

**SAMUDERA SHIPPING LINE LTD**  
(Company Registration No.: 199308462C)  
(Incorporated in Singapore)

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**RESPONSE TO QUERIES FROM SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ON THE COMPANY'S FY2020 ANNUAL REPORT**

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The Board of Directors (the "**Board**") of Samudera Shipping Line Ltd (the "**Company**", and together with its subsidiaries, the "**Group**") refers to the Company's announcement released on 23 April 2021 in response to the queries raised by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") on 21 April 2021 in relation to the Company's Annual Report for the financial year ended 31 December 2020 ("**FY2020**").

The Board wishes to provide the following response to the query raised by SGX-ST on 27 April 2021 in relation to the Company's announcement released on 23 April 2021:

**QUERY:**

- (a) With regard to the Company's responses to Queries (c) and (d) as set out in the Announcement, please clarify if the practices adopted by the Company are consistent with the intent of Principles 2 and 8 respectively.

**RESPOND:**

*Clarification on the Company's Response to Query (c) regarding Principle 2*

As explained in the Corporate Governance section in the Company's FY2020 Annual Report (pages 8 to 11) and the Company's Announcement on 23 April 2021, the Board and Nominating Committee ("**NC**"), having reviewed and considered the size and mix of the Board and the Board Committees, are of the view that the current Board composition of 3 Executive Directors, 1 Non-Executive Director and 4 Independent Directors is appropriate for the nature and scope of the Group's operations and the Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interest of the Company.

The Board and NC will continue to ensure that there is an appropriate level of independence and diversity in the Board composition when evaluating potential candidates for Board refreshment.

Accordingly, the above practices adopted by the Company is consistent with the intent of Principle 2 of the Code.

*Clarification on the Company's Response to Query (d) regarding Principle 8*

As explained under Provision 8.1 of the Corporate Governance section in the Company's FY2020 Annual Report and the Company's Announcement on 23 April 2021, the Remuneration Committee ("**RC**") and the Board deem remuneration to be a highly sensitive and confidential matter and it would not be in the best interest of the Company to disclose the remuneration of each individual director and the CEO on a named basis as recommended by the Code.

Notwithstanding the abovementioned deviation, the Company had disclosed the following information in its FY2020 Annual Report (pages 21 and 22):

- (i) the names and a breakdown of the remuneration of each director of the Company in percentage bands of S\$250,000, including a percentage breakdown of the fixed (salary) and variable (bonus) components of the remuneration received by the Executive Directors and the CEO of the Company for FY2020;
- (ii) the names and a breakdown of the remuneration of the top five Key Management Personnel in percentage bands of S\$250,000, including a percentage breakdown of the variable component of their remuneration for FY2020; and
- (iii) the total aggregate remuneration paid to the top five Key Management Personnel (who are not Directors or the CEO) for FY2020.

As explained under Provisions 7.1 and 7.3 of the Corporate Governance section in the Company's FY2020 Annual Report (pages 19 and 20), the variable component of the remuneration for the Executive Directors, the CEO and key management personnel is determined after taking into account, amongst other factors, the individual's performance and the performance of the Group in terms of specific key performance indicators (financial and non-financial) which are aligned to the Company's short and long term strategies focusing on enhancing shareholders' value and value creation for its stakeholders. The RC takes into consideration the following factors, amongst other criteria, when determining the variable component of the remuneration for the Executive Directors, the CEO and key management personnel:

- The achievement of net profit of the Group and the Company compared to its budget;
- Operational cash flow achievement compared to its budget/outlook;
- Revenue growth achievement compared to its budget; and
- Return on operational assets, achievement compared to its budget.

The Company is of the view that the disclosure of the directors and key management personnel remuneration in bands of S\$250,000 and the total remuneration of key management personnel provides a reasonable amount of information on the Company's remuneration framework to enable the shareholders to understand the link between the Company's performance and the remuneration of the directors and the key management personnel. As such, the Company wishes to continue with its current practices for the disclosure of such remuneration.

Based on the above practices adopted by the Company and the level of information disclosed in its FY2020 Annual Report, the Company is of the view that the information disclosed provides investors with sufficient insights as to the remuneration policies, level and mix of remuneration, procedure of setting remuneration and the relationships between remuneration, performance and value creation, and is consistent with the intent of Principle 8 of the Code.

#### **BY ORDER OF THE BOARD**

Ridwan Hamid  
Executive Director and Chief Financial Officer  
28 April 2021