

CORPORATE GOVERNANCE

Del Monte Pacific Limited (the “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 (the “PSE”) and the Philippine Securities and Exchange Commission (the “SEC”).

The Board of Directors and Management are also committed to use their best endeavours to align the Company’s governance framework with the recommendations of the revised Code of Corporate Governance which was issued on 2 May 2012 by the Monetary Authority of Singapore (the “2012 Code”), as well as the Governance and Transparency Index (“GTI”) and the ASEAN Corporate Governance Scorecard (“ACGS”).

The Company confirms that it has adhered to the principles and guidelines set out in the 2012 Code, where applicable, and has identified and explained areas of non-compliance in this report.

This report describes the Company’s corporate governance policies and practices with specific reference made to each of the principles of the 2012 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 of Directors (“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. It 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 reviewed the vision and strategy of the Company on 29 June 2016.

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 refer to the CEO and other persons having authority and responsibility for planning, directing and controlling the activities of the Group.

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 that require the Board’s approval include:

- quarterly results announcements;
- annual results and financial statements;
- 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; and
- major transactions and investments.

The Company’s Memorandum and Articles of Association require the Directors to abstain from participating in the Board discussion on a particular agenda 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.

CORPORATE GOVERNANCE

The Board committees, namely, the Audit and Risk Committee (“ARC”), Nominating Committee (“NC”), and Remuneration and Share Option Committee (“RSOC”) support the Board in discharging its responsibilities. The roles and powers of the Board committees are set out separately in this Report. All committees have been constituted with clear written TORs which set out the duties, authority and accountabilities of each. The TORs are reviewed on a regular basis to ensure continued relevance. The TORs of the respective committees had also been updated to be in line with the 2012 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 has also put in place a framework of prudent and effective controls that allows risks to be assessed and managed.

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 companies have 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 the financial year. Board papers are provided to the Board at least five (5) business days before the date of meeting.

During the year in review, the Board held five (5) meetings. The Company’s Articles of Association allow for tele-conference and video-conference meetings to facilitate participation by Board members and Management.

Attendance for FY2016 from 1 May 2015 to 30 April 2016

Directors	Board Meetings	Audit and Risk Committee Meetings	Remuneration and Share Option Committee Meetings	Nominating Committee Meetings
Mr Rolando C Gapud ¹	5	1	1	1
Mr Joselito D Campos, Jr	3	NA	NA	NA
Mr Edgardo M Cruz, Jr ¹	5	1	1	1
Mr Benedict Kwek Gim Song	5	5	4	1
Mr Godfrey E Scotchbrook	5	5	4	1
Dr Emil Q Javier ²	5	2	2	1
Mr Patrick L Go ³	3	3	2	1
Mrs Yvonne Goh ⁴	2	2	2	–
Total No of Meetings Held	5	5	4	1

¹ Mr Rolando C Gapud and Mr Edgardo M Cruz, Jr ceased as members of ARC and RSOC on 1 July 2015.

² Dr Emil Q Javier was appointed as a member of RSOC on 4 September 2015.

³ Mr Patrick L Go resigned as an Independent Director on 4 September 2015 and ceased as a member of ARC, NC and RSOC.

⁴ Mrs Yvonne Goh was appointed as an Independent Director and a member of ARC, NC and RSOC on 4 September 2015.

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 existing Directors, in order for Board members to gain a firsthand understanding and appreciation of the Group’s business operations.

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, as well as on any developments or changes to relevant laws and related matters.

CORPORATE GOVERNANCE

In addition, all Directors are encouraged to regularly attend such training as may be relevant to the 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 FY2016 (May 2015 - April 2016)

Date	Location	No of hours	Training/Seminar/Conference	Organiser	Attendees
19-May-15	Singapore	3.5	EBL 3: Enterprise Risk Management	Singapore Institute of Directors (SID)	Benedict Kwek
9-Jul-15	Singapore	3.5	LCD 4: Nominating Committee Essentials	SID	Edgardo M Cruz, Jr
9-Jul-15	Singapore	5.0	LCD 5: Remuneration Committee Essentials	SID	Edgardo M Cruz, Jr
10-Jul-15	Singapore	3.5	LCD 6: Investor and Media Relations	SID	Edgardo M Cruz, Jr
28-Aug-15	Singapore	2.0	Launch of the Nominating Committee Guide	SID	Yvonne Goh
16-Sep-15	Singapore	8.0	SID Directors' Conference 2015-Boards and Innovation	SID	Benedict Kwek and Yvonne Goh
1-Oct-15	Singapore	2.5	The Director and CFO Forum: Strengthening Financial Governance	SID	Benedict Kwek
11-Nov-15	Philippines	8.0	Corporate Governance	Risks, Opportunities, Assessment and Management, Inc	Joselito D Campos, Jr
11-Nov-15	Hong Kong	3.0	Global Retailing Trends	Convenience Retail Asia	Godfrey E Scotchbrook
18-Nov-15	Singapore	3.0	Corporate Governance Roundup 2015	SID	Yvonne Goh
12-Jan-16	Singapore	2.0	ACRA-SGX-SID Audit Committee Seminar Raising The Bar For Financial Reporting And Audit	ACRA, SGX, SID	Benedict Kwek
18-Feb-16	Singapore	4.0	Workshop by Prof Randel Carlock (INSEAD): Tough Strategy Decisions - The Board, Chair & CEO's Roles and Responsibilities	Diversity Action Committee	Yvonne Goh
24-Feb-16	Singapore	2.0	Improving Board Risk Oversight Effectiveness	SID	Benedict Kwek
31-Mar-16	Singapore	2.0	Launch of the Board Risk Committee Guide and ASEAN Corporate Governance Scorecard	SID	Yvonne Goh
7-Apr-16	Hong Kong	8.0	Fung Retailing Annual Conference - Global Best Practices for Omni	Fung Retailing	Godfrey E Scotchbrook
17-19 Apr-16	Macau	27.0	Singularity University Program	Fung Retailing	Godfrey E Scotchbrook
6-May-16	Singapore	8.5	Board Management Interactions	SID	Benedict Kwek
31-May-16	Singapore	2.0	Of Enron, Entanglement and Enlightenment	SID	Benedict Kwek

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

CORPORATE GOVERNANCE

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

Principle 2

Board's Composition and Guidance

The Board comprises seven (7) Directors, three (3) of whom are Executive Directors. The four (4) Non-Executive Directors are Independent Directors. The composition of the Board of Directors 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

* On 1 July 2015, Mr Rolando C Gapud was re-designated from Non-Executive Chairman to Executive Chairman of the Board.

The profiles of the Directors, including information on their appointments and re-appointments, are set out on pages 12-13 of this Report.

Lead Independent Director

Mr Benedict Kwek Gim Song acts as the Lead Independent Director and is the principal liaison to address shareholders' concerns, in which direct contact through normal channels of the Chairman, CEO or Management had 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 to 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 in 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 alternative perspectives 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 NC, 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.

The 2012 Code states that the independence of any Director who has served on the Board beyond nine (9) years from the date of his first appointment should be subject to particularly rigorous review.

CORPORATE GOVERNANCE

The NC had assessed the independence of each Director, including Directors whose tenure had exceeded nine (9) years from the date of their first appointment. In this regard, the NC considers Mr Benedict Kwek Gim Song (first appointed on 30 April 2007), Dr Emil Q Javier (first appointed on 30 April 2007) and Mr Godfrey E Scotchbrook (first appointed on 28 December 2000), to be independent in spite of their tenure in the Board exceeding nine (9) years.

Based on the NC's observation, Messrs Benedict Kwek Gim Song, Emil Q Javier and Godfrey E Scotchbrook, have demonstrated independent mindedness and conduct at Board and Board committee meetings. The NC is also of the firm view and opinion that these Directors exercise independent judgment in the best interest of the Company in the discharge of their duties as Directors, despite their extended tenure in office.

The NC, having reviewed the individual Directors' judgment and conduct in carrying out their duties for the year in review, deems that Messrs Benedict Kwek Gim Song, Emil Q Javier and Godfrey E Scotchbrook and Mrs Yvonne Goh continue to be independent.

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

Our 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 and agronomy.

The size, composition, range of experience and the varied expertise of current Board members allow discussions on policy, strategy and performance to be critical, informed and effective. The Board has approved and issued a Board Diversity Policy and the Board also now includes a female Director.

The Board Diversity Policy states that diversity is important to Board effectiveness as it will enhance decision making by harnessing 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 the members of the Board. The NC is responsible for administering this policy and for evaluating it annually.

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 Executive 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. During Board and Board Committee 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.

The Board of Directors was honoured to receive for the second time the Best Managed Board (Gold) Award from the Singapore Corporate Awards (for companies with a market capitalisation of between S\$300 million to less than S\$1 billion) in July 2015, and will continue to uphold the Company's high standards of corporate governance.

CORPORATE GOVERNANCE

Principle 4

Board Membership

The NC was set up on 7 February 2003 and currently comprises the following members, a majority of whom, including the Chairman, are Independent Directors:

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

Under its TOR, the NC is responsible for reviewing the Board's composition and effectiveness and determining whether Directors possess the requisite qualifications and expertise and whether the independence of Directors is compromised.

All appointments and re-appointments of Directors are first reviewed and considered by the NC and then recommended for approval by the Board. The NC 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 NC evaluates the balance of skills and competencies on the Board and in consultation with the Chairman of the Board and Management, determine the desired skill sets and qualities for a particular appointment.

The NC does not usually engage the services of search consultants to identify prospective candidates and considers recommendations and referrals provided the prospective candidates meet the qualification criteria established for the particular appointment.

The NC undertakes the process of identifying the quality of directors aligned with the Company's strategic directions. The NC evaluates the suitability of a prospective candidate based on her or his qualification 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 NC will also identify any core competencies that will complement those of current Directors on the Board.

The NC is also tasked with reviewing the performance and contribution of the Directors in order to nominate them for re-election or re-appointment. The NC 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 NC reviews and determines the independence of each Director on an annual basis.

Details of each Director's academic and professional qualifications, directorships or chairmanships in other companies, and other major appointments, are presented on pages 12-13 of this Annual Report.

In cases where a Director has multiple Board representations, the NC 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 (4) directorships and/or chairmanships that Executive Directors can hold concurrently for listed companies and a maximum limit of five (5) directorships and/or chairmanship in listed companies for Independent and Non-Executive Directors. The details of directorships and/or chairmanships in other listed companies and other principal commitments of the Directors are set out in the "Board of Directors" section of the Annual Report.

Under Article 88 of the Company's Articles of Association, all Directors hold office for a maximum period of three (3) years whereupon they shall retire but they are eligible for re-election. Under Article 92, Directors appointed to fill a vacancy or as an addition to the existing Directors will be subject to re-election at the Annual General Meeting ("AGM") following his or her appointment.

CORPORATE GOVERNANCE

Director Retiring Under Article 88

Dr Emil Q Javier
Independent Director
Appointed on 30 April 2007
Re-elected on 28 April 2010 and 30 April 2013

Director Retiring Under Article 92

Mrs Yvonne Goh
Independent Director
Appointed on 4 September 2015

In reviewing the nomination for re-election of the Directors retiring under Article 88 and Article 92 of the Company's Articles of Association, the NC had considered the contributions and performance of each Director, taking into account his/her attendance and participation at Board and Board committee meetings.

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

Both Dr Emil Q Javier and Mrs Yvonne Goh are not substantial shareholders nor are they directly associated to any substantial shareholder or a 10% shareholder of the Company.

The NC conducts a review of the succession plan for Board members, CEO and Key Management Personnel of the Company. The Company has in place a succession plan, with a portfolio of well-trained candidates to assume the responsibilities of Key Management Personnel in the event of an immediate vacancy.

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 the 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.

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

- Memberships and appointments
- Conduct of NC meetings
- Trainings and resources available
- Reporting to the Board
- Process for selection and appointment of new Directors
- Nomination of Directors and re-election
- 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 NC member and provides an opportunity for the NC to give constructive feedback on the workings of the NC, including procedures and processes adopted, and if these may be improved upon.

The evaluation exercise is carried out by the NC on an annual basis.

CORPORATE GOVERNANCE

Principle 5

Board Performance

The Board, through the NC, 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.

An evaluation exercise was carried out for the year in review.

Led by the Chairman, this collective assessment was conducted by means of a confidential questionnaire completed by each Director, which is collated, analysed and discussed with the NC and the Board with comparatives from the prior period evaluation. Recommendations to further enhance the effectiveness of the Board are implemented, as appropriate.

The NC had conducted a performance evaluation of the Board for the year in review and determined that all Directors had contributed effectively and had demonstrated full commitment to their roles. No external facilitator had been engaged by the Board for this purpose.

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

Principle 6

Access to Information

Management provides the Board with timely and complete information at least five (5) 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, the Group's 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 to ensure the effective functioning of the Board, 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 the Board 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.

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.

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.

CORPORATE GOVERNANCE

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 NC and the Board, being cognizant of Guideline 7.1 of the 2012 Code, had on 1 July 2015 reconstituted the RSOC to comprise solely of Independent Non-Executive Directors. Mr Rolando C Gapud (Executive Chairman) and Mr Edgardo M Cruz, Jr (Executive Director) ceased to be members of the RSOC with effect from 1 July 2015.

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 Key Management Personnel of the Group. It is at liberty to seek independent professional advice as appropriate.

Under its TOR, the RSOC is responsible for reviewing and recommending a remuneration framework for the Board and the Company's Key Senior Executives. The RSOC assumed the role of the Employee Share Option Plan Committee, previously responsible for administering the Del Monte Pacific Executive Stock Option Plan, the Del Monte Pacific Restricted Share Plan and the Del Monte Pacific Performance Share Plan. The RSOC considers all aspects of remuneration - 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 Company's Key Management Personnel, the RSOC works with the Company's human resource department in reviewing 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 had been 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.

During the year in review, the RSOC held four (4) meetings.

The RSOC implements an evaluation process to assess the effectiveness of the RSOC 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
- Trainings and resources available
- Scope of remuneration matters reviewed
- Reporting to the Board
- Standards of conduct
- Communication with shareholders

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

The evaluation exercise is carried out by the RSOC on an annual basis.

CORPORATE GOVERNANCE

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.

Where appropriate, the RSOC reviews the service contracts of the Company's Executive Directors and Key Management Personnel. The compensation commitments in service contracts are reviewed periodically and notice periods for termination are also reviewed to ensure that they are not excessively long.

In reviewing the recommendation for Non-Executive Directors' remuneration for FY2016, 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.

The compensation structure for Key Management Personnel of Group subsidiaries consists of two (2) 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.

The Company has two (2) share plans - the Restricted Share Plan ("RSP") and the Performance Share Plan ("PSP") (collectively the "Share Plans"). These are also administered by the RSOC. The RSP and PSP are 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 these plans is to increase the Company's flexibility and effectiveness in its continuing efforts to reward, retain and motivate employees, currently targeted at Executives at key positions, to excel in their performance. These are also designed to align the interest of these Executives with those of shareholders.

Under the Share Plans, shares are 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 Share Plans are described in more detail in the Directors' Report.

The Share Plans which were first adopted on 26 April 2005 had a duration of ten (10) years and had expired on 25 April 2015. The RSOC would review and consider the necessity to adopt new share plans, in the future.

The RSOC had in 2012 considered the recommendations of the 2012 Code to implement a scheme to encourage Non-Executive Directors to hold shares in the Company, so as to better align the interests of the Non-Executive Directors with the interests of Shareholders.

The Company had adopted a policy for Non-Executive Directors to purchase shares (within three (3) years from the adoption of the policy or the date of their appointments to acquire a number of shares in the Company having an investment value that is equal to at least one year's annual base retainer fees) and to hold such shares for as long as they remain as Directors of the Company.

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 (5) 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, given the confidentiality and commercial sensitivity attached to remuneration matters, disclosure in bands of S\$250,000/- in excess of S\$500,000/- will not be provided. In addition, for personal security reasons, the names of and the aggregate remuneration paid to the Company's top five (5) Key Management Personnel are not disclosed.

CORPORATE GOVERNANCE

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, Del Monte Pacific Ltd'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.

Disclosure on Remuneration of Directors for FY2016

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	49	2	49	–
Mr Rolando C Gapud	79	21	–	–
S\$250,000 to below S\$500,000				
Mr Edgardo M Cruz, Jr	82	11	6	1
NON-EXECUTIVE DIRECTORS				
Below S\$250,000				
Mr Patrick L Go ¹	–	100	–	–
Mrs Yvonne Goh ¹	–	100	–	–
Dr Emil Q Javier	58 ²	37	5	–
Mr Benedict Kwek Gim Song	–	100	–	–
Mr Godfrey E Scotchbrook	–	100	–	–

Notes:

¹ Mr Patrick L Go resigned as an Independent Director of the Company effective 4 September 2015, and was replaced by Mrs Yvonne Goh

² Refers to consultancy fees

Details of the share options and share awards granted to each Director are shown in the Directors' Report

Disclosure on Remuneration of Top Five Key Management Personnel¹ for FY2016

Remuneration Bands and Number of Key Management Personnel	Fixed Salary %	Variable Income / Bonus %	Benefits In Kind %
Above S\$500,000			
1	42	57	1
1	94	5	1
1	86	14	–
S\$250,000 to below S\$500,000			
1	90	9	1
1	90	9	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 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 review by the Group's Internal Audit department and is monitored by the ARC. In addition, the Company'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 annual operating plan ("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 on pages 38-41 of this Annual Report.

Based on the framework of risk management controls and internal controls established and maintained in the Company, the work performed by the internal auditors and the review undertaken by the external auditors as part of their audit, the assurance from the CEO and CFO and reviews performed by Management and the various Board Committees, the Board, with the concurrence of the ARC, is of the opinion that:

- (a) the financial records have been properly maintained and nothing has come to the Board's attention which may render the financial statements to be false or misleading in any material aspect; and
- (b) the Group's risk management and internal control systems are adequate and effective to address the risks relating to financial, operational, compliance and information technology controls which the Group considers relevant and material to its operations.

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

CORPORATE GOVERNANCE

Principle 12

Audit and Risk Committee

The Audit Committee was set up on 9 July 1999 and had on 25 June 2015 been renamed the Audit and Risk Committee (“ARC”) as the Audit Committee had always served the function of overseeing the Company’s risk management framework and policies. For the year in review, 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 NC and the Board, being cognizant of Guideline 12.1 of the 2012 Code, had on 1 July 2015 reconstituted the ARC to comprise solely of Independent Non-Executive Directors. Mr Rolando C Gapud (Executive Chairman) and Mr Edgardo M Cruz, Jr (Executive Director) ceased to be members of the ARC with effect from 1 July 2015.

The members of the ARC are highly qualified with two (2) members having the requisite financial management experience and expertise.

The ARC implements an evaluation process to assess the effectiveness of the ARC 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
- Trainings 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 the ARC to give constructive feedback on the workings of the ARC including procedures and processes adopted and if these may be improved upon.

The evaluation exercise is carried out by the ARC on an annual basis.

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

Under its TOR, the ARC reviews the scope and results of the 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. In the year in review, the ARC had reviewed the audit and non-audit services of the external auditors and was satisfied that the auditors continue to be independent.

For the year in review, a breakdown of the aggregate fees paid for audit and non-audit services is set out below:

	Year ended 30 April 2016 US\$’000
Audit fees	
paid to the auditors of the Company	339
paid to other auditors	2,374
Non-audit fees	
paid to the auditors of the Company	–
paid to other auditors	579

CORPORATE GOVERNANCE

The ARC also reviews significant financial reporting issues so as 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.

Except as disclosed, for FY2016, the Company did not enter into any other material contracts involving the interests of its CEO, Directors or controlling shareholders.

The ARC has the authority to investigate any matter within its TOR, has unrestricted access to Management and the Head of the Internal Audit department, and has 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 controls system and internal audit function. It has set in place arrangements to ensure independent investigation of matters such as improprieties in financial reporting.

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 practice honesty and integrity and strictly comply with all applicable laws, rules and regulations.

The Policy aims to deter and uncover corrupt, illegal, unethical, fraudulent or other conduct detrimental to the interest of the Group committed by officers and employees, as well as third parties/any other persons, such as suppliers and contractors. The Group encourages its officers and 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", a "Whistleblower Investigations Officer" and alternative means of reporting.

The Board, together with the Chairman of the ARC, had appointed the Group CFO as the Protection Officer, as well as 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, +63 917 872 1472, 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 the remuneration and terms of engagement of the external auditors.

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.

As a matter of new policy, the ARC and the Board of Directors are of the opinion that a review of external auditors should be carried out every five years.

The ARC, comprised of all Non-Executive Directors, 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 held five (5) meetings.