the same day.

The AGM and GM Minutes state that shareholders are given the opportunity to ask questions and the Minutes include the questions and answers during the meetings. The Minutes are available on the Company's website after the meetings.

DEALINGS WITH SECURITIES

The Company adopted in 2013 a Securities Dealings Policy to govern dealings in the Company's shares by its Directors, Key Management Personnel and certain designated employees having access to price sensitive information. With this policy, these individuals are required to seek the approval of the Chairman or the Board before dealing in the Company's shares. Directors are also required to report their dealings in the Company's shares within two business days from the date of transaction.

Directors, Key Management Personnel and certain designated employees had been advised that it is an offence to deal in the Company's securities when they are in possession of unpublished material price-sensitive information. They are also discouraged from dealing in the Company's securities on short-term considerations.

They are not allowed to deal in the Company's securities during the period commencing two weeks before the announcement of the Company's financial results for each of the first three quarters of its financial year, and one month before the announcement of the Company's full-year financial results. For the year in review, these individuals had been compliant with the Securities Dealings Policy.