

## Corporate Governance

The Board of Directors of Boustead Singapore Limited (“Company” and the Board of Directors of the Company to be known as, the “Board”) is committed to maintaining a high standard of corporate governance and transparency within the Company and its subsidiaries (“Group”), in line with the principles and provisions set out in the revised Code of Corporate Governance 2018 (“Code”). This establishes and maintains a legal and ethical environment in the Group to preserve the interests of all shareholders and stakeholders.

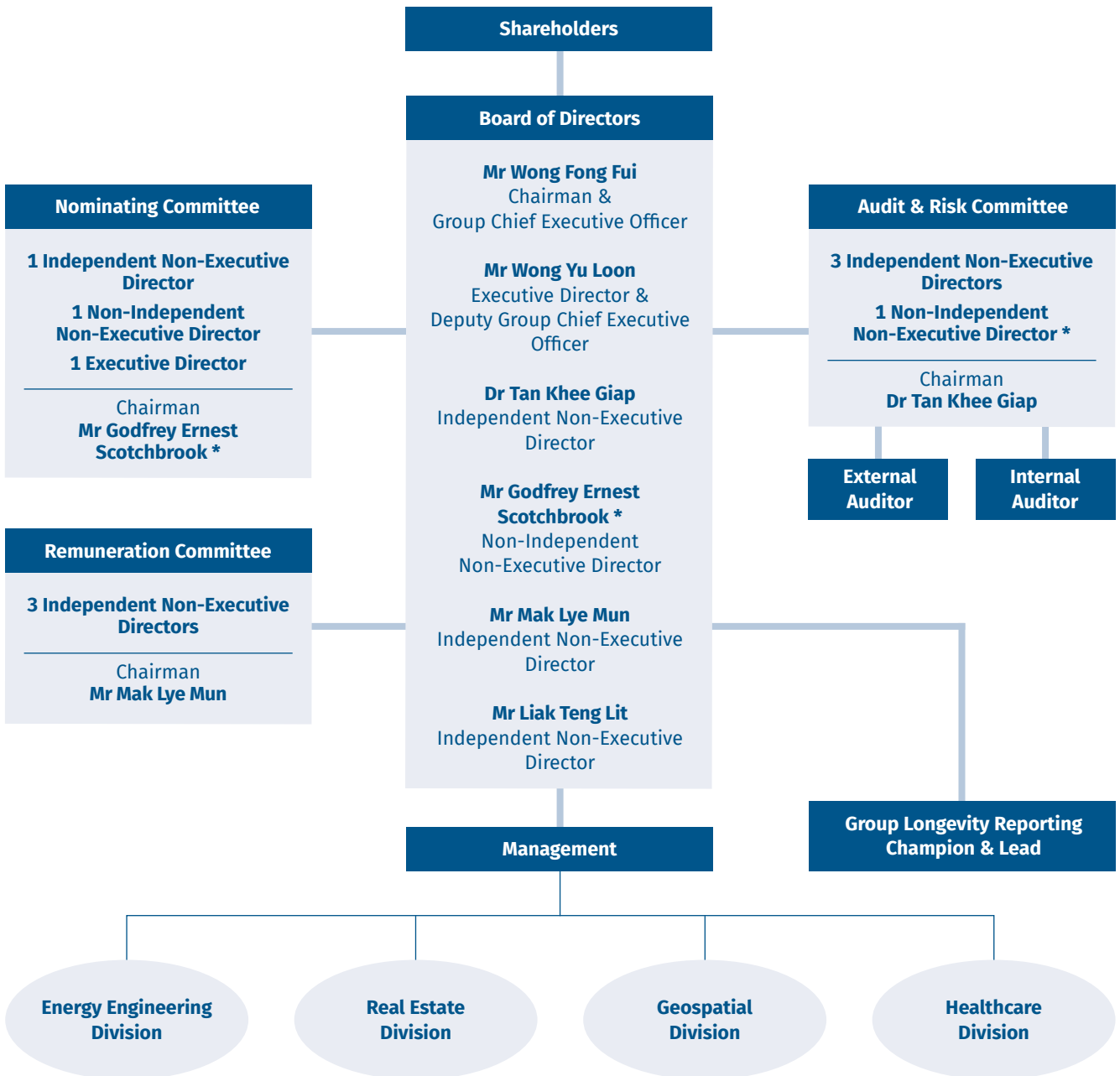
The Board is pleased to present this Corporate Governance Report (“Report”) which outlines the Company’s corporate governance practices for the financial year ended 31 March 2022 (“FY2022”) with specific reference made to the principles and provisions of the Code and accompanying Practice Guidance issued on 6 August 2018 and updated as of 7 February 2020 (“Practice Guidance”), which forms part of the continuing obligations of the Listing Rules of the Mainboard of the Singapore Exchange Securities Trading Limited (“SGX-ST”). This Report should be read as a whole as other sections of this Report may also have an impact on the specific disclosures made in this Report.

Except where specifically stated, the Company has adhered to the principles and provisions as set out in the Code for FY2022. Where the Company’s practices vary from any provisions of the Code, these variations are identified together with an explanation of the reason for the variation and an explanation on how the practices which the Company has adopted are consistent with the intent of the relevant principle of the Code.

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## GOVERNANCE FRAMEWORK

The Company's governance structure is as follows:



\* Mr Godfrey Ernest Scotchbrook was an Independent Non-Executive Director until he was redesignated as a Non-Independent Non-Executive Director on 1 January 2022 due to the fact that he had served for more than 9 years on the Board of the Company as of that date. Mr Scotchbrook will be standing for re-election as an Independent Director under the "two tier" voting system pursuant to Rule 210(5)(d)(iii) of the Listing Manual of the SGX-ST at the Annual General Meeting of Company to be held on 28 July 2022.

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### BOARD MATTERS

#### The Board's Conduct of Affairs

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

#### *Board Duties and Responsibilities*

The Company is headed by an effective Board that is collectively responsible for the overall leadership, control, management and long-term success of the Company. The Board provides guidance to and works with management ("Management") to achieve the Company's objectives and monitors the performance of Management, and Management is accountable to the Board for its performance.

The Board approves the Group's strategic plans, key business initiatives, major investments and funding decisions. Additionally, the Board has direct responsibility for decision-making in respect of various specific matters, including:

- approving the corporate strategies and policies of the Group;
- approving the Group's annual operating and capital budgets;
- monitoring financial performance, including approval for the release of financial results announcements;
- approving the annual report and financial statements;
- convening shareholders' meetings;
- recommending dividend payments and other distributions to shareholders;
- overseeing the business affairs of the Company and monitoring the on-going performance of Management;
- approving material acquisitions and disposals of assets;
- setting the Company's core values and standards (including ethical standards), and ensuring that obligations to shareholders and other stakeholders are understood and duly met;
- setting the Group's approach on corporate governance and sustainability issues, such as economic, environmental and social issues, as part of its strategic formulation; and
- approving the Group's risk appetite and establishing and overseeing the processes of evaluating the adequacy of internal controls, risk management and financial reporting.

The Board also sets the tone for the Group in respect of ethics, organisational culture and business conduct, and ensures proper accountability within the Group. The Board is strongly committed to the highest standards of integrity and ethical behaviour in conducting business. The Company has adopted a Code of Conduct which sets out the standards expected of the Company, Management and its employees on, among other things, anti-bribery and anti-corruption, fair dealing and competition, proper use of corporate positions and resources, confidentiality and privacy obligations, insider trading and whistle-blowing. In addition, the Company has implemented a separate Anti-Bribery and Corruption Policy as well as Whistleblowing Policy, which have been published on its corporate website, as to which please see further the section on Principle 10 under "Audit & Risk Committee" below.

Under the Code of Conduct adopted by the Company, the directors are required, without prejudice to their duties and responsibilities as directors generally, to avoid conflicts of interest or duty, or taking improper advantage of their position. Issues of conflict of interest or potential conflict of interest involving directors of the Company are dealt with by the Audit & Risk Committee of the Board, which comprises independent directors only. Independent directors of the Board also deal with conflicts of interest issues relating to substantial shareholders, and matters which require the decision and determination of the independent directors pursuant to the provisions of the Listing Manual of the SGX-ST or applicable laws and regulations.

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### **Conflict of Interests**

All directors of the Company are required to act objectively in the best interests of the Company as fiduciaries at all times. The directors exercise independent judgment and due diligence when making decisions, and for the benefit of the Company. Consistent with this principle, every director is required to promptly disclose any conflict of interest, whether direct or indirect, in relation to a transaction or proposed transaction with the Company as soon as is practicable after the relevant facts have come to his/her knowledge. Where a director has a conflict of interest in a particular matter, he or she will be required to declare his/her interest to the Board, recuse himself/herself from the deliberations and abstain from voting on the matter. Directors must obtain the permission of the Chairman of the Board to serve in any capacity in a business, company or other organisation outside of the Company, as there may be a possibility that such a role or duty could conflict with the best interests of the Company.

### **Understanding of Directors' Role**

The Board implements measures with a view to ensuring that both newly appointed as well as existing directors are familiar with the Group's business and operations as well as their duties and responsibilities as directors.

A newly appointed director will, upon appointment, be provided with a formal letter setting out, among other things, the director's role as an executive or non-executive or independent director and associated duties and responsibilities. A newly appointed director will be given an orientation and comprehensive briefing by Management on the Group's corporate profile, and the Group's strategies, plans, businesses and operations. The Company will also ensure that new directors with no prior experience as a director of a listed company undergo training in the roles and responsibilities of a director of a listed issuer as prescribed under the Listing Manual of the SGX-ST.

On an ongoing basis, the Board as a whole is kept up-to-date on pertinent developments in the Group's business and operations, as well as the industry and legal and regulatory environment in which the Group operates. All non-executive directors are invited to request for additional explanations, briefings and informal discussions on any aspect of the Group's business or operations issues at all times. The directors may, at any time, visit the Group's project sites in order to gain a better understanding of the Group's business and operations.

The Company provides the directors with the opportunity to develop and maintain their skills and knowledge through internal briefings as well as external courses. The Company provides members of the Board with regular updates on board processes, governance practices and changes to laws and regulations that have a bearing either on the Group or on an individual director. Directors are also encouraged to undergo continual professional development during the term of their appointment, including attending appropriate external training courses conducted by third parties such as the Singapore Institute of Directors ("SID") and external professionals, at the Company's expense.

The Company maintains a corporate membership with the SID, which provides training and resources useful for the Company in keeping up to date with best practices in corporate governance. For the financial year commencing 1 January 2022, all directors are to undergo a one-time training on sustainability matters as prescribed by the SGX-ST. Arrangements will be made for directors to attend training courses funded by the Company.

As at 31 March 2022, all of the non-executive directors on the Board have had many years of board experience and were therefore familiar with the duties and responsibilities of a director of a listed issuer.

As at the date of this Report, two of the four non-executive directors on the Board have been directors of the Company for at least four years, and were therefore familiar with the Group's business and operations.

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### **Delegation of Authority**

The Company has adopted written internal guidelines governing matters that require the Board's approval. The written internal guidelines are clearly communicated to Management. The Board approves transactions exceeding certain threshold limits, while delegating authority for transactions below those limits to Management via a structured Delegation of Authority matrix, which is reviewed on a regular basis and revised accordingly when necessary.

The Delegation of Authority matrix forms a guideline and provides clear directions on matters requiring the Board's or Management's approval.

Matters which are specifically reserved for the Board's decision include those involving corporate plans and budgets, material acquisitions and disposals of assets, corporate strategy, financial restructuring, share issuances, dividends and other returns to shareholders, major financial decisions such as investment and divestment proposals, incurring debt, expenditure beyond a prescribed amount as well as interested party transactions and any other matters as prescribed under the relevant legislations and regulations and the provisions of the Company's Constitution. A resolution of the full Board passed by all the directors for the time being in Singapore is required in order to approve such matters. As a matter of prudence, the executive directors also provide regular updates to the Board in relation to significant matters affecting subsidiaries of the Company.

The Company's Real Estate Division, operating under the Company's subsidiary Boustead Projects Limited, is listed separately on SGX-ST. It has its own board of directors that is responsible for the overall leadership, control and management of the division.

### **Board Committees**

To facilitate effective management, certain functions of the Board have been delegated by the Board to various Board Committees. The Board is assisted by the Nominating Committee, the Remuneration Committee and the Audit & Risk Committee, each of which has its own terms of reference that set out the authority and duties of each of the Board Committees.

A description of, among other things, composition and the terms of reference, and a summary of the activities of the respective Board Committees during FY2022 is set out in the following sections:

- a) in respect of the Nominating Committee – sections on Principle 4 under “Board Membership” and Principle 5 under “Board Performance”;
- b) in respect of the Remuneration Committee – sections on Principle 6 under “Procedures for Developing Remuneration Policies” and Principle 7 under “Level and Mix of Remuneration”; and
- c) in respect of the Audit & Risk Committee – sections on Principle 9 under “Risk Management and Internal Controls” and Principle 10 under “Audit & Risk Committee”.

### **Board Meetings**

The Board conducts a minimum of two scheduled meetings a year. This schedule is normally determined during the fourth quarter of each calendar year for the forthcoming financial year to allow directors to plan for attendance at these meetings. Where necessary, additional Board meetings are also held to address significant transactions or issues that arise.

Board papers and related materials are sent to Board or Board Committee members in advance prior to each meeting to allow the Board sufficient time to familiarise themselves with the matters prior to the Board meetings. Management and senior executives who can provide additional insights into the matters to be discussed are also invited to attend the Board meetings so as to be at hand to address any questions that the Board may have.

During the scheduled meetings, Management will typically provide the Board with an update on the Group's business and operations in the relevant half-year period and the financial performance for that period, and any other significant matters or issues that may have arisen. This allows the Board to develop a better understanding of the progress of the Group's business and operations as well as the issues and challenges facing the Group and promotes active engagement with Management.

Unless a director is required to recuse himself/herself from the deliberations and abstain from voting on the matter due to a potential conflict of interest, all directors will participate in the discussions and deliberations at Board and Board Committee meetings. To facilitate attendance and participation, a director who is not able to attend a Board or Board Committee meeting in person is permitted by the Company's Constitution to participate by way of telephone and video-conference.

The Board and Board Committees may also make decisions by way of resolutions in writing. In such situations, resolutions in writing will be circulated to all directors for their consideration and approval. Management will, where necessary, reach out to the directors to provide any explanation or other information required for the directors to deliberate on the matter before approving such written resolutions.

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The Board requires directors to be able to commit sufficient time and attention to the affairs of the Board and their relevant Board Committees. A discussion of the procedure for assessing the directors' commitment to the Company is set out in the section "Assessment of Directors' Commitment" in respect of Principle 4 under "Board Membership".

During FY2022, a total of two scheduled Board meetings, two scheduled Audit & Risk Committee meetings, one scheduled Nominating Committee meeting and two scheduled Remuneration Committees meeting were held. The Board and Audit & Risk Committee members also had several informal discussions on various issues relating to corporate strategy, risk management and specific significant matters during this period.

The attendance of the directors at scheduled regular Board and Board Committee meetings during FY2022 was as follows:

Name of Director	Board		Audit & Risk Committee		Nominating Committee		Remuneration Committee	
	No. Held <sup>(1)</sup>	No. Attended	No. Held <sup>(1)</sup>	No. Attended	No. Held <sup>(1)</sup>	No. Attended	No. Held <sup>(1)</sup>	No. Attended
Wong Fong Fui	2	2	-	-	1	1	-	-
Wong Yu Loon	2	2	-	-	-	-	-	-
Dr Tan Khee Giap	2	2	2	2	1	1	2	2
Godfrey Ernest Scotchbrook <sup>(2)</sup>	2	2	2	2	1	1	1	1
Mak Lye Mun <sup>(3)</sup>	1	1	1	1	-	-	1	1
Liak Teng Lit <sup>(4)</sup>	2	2	2	2	-	-	1	1
Chong Ngien Cheong <sup>(5)</sup>	1	1	1	1	-	-	1	1

<sup>(1)</sup> This reflects the number of meetings held during the period the director was a member of the Board and/or relevant Committee.

<sup>(2)</sup> Mr Godfrey Ernest Scotchbrook was appointed Chairman of the Nominating Committee and ceased to be the Chairman or member of the Remuneration Committee on 29 July 2021.

<sup>(3)</sup> Mr Mak Lye Mun was appointed as a director of the Company, Chairman of the Remuneration Committee and member of the Audit & Risk Committee on 29 July 2021.

<sup>(4)</sup> Mr Liak Teng Lit was appointed as a member of the Remuneration Committee on 29 July 2021.

<sup>(5)</sup> Mr Chong Ngien Cheong retired as a director of the Company and ceased to be Chairman of the Nominating Committee, member of the Audit & Risk Committee and member of the Remuneration Committee after the conclusion of the last Annual General Meeting held on 28 July 2021.

### Access to Information

The Management recognises that it is essential to provide the Board with complete and adequate information on Group affairs and material events and transactions on a timely and on-going basis in order for the directors to discharge their duties and responsibilities and to make decisions based on relevant and up-to-date information.

The Management regularly provides the Board with management reports and updates relating to the Group's business and operations and financial information, including management accounts of the Group's performance, position and prospects on a quarterly basis. As set out above in the section "Board Meetings", Board papers and related materials (including, where appropriate, relevant background or explanatory information, financial analysis and/or external reports) are provided to the Board in advance of the relevant Board or Board Committee meeting. Directors have unrestricted access to the Company's records and information, and are entitled to request from Management and be provided with additional information as needed to make informed decisions. The directors also have separate and independent access to Management as well as the company secretary.

Management and senior executives who can provide additional insights into the matters to be discussed will attend Board and Board Committee meetings to provide any other information required by the Board or the relevant Board Committee, and to answer any queries from the directors. Management may also communicate with the directors outside of formal Board and Board Committee meetings as appropriate through other means, such as electronic mail, telephone or video-conferencing, or separate physical meetings. Any requests by directors for further explanation, briefings or informal discussions on any aspect of the Group's operations are attended to expeditiously by Management.

Where the directors require independent professional advice to facilitate the discharge of their duties and responsibilities, Management will facilitate the appointment of such professional advisor to render advice to the Board. The cost of obtaining such professional advice will be borne by the Company.

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### **Role of Company Secretary**

The company secretary attends all Board meetings and is responsible for ensuring that Board procedures are followed. The company secretary ensures good information flow within the Board and the Board Committees and between Management and non-executive directors, advising the Board on all governance matters, as well as facilitating, and assisting with professional development as required. The company secretary, together with other management staff, is responsible for ensuring that the Company complies with the applicable requirements, rules and regulations.

The appointment and the removal of the company secretary are subject to the approval of the Board.

### **Commitment to Sustainability**

The Board is committed to ensuring the Company's longevity and sustainability, including reviewing its performance, policies and practices in relation to material environmental, social and governance ("ESG") topics. For this purpose, the Board is assisted by its robust existing systems including audit, compliance, enterprise risk, financial, environmental, health and safety, human resource, information technology and operational management systems, along with the implementation of the Company's Longevity Reporting Framework (i.e. sustainability reporting framework). The Board also assesses opportunities and risks presented by material ESG topics, which helps the Board to determine the appropriate strategies, policies and practices that will provide the Company with the adaptability and flexibility to seize opportunities to deliver sustainable socio-economic value and progress to key stakeholders, while being well-supported by sound risk management. In determining the Company's risk appetite, the Board considers material ESG topics that may affect reputational risk, ethical and moral considerations, and have significant financial and non-financial implications.

The Company releases an annual standalone Sustainability Report. The FY2022 report will be available on the Company's website by 31 August 2022. The report is prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core Option and contains the five primary components in compliance with Rule 711B of the Listing Manual of the SGX-ST.

### **Board Composition and Guidance**

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

#### **Board Composition**

As at the date of this Report, the Board members are:

Wong Fong Fui	Chairman & Group Chief Executive Officer
Wong Yu Loon	Executive Director & Deputy Group Chief Executive Officer
Dr Tan Khee Giap	Independent Non-Executive Director
Godfrey Ernest Scotchbrook	Non-Independent Non-Executive Director
Mak Lye Mun	Independent Non-Executive Director
Liak Teng Lit	Independent Non-Executive Director

#### **Board Independence**

As set out in the section "Board Composition" above, the Board currently comprises six directors, three of whom are independent non-executive directors. There is a strong and independent element on the Board with independent non-executive directors comprising half of the Board, and no individual or small group of individuals dominate the Board's decision-making. The Board is also able to exercise objective judgement on corporate affairs independently, in particular, from Management. This ensures that key issues and strategies are critically reviewed, constructively challenged, fully discussed and thoroughly examined, taking into consideration the long-term interests of the Company and its shareholders.

The Nominating Committee assesses the independence of each director annually in accordance with the guidance in the Code, the Practice Guidance and the SGX-ST Listing Manual. Based on the Code, the Nominating Committee considers an "independent" director as one who is independent in conduct, character and judgement, and has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the Company. The Nominating Committee also takes into account the existence of relationships or circumstances, including those identified by the Practice Guidance and the SGX-ST Listing Manual, in assessing the independence of a director. Such relationships or circumstances include the employment of a director by the Company or any of its related corporations during the financial year in question or in any of the previous three financial years, a director being on the Board for an aggregate period of more than nine years, the acceptance by

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a director of any significant compensation from the Company or any of its subsidiaries for the provision of services during the financial year in question or the previous financial year, other than compensation for board service, and a director being related to any organisation to which the Company or any of its subsidiaries made, or from which the Company or any of its subsidiaries received, significant payments or material services during the financial year in question or the previous financial year.

To facilitate the assessment of the independence of the directors, each director is required to promptly disclose to the Board any relationship or change in circumstances which may lead to his status as an independent director being affected. If the Board determines that notwithstanding such relationship or circumstances, the director remains independent, the Board shall record its reasons for such determination in formal Board meeting minutes and formally disclose its reasons in the next Annual Report.

The Nominating Committee has reviewed the independence of each of the current directors taking into account the guidance in the Code, the Practice Guidance and the SGX-ST Listing Manual, and is satisfied that apart from Mr Wong Fong Fui and Mr Wong Yu Loon, all of the other directors are independent.

Mr Godfrey Ernest Scotchbrook has been an independent director of the Board for more than nine years. The Board, with the concurrence of the Nominating Committee, has rigorously reviewed the independence of Mr Scotchbrook and is satisfied that he is independent in character and judgment, and found no evidence to indicate that the length of his service has in any way affected his independence. Given his wealth of business, working experience and professionalism in carrying out his duties, the Nominating Committee has found Mr Scotchbrook suitable to act as an independent director. The Board has accepted the Nominating Committee's recommendation that Mr Scotchbrook be considered independent (Mr Scotchbrook has abstained from deliberating on his respective independence).

Mr Godfrey Ernest Scotchbrook was an independent director up until 1 January 2022, when he was redesignated as a Non-Independent Non-Executive Director due to the fact that he had served for more than 9 years on the Board of the Company as of that date. Notwithstanding this, the Board continues to regard Mr Scotchbrook as independent in line with Provision 4.4 of the Code, having ascertained that there are no relationships or business relationships which Mr Scotchbrook, his immediate family member, or an organisation in which Mr Scotchbrook or his immediate family member is a substantial shareholder, partner (with 5% or more stake), executive officer or director has with the Company or any of its related corporations.

The Board views Mr Godfrey Ernest Scotchbrook's current redesignation as temporary in nature which will be addressed when he stands for re-election as an Independent Director under the "two tier" voting system pursuant to Rule 210(5)(d)(iii) of the Listing Manual of the SGX-ST at the Annual General Meeting of Company to be held on 28 July 2022.

### **Board Diversity**

Provision 2.4 of the Code provides, among other things, that the Board is to be of an appropriate size and comprises directors who as a group provide the appropriate balance and mix of skills, knowledge, experience and other aspects of diversity such as gender and age, so as to avoid groupthink and foster constructive debate, and further that the board diversity policy and progress made towards implementing the policy, including objectives, are disclosed in the annual report.

Commencing 1 January 2022, the Company is required to maintain a Board Diversity Policy ("BDP") as mandated by SGX-ST and is in the process of formulating its BDP and will endeavour to implement the policy in FY2023. Notwithstanding that the Board is still in the process of adopting a written BDP, the Board recognises the importance of having a diverse Board, in particular, the Board ensures that the collective skills and experiences of the Board as a whole are aligned with the current and future strategic needs of the Company. As at the date of this Report, the Board consist of members with skills and experience in finance, engineering, healthcare and corporate communications. Though the Board consists of members with diverse and relevant attributes, the Company has yet to appoint a female board member. Gender diversity will be one of the criteria under consideration when a vacancy on the Board is to be filled in the future. The final decision on selection of directors will be based on merits against the objective criteria set, after giving due regard for the benefit of diversity.

Considering the nature and scale of the Group's business as well as the constantly evolving nature of business and industry conditions, the Board is satisfied that the size and composition of the Board and its Board Committees are appropriate at present and the current directors have vast business and management experience and varied qualifications and expertise in the areas of finance, accounting, business management and industry knowledge, with varying age profiles. Gender diversity will be an important criterion under consideration when a vacancy on the Board is to be filled in future.

Taking into account that four out of the six directors are non-executive directors and also the varied skills, knowledge and experience of the directors, the Board is of the view that the current Board composition is sufficiently diverse to avoid groupthink and foster constructive debate and that, consistent with the broad principle behind Principle 2 of the Code, the current Board has an appropriate level of independence and diversity of thought and background to enable it to make decisions in the best interests of the Company.



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The Board will review its composition from time to time and will seek to maintain a diversity of skills, knowledge, experience, gender, age, ethnicity and other attributes of the directors. Further, the Board will consider adopting a formal board diversity policy in the coming financial year.

### **Non-Executive Directors**

The non-executive directors of the Company, three of whom are also independent, constructively challenge and assist in the development of strategy, and assist the Board in reviewing the performance of Management in meeting agreed goals and objectives, and monitor the reporting of performance. At meetings of the Board, directors are free to discuss and openly challenge the views presented by Management and other directors. The decision-making process is a transparent one.

To facilitate a more effective check on Management, non-executive directors meet at least once a year without the presence of Management. When necessary, the non-executive directors also meet separately prior to Board meetings. The chairman of such meetings provides feedback to the Board and/or the chairman of the Board, as appropriate. During FY2022, the non-executive directors met at least once without the presence of Management.

### **Chairman and Managing Director/Chief Executive Officer**

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

The Chairman of the Company, Mr Wong Fong Fui, is also the Group Chief Executive Officer (“CEO”).

As Chairman, Mr Wong Fong Fui leads the Board to ensure effectiveness in all aspects of its roles. The company secretary, in consultation with the Chairman, schedules and prepares the agenda for Board meetings. Management staff who have prepared the board papers or who may provide additional insights are invited to present the papers or attend the Board meetings. The Chairman ensures that sufficient time is allocated for discussion of all agenda items, particularly issues relating to strategy, and ensures that directors are provided with adequate and timely information. He promotes an open environment for debate and ensures that discussions and deliberations are effective. The Chairman is also charged with the role of maintaining high standards of corporate governance and ensuring effective communication between the Board and the shareholders of the Company.

In his role as CEO, Mr Wong Fong Fui is the most senior executive in the Company and holds executive responsibility for the Company’s business. He is assisted by Executive Director and Deputy Group Chief Executive Officer, Mr Wong Yu Loon, in the management of day-to-day operations. Whilst Mr Wong Yu Loon is the son of Mr Wong Fong Fui, more than half of the Board has been made up of independent directors up until 1 January 2022, when Mr Godfrey Ernest Scotchbrook was redesignated as a Non-Independent Non-Executive Director due to the fact that he had served for more than 9 years on the Board of the Company as of that date.

Although the current status is not in strict compliance with Provision 2.2 of the Code which provides that independent directors make up a majority of the Board where the Chairman is not independent, the Board is of the view that this is temporary in nature and the Board continues to regard Mr Scotchbrook as independent in character and judgment. This matter will be addressed when Mr Scotchbrook stands for re-election as an Independent Director under the “two tier” voting system pursuant to Rule 210(5)(d)(iii) of the Listing Manual of the SGX-ST at the Annual General Meeting of Company to be held on 28 July 2022.

The Board has consistently demonstrated it is able to exercise independent decision-making. Because of this, the Board has not appointed a lead independent director to date. The Board is of the opinion that the role of Mr Wong Fong Fui as both the Chairman and CEO of the Company does not affect the independence of the Board.

### **Board Membership**

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

### **Nominating Committee**

The Nominating Committee comprises three directors, one of whom at present is independent.

As at the date of this Report, the members of the Nominating Committee are:

1. Godfrey Ernest Scotchbrook (Non-Independent Non-Executive Director)
2. Dr Tan Khee Giap (Independent Non-Executive Director)
3. Wong Fong Fui

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The Chairman of the Nominating Committee, Mr Godfrey Ernest Scotchbrook, was an independent director up until 1 January 2022, when he was redesignated as a Non-Independent Non-Executive Director due to the fact that he had served for more than 9 years on the Board of the Company as of that date. Notwithstanding this, the Board continues to regard Mr Scotchbrook as independent and views his current redesignation as temporary in nature which will be addressed when he stands for re-election as an Independent Director under the “two tier” voting system pursuant to Rule 210(5)(d)(iii) of the Listing Manual of the SGX-ST at the Annual General Meeting of Company to be held on 28 July 2022.

### **Terms of Reference**

The objectives of the Nominating Committee are to provide a formal, transparent and objective procedure for appointing Board members and to recommend for the Board’s approval the objective performance criteria and process for the evaluation of the effectiveness of the Board as a whole, and of each Board Committee separately, as well as the contribution by each individual director to the Board. According to the written terms of reference of the Nominating Committee, read together with the Code, the principal functions of the Nominating Committee include:

- (a) reviewing and recommending candidates for appointments to the Board and Board Committees (excluding the appointment of existing members of the Board to each of the Audit & Risk Committee, Nominating Committee and Remuneration Committee for the purposes of the initial establishment of such Board Committees), as well as candidates for senior management staff, who are not also candidates for appointment to the Board;
- (b) reviewing of board succession plans for the directors, in particular, the Chairman and the Chief Executive Officer;
- (c) developing a process for the evaluation of the performance of the Board, the Board Committees and the directors;
- (d) reviewing of training and professional development programmes for the Board;
- (e) reviewing and recommending directors for re-appointment or re-election;
- (f) reviewing and recommending candidates to be nominees on the boards and board committees of the listed companies and entities within the Group;
- (g) determining the independence of the directors;
- (h) reviewing the participation (whether by way of obtaining an interest in or taking a board seat or otherwise) by each independent director in any competing business and taking into account such matters in the re-appointment or re-election or renewal of appointment of such independent director; and
- (i) undertaking generally such other functions and duties as may be required by law or the SGX-ST Listing Manual, and by amendments made thereto from time to time.

During FY2022, the activities of the Nominating Committee included reviewing and recommending nomination for re-appointment or re-election or renewal of appointment of directors, and determining the independence of the directors.

### **Selection of New Directors**

The Board has put in place a process for the selection and appointment of new directors.

The Nominating Committee will assess candidates and make a recommendation to the Board for appointment as directors. As part of such assessment process, the Nominating Committee will review the expertise, skills and attributes of the current directors on the Board, identify its future needs and shortlist candidates with the appropriate profiles for nomination. Knowledge of the Group’s business industries and corporate governance practices, and prior experience as a listed entity director in Singapore, are, among other things, the criteria used to identify and evaluate the potential new directors. The search may be conducted through professional recruiters, as well as various contacts and recommendations. The objective of this process is to seek to maintain a diversity of skills, knowledge, experience, gender, age, ethnicity and other attributes necessary to effectively meet the needs of the Company.

Shortlisted candidates would be required to furnish their curriculum vitae stating in detail their qualification, working experience and employment history. In addition, they may be required to complete certain prescribed forms to enable the Nominating Committee to assess the candidate’s independence, if applicable. The Nominating Committee interviews each prospective candidate with appropriate profile to assess suitability and to ensure that the candidates are aware of the expectation and commitment required and makes recommendations to the Board for approval and adoption.

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### **Re-Nomination of Directors**

Under the Company's Constitution, one-third of the directors who are longest-serving (excluding the Managing Director or a director holding an equivalent position) are required to retire from office every year at the Annual General Meeting ("AGM"). Based on such a rotation process, each director is required to submit himself or herself for re-election by shareholders at least once every three years.

Where an existing director is required to retire from office, the Nominating Committee reviews the composition of the Board and takes into account factors such as that existing director's competencies, attendance, participation, contribution and competing commitments when deciding whether to recommend that director for re-election.

Pursuant to Article 98 of the Company's Constitution, any director appointed by the Board shall hold office only until the next following annual general meeting and shall then be eligible for re-election. Accordingly, Mr Mak Lye Mun, who was appointed as a director on 29 July 2021, shall be retiring at the AGM to be held on 28 July 2022 (the "2022 AGM"). At the recommendation of the Nominating Committee, Mr Mak Lye Mun will be seeking re-election at the 2022 AGM. If re-elected, Mr Mak Lye Mun will remain as the Chairman of the Remuneration Committee and a member of the Audit & Risk Committee.

Pursuant to Article 94 of the Company's Constitution, Dr Tan Khee Giap and Mr Godfrey Ernest Scotchbrook will be seeking re-election at the 2022 AGM. If re-elected, Dr Tan Khee Giap will remain as Chairman of the Audit & Risk Committee and member of the Nominating Committee and Remuneration Committee, and Mr Godfrey Ernest Scotchbrook will remain as Chairman of the Nominating Committee and member of the Audit & Risk Committee.

The Nominating Committee has considered the performance and contribution of Mr Mak Lye Mun, Dr Tan Khee Giap and Mr Godfrey Ernest Scotchbrook and recommended to the Board their re-election as directors at the 2022 AGM. The Board has concurred with the Nominating Committee to recommend their re-election as directors at the 2022 AGM.

Please see the relevant details of Mr Mak Lye Mun, Dr Tan Khee Giap and Mr Godfrey Ernest Scotchbrook, each of whom is standing for re-election as a director at the 2022 AGM, as required to be disclosed pursuant to Rule 720(6) of the Listing Manual of the SGX-ST in the section "Additional Information on Directors Seeking Re-election Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST" below.

### **Assessment of Independence**

As noted under the section on Principle 2 under "Board Independence", the Nominating Committee assesses annually whether or not a director is independent in accordance with the guidance in the Code, the Practice Guidance and the SGX-ST Listing Manual.

To facilitate this process, directors are required to disclose, among other things, their relationships with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the directors' independent business judgement in the best interests of the Company. An independent director shall notify the Nominating Committee immediately, if as a result of a change in circumstances, he no longer meets the criteria for independence. The Nominating Committee shall review the change in circumstances and make its recommendations to the Board.

The Nominating Committee has reviewed the independence of each director in accordance with the guidance in the Code, the Practice Guidance the SGX-ST Listing Manual and is satisfied of the independence of the independent directors, i.e. Dr Tan Khee Giap, Mr Godfrey Ernest Scotchbrook, Mr Mak Lye Mun and Mr Liak Teng Lit, who collectively comprise a majority of the Board.

Mr Godfrey Ernest Scotchbrook was an independent director up until 1 January 2022, when he was redesignated as a Non-Independent Non-Executive Director due to the fact that he had served for more than 9 years on the Board of the Company as of that date. Notwithstanding this, the Board continues to regard Mr Scotchbrook as independent in line with Provision 4.4 of the Code, having ascertained that there are no relationships or business relationships which Mr Scotchbrook, his immediate family member, or an organisation in which Mr Scotchbrook or his immediate family member is a substantial shareholder, partner (with 5% or more stake), executive officer or director has with the Company or any of its related corporations.

The Board views Mr Godfrey Ernest Scotchbrook's current redesignation as temporary in nature which will be addressed when he stands for re-election as an Independent Director under the "two tier" voting system pursuant to Rule 210(5)(d)(iii) of the Listing Manual of the SGX-ST at the Annual General Meeting of Company to be held on 28 July 2022.

## Corporate Governance

### Assessment of Directors' Commitment

The Nominating Committee assesses annually whether a director is able to and has been adequately carrying out his or her duties and responsibilities as a director and, in particular, whether a director who serves on multiple boards is able to commit the necessary time and attention to serve on the Board. In performing its review, the Nominating Committee will consider factors that include:

- (a) the respective director's preparation for and participation at Board meetings;
- (b) the assessment of the effectiveness of the individual director; and
- (c) the assessment of the time and attention given by each director to the affairs of the Company and the Group.

The Nominating Committee has not imposed a limit on the maximum number of listed company board representations and/or other principal commitments which any director may hold at this point of time. The Nominating Committee recognises that the time and attention that each director can devote to the Company depends on many factors that may vary from individual to individual, and believes the imposition of a limit may not be meaningful. Instead, the Nominating Committee assesses holistically, and on a case-by-case basis, whether a director is able to carry out, and has been adequately carrying out, his or her duties and responsibilities as a director taking into account, among other things, the factors mentioned above.

Consistent with the principle that each director is expected to be able to, and to adequately, carry out his or her duties as a director, the Board does not encourage the appointment of alternate directors. No alternate director was appointed to the Board during FY2022.

The dates of initial appointment and last re-election of each of the directors, together with their directorships in other listed companies, are set out below:

Name	Position	Date of Appointment	Date of Last Re-election	Current Directorships in Listed Companies	Past Directorships in Listed Companies (in last three years)
Wong Fong Fui	Chairman and Group Chief Executive Officer	15 April 1996	28 July 2016	-	-
Wong Yu Loon	Executive Director and Deputy Group Chief Executive Officer	2 April 2013	28 July 2021	-	-
Dr Tan Khee Giap	Independent Non-Executive Director	28 June 2018	25 August 2020	Amcorp Global Limited Lian Beng Group Ltd	BreadTalk Group Limited
Godfrey Ernest Scotchbrook	Non-Independent Non-Executive Director	21 September 2000	25 August 2020	Convenience Retail Asia Ltd Del Monte Pacific Limited	-
Mak Lye Mun	Independent Non-Executive Director	29 July 2021	-	Intraco Ltd AVJennings Ltd	Hwa Hong Corporation Ltd Boardroom Limited
Liak Teng Lit	Independent Non-Executive Director	1 April 2020	28 July 2021	-	-

Please also refer to the sections "Board of Directors" on pages 62 to 63, and the section "Additional Information on Directors Seeking Re-election Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST" on pages 100 to 104, of the Annual Report 2022 for information on other principal commitments of the directors.

## Corporate Governance

The Nominating Committee is of the view that, during FY2022, the directors have devoted sufficient time and attention to the affairs of the Company and have been able to discharge their duties and responsibilities as directors effectively. The Nominating Committee has also reviewed and is satisfied that none of the directors held such a significant number of listed company directorships and other principal commitments as to potentially affect their ability to serve on the Board and, in particular, that those directors who hold multiple listed company directorships and other principal commitments have devoted sufficient time and attention to the affairs of the Company and adequately discharged their duties and responsibilities as directors of the Company during FY2022.

### Board Performance

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

#### *Assessment of Composition and Skill Set of the Board*

As part of the formal annual assessment of the effectiveness of the Board as a whole, and in addition to the annual assessment of the Board and the Board Committees as described in the section "Evaluation Process and Criteria" below, the Nominating Committee reviews on an annual basis the composition and skill set of the Board to determine whether it is adequate and appropriate having regard to the nature and scope of the Company's operations.

The Nominating Committee is of the view that the primary aim of this annual evaluation of the Board is to assess whether the Board as a whole continues to perform effectively. This exercise also provides a platform for the Board members to exchange feedback on the Board's strengths and shortcomings with a view to strengthening the effectiveness of the Board. It also helps the Nominating Committee in determining (i) whether to re-nominate directors who are due for retirement at the next AGM, (ii) whether any replacement of existing directors or appointment of new directors is required, and (iii) whether directors with multiple board representatives are able to discharge, and have adequately discharged, their duties as directors of the Company.

Replacement of a director, when it happens, does not necessarily reflect the director's performance or contributions to the Board, but may be driven by the need to align the skill sets of the directors on the Board with the medium or long-term needs of the Group.

#### *Evaluation Process and Criteria*

The Board, based on the recommendation of the Nominating Committee, adopts a formal process with objective performance criteria for the annual evaluation of the effectiveness and performance of the Board and the Board Committees as a whole.

In relation to the evaluation of the Board, the assessment parameters include evaluation of the Board's composition, access to information, the quality of Board processes, accountability and the Board's performance in relation to discharging its principal responsibilities.

In relation to the evaluation of the Board Committees, the assessment parameters include the standard of conduct of each Board Committee, its structure and reporting process to the Board.

The evaluation process of the Board and the Board Committees involves the directors completing the relevant evaluation forms which are designed to incorporate the assessment parameters referred to above. The company secretary will summarise the results of all the evaluations and present it to the Nominating Committee for review. Areas where the Board's performance and effectiveness could be enhanced and recommendations for improvement will be discussed by the Board and, where appropriate, implemented.

The Nominating Committee has conducted an evaluation of the Board and the Board Committees in respect of FY2022. No external facilitator was engaged for the purpose of these evaluations as the Nominating Committee and the Board are of the view that the current evaluation process is adequate. Moving forward, where appropriate, the Board will consider such engagement.

Based on such evaluation, the Nominating Committee and the Board are satisfied with the performance and effectiveness of the Board and the Board Committees as a whole for FY2022. For future Board evaluations, the Nominating Committee will seek to add the evaluation of individual directors, covering both self-evaluation and peer evaluation, taking into account numerous factors, including the directors' attendance, participation and contribution at the Board and various Board Committee meetings.

# Corporate Governance

## REMUNERATION MATTERS

### Procedures for Developing Remuneration Policies

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

### Level and Mix of Remuneration

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

### Disclosure on Remuneration

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

### Remuneration Committee

The Remuneration Committee comprises three non-executive directors, all of whom, including the Chairman of the Remuneration Committee, are also independent. As at the date of this Report, the members of the Remuneration Committee are:

1. Mak Lye Mun, Chairman (Independent Non-Executive Director)
2. Dr Tan Khee Giap (Independent Non-Executive Director)
3. Liak Teng Lit (Independent Non-Executive Director)

### Terms of Reference

According to the written terms of reference of the Remuneration Committee, read together with the Code, the Remuneration Committee is authorised to, among other things, provide a formal, transparent and objective procedure for developing policies on director and executive remuneration, as well as for fixing the remuneration packages of individual directors and key management personnel. The Remuneration Committee also implemented and administered the Boustead Restricted Share Plan 2011 ("2011 Share Plan") until its expiry on 13 October 2021 (on which further information is set out in the section "Boustead Restricted Share Plan 2011" below).

The Remuneration Committee recommends for the Board's endorsement, a framework of remuneration which covers all aspects of remuneration, including but not limited to directors' fees, salaries, allowances, bonuses, benefits-in-kind and termination terms, as well as specific remuneration packages, for the Board and key management personnel.

The Remuneration Committee, with recommendation from Management, would put forward the list of employees and the amount of share awards to be granted under the 2011 Share Plan to the Board for endorsement.

The Remuneration Committee also reviews the Company's obligations arising in the event of termination of the service contracts of executive directors and key management personnel, to ensure that they contain fair and reasonable termination clauses.

No director, including the members of the Remuneration Committee, shall be involved in discussions concerning his own remuneration. The Remuneration Committee's recommendations are submitted to the Board for endorsement.

In carrying out its terms of reference, the Remuneration Committee has direct access to the Company's Senior Vice-President, Group Human Resources, should they have any queries on human resources matters. The Remuneration Committee may also obtain independent external legal and other professional advice as it deems necessary. The expenses of such advice will be borne by the Company. The Remuneration Committee did not appoint any remuneration consultants in FY2022 but has had the benefit of relevant data from market surveys carried out by leading firms of compensation consultants.

During FY2022, the activities of the Remuneration Committee included making recommendations to the Board on the framework of remuneration for the Board and key management personnel and the specific remuneration packages for each director as well as for the key management personnel.

## Corporate Governance

### **Remuneration Policy and Framework**

From a broad perspective, the remuneration policy and framework for fixing directors' fees, executive directors and the key management personnel remuneration adopted by the Company are designed with a view to paying competitive remuneration to attract, retain and motivate the directors to provide good stewardship of the Company and the key management personnel to successfully manage the Company for the long term. Specifically, the remuneration policy and framework aims to motivate directors and key management personnel to exert their best efforts to work towards the growth of the Group, the improvement of the Company's performance and the protection and promotion of the interests of all shareholders, and takes into consideration the long-term interests of the Group and ensures that the interests of the directors and key management personnel are aligned with those of shareholders. The remuneration policy and framework also aim to ensure that independent directors are not overly-compensated to the extent that their independence may be compromised. The directors' fees are recommended by the Remuneration Committee and endorsed by the Board for approval by the shareholders of the Company at AGMs.

### **Remuneration of Non-Executive Directors**

The remuneration of the non-executive directors is in the form of fixed fees. The directors' fees payable to the non-executive directors are based on a basic fee for serving as director and additional fees for serving on Board Committees. When reviewing the structure and level of directors' fees for the non-executive directors, the Remuneration Committee takes into consideration the respective roles and responsibilities undertaken in the Board and its Board Committees and the frequency of Board and Board Committee meetings. The Chairman of each Board Committee is paid a higher fee compared with the member of the respective committees in view of the greater responsibility and commitment required by that office. The payment of fees to non-executive directors is subject to the approval of the shareholders of the Company at each AGM.

Apart from the fixed fees described above, the non-executive directors were also eligible to participate in the 2011 Share Plan. The Board believes that allowing non-executive directors to participate in the 2011 Share Plan would give them a stake in the Company while providing the Company with additional flexibility in compensating them for their services, and enabling the Company to attract and retain experienced and qualified individuals from a wide range of professional backgrounds to join the Company. No shares have been awarded to non-executive directors under the 2011 Share Plan to date. A description of the 2011 Share Plan, which expired on 13 October 2021, is set out in the section "Boustead Restricted Share Plan 2011" below.

In FY2022, the framework for the remuneration of non-executive directors is as follows:

	<b>Fee per Annum</b>
Board Member	S\$30,000
Chairman of the Board	S\$20,000
Audit & Risk Committee	
Chairman	S\$30,000
Member	S\$15,000
Nominating Committee	
Chairman	S\$10,000
Member	S\$5,000
Remuneration Committee	
Chairman	S\$10,000
Member	S\$5,000

## Corporate Governance

Attendance Fee is fixed at S\$2,000 per board or board committee meeting, capped at S\$12,000 per year.

Information on the directors' fees of non-executive directors for FY2022 is set out in the section "Remuneration of Non-Executive Directors for FY2022" below.

### **Remuneration of Executive Directors and Management**

Executive directors do not receive directors' fees but are remunerated as members of Management. The Remuneration Committee conducts an annual review to ensure that the remuneration of the executive directors is commensurate with their performance and that of the Company. In structuring the compensation framework, the Remuneration Committee also takes into account their contributions as well as the financial performance conditions, which include both quantitative and qualitative targets that have been achieved during the year.

The remuneration package of the executive directors and the key management personnel comprises primarily a mix of a fixed component and a variable component. A significant and appropriate portion of remuneration of executive directors and key management personnel is structured as a variable component with a view to aligning Management remuneration with the interests of shareholders and other stakeholders, and to link rewards to corporate and individual performance so as to promote the long-term sustainability and success of the Group.

The fixed component is in the form of a base salary which is determined based on various criteria, including the individual's role and responsibilities, experience and competencies as well as performance and market competitiveness. This is approved by the Board based on the Remuneration Committee's recommendations and reviewed annually.

The variable component is in the form of an annual variable performance bonus that is linked to the Group's corporate performance and individual performance. Specifically, the remuneration of certain Management is linked directly to the Group's financial performance through a profit-sharing formula as well as individual key performance indicators.

Complementing the fixed and variable components of the remuneration package described above was a long-term incentive in the form of share awards that can be granted under the 2011 Share Plan, which expired on 13 October 2021. This long-term incentive was applicable only to selected employees whose role and services had been identified to be of significant importance to the performance and growth of the Company. Such long-term incentives would give recognition to these selected employees and promote commitment, dedication and loyalty to the Group. There was no grant of share awards to eligible employees for FY2022. A description of the 2011 Share Plan is set out in the section "Boustead Restricted Share Plan 2011" below.

Information on the remuneration paid to the executive directors and certain other key management personnel for FY2022 is set out in the section "Remuneration of Executive Directors and Key Management Personnel for FY2022" below.

The Company does not currently have in place contractual provisions to allow the Company to reclaim incentive components of remuneration from executive directors and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company.

### **Remuneration of Non-Executive Directors for FY2022**

The aggregate directors' fees paid to the non-executive directors for FY2022 amounted to approximately S\$276,000, details of which are set out below:

Name of Director	Directors' Fee	Total
	S\$'000	S\$'000
Dr Tan Khee Giap	82	82
Godfrey Ernest Scotchbrook	67	67
Liak Teng Lit	58	58
Mak Lye Mun <sup>(1)</sup>	43	43
Chong Ngien Cheong <sup>(2)</sup>	26	26

<sup>(1)</sup> Mr Mak Lye Mun was appointed as a director of the Company on 29 July 2021.

<sup>(2)</sup> Mr Chong Ngien Cheong retired as a director of the Company on 28 July 2021.

The payment of directors' fees of up to S\$278,000 for FY2022 was approved by shareholders as a lumpsum at the AGM held on 28 July 2021.



## Corporate Governance

### Remuneration of Executive Directors and Key Management Personnel for FY2022

The remuneration of the key management personnel, including the executive directors, for FY2022 in bands of S\$250,000 are set out below:

Name	Salary	Bonus	Fees	Other Benefits	Total
<u>Executive Directors</u>					
S\$1,750,000 to S\$1,999,999					
Wong Fong Fui	16%	82%	-	2%	100%
S\$250,000 to S\$499,999					
Wong Yu Loon	66%	27%	-	7%	100%
<u>Key Management Personnel</u>					
S\$1,000,000 to S\$1,249,999					
Thomas Chu Kok Hong	42%	14%	-	44%	100%
Brett John Bundock	47%	49%	-	4%	100%
S\$750,000 to S\$999,999					
Wong Yu Wei	35%	13%	-	52%	100%
Stuart Cummings	30%	65%	-	5%	100%
S\$250,000 to S\$499,999					
Leslie Wong Kin Wah	53%	37%	-	10%	100%

The total remuneration paid to the above five key management personnel, other than the executive directors, for FY2022 was approximately S\$4,478,000.

The Board has, after careful deliberation, decided to disclose the remuneration of the Chairman and Group Chief Executive Officer, Mr Wong Fong Fui, and Executive Director and Deputy Group Chief Executive Officer, Mr Wong Yu Loon, for FY2022 in remuneration bands of S\$250,000 and by a percentage breakdown in terms of categories and components, instead of disclosing the exact remuneration. This is a variation from Provision 8.1(a) of the Code which provides, among other things, that the amounts of remuneration of each individual director and the CEO are disclosed in the annual report.

The Board notes that this Report has disclosed the procedure for developing policies on director and executive remuneration (under the section "Terms of Reference"), the overall remuneration policy and framework (under the section "Remuneration Policy and Framework"), as well as the specific remuneration policy and framework applicable to non-executive directors and executive directors and Management (under the sections "Remuneration of Non-Executive Directors" and "Remuneration of Executive Directors and Management"). The disclosure of such information, together with the executive directors' remuneration in bands of S\$250,000 with a breakdown of the level and mix of the remuneration in the above table, provide shareholders with sufficient insight into the compensation of the executive directors and is consistent with the intent of Principle 8.

There are no termination, retirement and post-employment benefits granted to the directors, the Chief Executive Officer or key management personnel.

## Corporate Governance

Save for Mr Wong Yu Loon and Mr Wong Yu Wei, who are sons of Mr Wong Fong Fui, Chairman and Group Chief Executive Officer, there is no employee who is a substantial shareholder of the Company, or is an immediate family member of any of the directors, chief executive officer or a substantial shareholder of the Company, and whose remuneration exceeds S\$100,000 during the financial year under review. Mr Wong Yu Loon and Mr Wong Yu Wei's remuneration for FY2022 is disclosed in bands of S\$250,000 with a breakdown on the level and mix of remuneration in the section "Remuneration of Executive Directors and Key Management Personnel for FY2021" table. This is a variation from Provision 8.2 of the Code which provides, among other things, that the remuneration of such employees be disclosed in bands no wider than \$100,000. The reasons for disclosing the remuneration of Mr Wong Yu Loon and Mr Wong Yu Wei in bands of S\$250,000 with a breakdown on the level and mix of remuneration are set out above, and such disclosure is consistent with the intent of Principle 8 for the same reasons as set out above.

### *Boustead Restricted Share Plan 2011*

The 2011 Share Plan was approved by the members of the Company at its Extraordinary General Meeting on 13 October 2011 and expired on 13 October 2021. Under the 2011 Share Plan, all eligible executive employees, non-executive directors of the Company as well as associates of controlling shareholders of the Company were invited to participate in the 2011 Share Plan. The selection of eligible participants in the 2011 Share Plan was determined at the absolute discretion of the committee appointed by the Board to administer the 2011 Share Plan. The participation of associates of controlling shareholders would have to be approved by independent members of the Company. Further information on the 2011 Share Plan can be found on pages 72 and 190 of the Annual Report.

## ACCOUNTABILITY AND AUDIT

### Risk Management and Internal Controls

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

The Board is responsible for the governance of risk and determines the Company's levels of risk tolerance and risk policies, and the extent of the significant risks which the Company is willing to take in achieving its strategic objectives and value creation. The Board ensures that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the Group's assets, and to manage risks. The system is intended to provide reasonable but not absolute assurance against material misstatements or loss, and to safeguard assets and ensure maintenance of proper accounting records, reliability of financial information, compliance with relevant legislation, regulations and best practices, and the identification and containment of business risks. The effectiveness of the risk management and internal control systems and procedures is monitored and reviewed at least annually by the Audit & Risk Committee and the Board.

The Board, aided by the Audit & Risk Committee, regularly reviews and improves its business and operational activities to identify areas of significant business risks as well as taking appropriate measures to control and mitigate these risks. Management reviews all significant control policies and procedures and highlights all significant matters to the Audit & Risk Committee and the Board. The financial risk management objectives and policies are outlined in the financial statements. Risk management alone does not guarantee that business undertakings will not fail. However, by identifying and managing risks that may arise, the Board is in a position to make more informed decisions. This will assist in safeguarding and creating shareholder value.

An Enterprise Risk Management ("ERM") framework is in place to formalise and document the Group's internal processes to enable significant strategic, financial, operational, compliance and information technology risks within the relevant Group companies to be identified, assessed, monitored, managed and evaluated. Management continues to regularly review the risk register with the objective of assigning clear accountability and ownership of risks at the operating level to manage risks, and highlighting any emerging or material risks to the Board. Strong emphasis is placed on creating risk awareness, promoting accountability and setting the appropriate tone at the top.

## Corporate Governance

Reviews of the Group's risk exposure are also conducted every quarter by the Audit & Risk Committee and overall assessment is also conducted at the end of each financial year.

Based on the internal controls policy and procedures established and maintained by the Group, the work performed by the external auditors and the reviews conducted by Management and the internal auditor, the Board, with the concurrence of the Audit & Risk Committee, is of the opinion that the Group's internal controls (including financial, operational, compliance and information technology controls) and risk management systems were adequate and effective to address financial, operational, compliance and information technology risks as at 31 March 2022.

In addition, the Audit & Risk Committee and the Board have received assurance from:

- (a) the Group Chief Executive Officer and the Group Chief Financial Officer that as of 31 March 2022, 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 Group Chief Executive Officer and other key management personnel that as of 31 March 2022, the Group's risk management and internal control systems to address the key financial, operational, compliance and information technology risks affecting the operations are adequate and effective to meet the needs of the Group in its current business environment.

The responsibility of overseeing the Company's risk management framework and policies is undertaken by the Audit & Risk Committee.

### **Audit & Risk Committee**

#### **Principle 10 - The Board has an Audit Committee ("AC") which discharges its duties objectively.**

#### ***Audit & Risk Committee***

The Audit & Risk Committee comprises four non-executive directors, three of whom, including the Chairman of the Audit & Risk Committee, are also independent. As at the date of this Report, the members of the Audit & Risk Committee are:

1. Dr Tan Khee Giap, Chairman (Independent Non-Executive Director)
2. Godfrey Ernest Scotchbrook (Non-Independent Non-Executive Director)
3. Liak Teng Lit (Independent Non-Executive Director)
4. Mak Lye Mun (Independent Non-Executive Director)

All the members of the Audit & Risk Committee have recent and relevant accounting or related financial management expertise or experience.

As at the date of this Report, the Audit & Risk Committee does not comprise former partners or directors of the Company's existing auditing firm or auditing corporation: (a) within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as they have any financial interest in the auditing firm or auditing corporation.

## Corporate Governance

### **Terms of Reference**

According to the written terms of reference of the Audit & Risk Committee, the principal functions of the Audit & Risk Committee include:

- (a) overseeing the adequacy of the controls established by Management to identify and manage areas of potential risk and to safeguard the assets of the Company;
- (b) evaluating the processes in place to ensure that accounting records are properly maintained in accordance with statutory requirements and financial information provided to shareholders and the directors is accurate and reliable;
- (c) reviewing the significant financial reporting issues and judgments so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance;
- (d) reviewing with external and internal auditors and reporting to the Board at least annually the adequacy and effectiveness of the Company's risk management system and internal controls system, including financial, operational, compliance and information technology controls (such review can be carried out internally or with the assistance of any competent third parties);
- (e) reviewing with internal auditors, the program, scope and results of the internal audit and Management's response to their findings to ensure that appropriate follow-up measures are taken;
- (f) reviewing the effectiveness of the internal audit function;
- (g) reviewing the scope and results of the external audit, and the independence and objectivity of the external auditors;
- (h) reviewing with external auditors the impact of any new or proposed changes in accounting principles or regulatory requirements on the financial information;
- (i) making recommendations to the directors on the proposals to the shareholders on the appointment, re-appointment and removal of the external auditors, and approving the remuneration and terms of engagement of the external auditors;
- (j) reviewing the interested person transactions or the transactions that may lead to conflicts of interests, to ensure that they are in compliance with the laws and the regulations of the SGX-ST, and are reasonable and in the best interests of the Company;
- (k) reviewing the assurance from the Group Chief Executive Officer and the Group Chief Financial Officer on the financial records and financial statements and the assurance from key management personnel regarding the adequacy and effectiveness of the risk management and internal control systems;
- (l) monitoring the investments in customers, suppliers and competitors made by the directors, controlling shareholders and their respective associates who are involved in the management of or have shareholding interests in similar or related business of the Company and making assessments on whether there are any potential conflicts of interests;
- (m) reviewing filings with the SGX-ST or other regulatory bodies which contain the Company's financial information and ensure proper disclosure;
- (n) commissioning and reviewing the findings of internal investigations into matters where there is any suspected fraud or irregularity or failure of internal controls or infringement of any law, rule and regulation which has or is likely to have a material impact on the Company's operating results and/or financial position;
- (o) reviewing policy and arrangements by which staff and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters and ensuring that arrangements are in place for such concerns to be raised and independently investigated, and for appropriate follow-up action to be taken;
- (p) reviewing the risk management structure (including all hedging policies) and any oversight of the risk management processes and activities to mitigate and manage risk at acceptable levels determined by the directors;
- (q) reporting to the Board the work performed by the Audit & Risk Committee in carrying out its functions;
- (r) reviewing the co-operation given by officers to the external auditors; and
- (s) performing any other act as delegated by the Board and approved by the Audit & Risk Committee.

## Corporate Governance

The Audit & Risk Committee is authorised to investigate any matter within its written terms of reference, and has full access to and co-operation of Management. It is given access to the resources required for it to discharge its function properly. The Audit & Risk Committee also has full discretion to invite any director and executive officer to attend its meetings. The external and internal auditors have unrestricted access to the Audit & Risk Committee.

Through annual updates from Management and the external auditors, the Audit & Risk Committee is kept abreast of changes to accounting standards, the Listing Manual of the SGX-ST and other regulations which could have an impact on the Group's business and financial statements.

The Audit & Risk Committee members also keep themselves updated through relevant publications and by attending relevant seminars and courses.

During FY2022, the activities of the Audit & Risk Committee included reviewing the audit plans with external and internal auditors, the scope and results of the external audit, and the independence and objectivity of the external auditors, and the adequacy and effectiveness of the Company's internal controls and risk management systems.

### **External Auditor**

The Board is responsible for the initial appointment of the external auditor. Shareholders then approve the appointment at the AGM of the Company. The external auditor holds office until its removal or resignation. The Audit & Risk Committee assesses the external auditor based on the requirements of the SGX-ST Listing Manual as well as other factors such as the performance and quality of its audit and the independence and objectivity of the auditor, and recommends its appointment to the Board.

The Audit & Risk Committee has undertaken a review of the nature and value of all non-audit services provided to the Group by the current external auditors during FY2022 and is satisfied that the independence of the external auditors has not been affected by the provision of these services. The audit fees and non-audit fees paid or payable to the external auditors for FY2022 are set out below:

	S\$'000	% of Total Fees Paid
Audit fees	506	94
Non-audit fees	33	6
Total fees	539	100

The Company has complied with Rule 712 and Rule 715 read together with Rule 716 of the Listing Manual of the SGX-ST in relation to the appointment of the external auditor.

## Corporate Governance

The Audit & Risk Committee has also reviewed the Group's audited consolidated financial statements for FY2022 and discussed with Management and the external auditor the following key audit matter which involved management judgment:

Key audit matter	How the Audit & Risk Committee reviewed this matter and what decisions were made
Revenue recognition of Engineering & Construction contracts under Real Estate segment	<p>The Audit &amp; Risk Committee reviewed the revenue recognition of Engineering &amp; Construction contracts under Real Estate segment and considered management's judgments, assumptions and methodologies used and found them to be reasonable.</p> <p>The revenue recognition of Engineering &amp; Construction contracts under Real Estate segment was also an area of focus for the external auditors. The external auditors have included this item as a key audit matter in their audit report for the financial year ended 31 March 2022. Refer to page 106 of this Annual Report.</p>

### Internal Audit

The Audit & Risk Committee oversees the implementation of an effective system of internal controls as well as putting in place a risk management framework to continually identify, evaluate and manage significant business risks of the Group. To support the Audit & Risk Committee in their role, the Audit & Risk Committee decides on the appointment, selection, termination and remuneration of experienced and qualified in-house personnel as internal auditor to carry out the internal audit function for the Group and the primary reporting line of the internal audit function is to the Audit & Risk Committee Chairman.

The role of the internal audit function is to provide independent assurance to the Audit & Risk Committee that the Company maintains a sound system of internal controls. The internal audit function adopts a risk-based approach to evaluate the adequacy and effectiveness of key controls and procedures when performing audits of high-risk areas. It also undertakes investigations as directed by the Audit & Risk Committee.

Annually, the Audit & Risk Committee will review and approve audit plans and the resource requirement prepared by the internal auditor and shall ensure that the internal auditor is able to effectively and adequately discharge his duties. The Company's internal audit function is performed by the Internal Audit Department, headed by the Senior Vice-President, Internal Audit.

The Internal Auditor has unrestricted access to all documents, records, properties and personnel of the Group and unrestricted direct access to the Audit & Risk Committee in carrying out his duties and responsibilities, and has appropriate standing within the Company.

The Audit & Risk Committee is satisfied that the internal audit function is adequately resourced and independent of the activities it audits, and is carried out by suitably qualified and experienced professionals with the relevant experience.

The Company engages external experts as when and where required.

The internal audit work is carried out in accordance with the International Standards for the Professional Practice of Internal Auditing (IIA Standards) laid down in the International Professional Practices Framework issued by The Institute of Internal Auditors.

The Audit & Risk Committee reviews the adequacy and effectiveness of the Group's internal audit function on an annual basis and is satisfied that it is independent, effective and adequately resourced.

The Audit & Risk Committee meets at least once a year with the external auditors, and with the internal auditors, in each case, without the presence of Management.

## Corporate Governance

### **Whistleblowing Policy**

The Group is committed to meeting a high standard of ethical conduct in the conduct of the Group's operations, and has put in place a Whistleblowing Policy. The objective of the Whistleblowing Policy is to facilitate independent investigation of such matters and appropriate follow-up actions.

The Whistleblowing Policy, endorsed by the Audit & Risk Committee, provides for a mechanism by which employees of the Group and third parties may, in good faith and in confidence, raise concerns or observations about possible corporate malpractice and impropriety in financial reporting or other matters directly to the Chairman of the Audit & Risk Committee, the Senior Vice-President, Internal Audit or the Senior Vice-President, Group Human Resources.

The policy framework ensures independent investigation of issues or concerns raised and implementation of appropriate follow-up action, and provides assurance that employees will be protected from reprisal within the limits of the law. The Whistleblowing Policy and the avenues for reporting are made available to employees of the Group and third parties, and are also available on the Company's website. Measures in protecting the identity of the whistleblowers include preservation of confidentiality was provided in the Whistleblowing Policy. The Group is committed to ensure the protection of the whistleblower against detrimental or unfair treatment. The Senior Vice-President, Internal Audit is required to report to the Audit & Risk Committee every quarter whether they have received any whistleblower report in that quarter.

During the year, the Group received a whistleblowing report alleging misconduct by a senior management personnel of an overseas subsidiary of the Group. An internal investigation was carried out in accordance with the Whistleblowing Policy. Following the investigation, the Company proceeded with the mutual termination of the employment of the said management personnel. The personnel who provided assistance for the investigation continue to be provided protection against reprisals under the Whistleblowing Policy.

### **SHAREHOLDER RIGHTS AND ENGAGEMENT**

#### **Shareholder Rights and Conduct of General Meetings**

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

#### **Shareholder Rights**

The Company recognises the importance of maintaining transparency and accountability to its shareholders. The Board ensures that all shareholders are treated fairly and equitably, and information is communicated to shareholders on a timely basis through annual reports, half-year and full-year financial results and announcements of significant transactions that are released on SGXNET. Shareholders are also able to access investor-related information of the Group through a well-maintained and updated corporate website at [www.boustead.sg](http://www.boustead.sg).

The Notice of AGM, along with related information, is sent to every shareholder. Shareholders are also informed in writing that a soft copy of the Annual Report is available for download from the Company's corporate website at [www.boustead.sg](http://www.boustead.sg).

#### **Conduct of General Meetings**

The Company ensures that shareholders have the opportunity to participate effectively and vote at general meetings of shareholders and be informed of the rules, including voting procedures, that govern such meetings.

The Company's Constitution currently permits shareholders who are unable to attend general meetings in person to vote by way of proxy. Specifically, each shareholder is allowed to appoint up to two proxies to attend and vote at general meetings on his/her behalf, unless the shareholder is a relevant intermediary (as defined in Section 181 of the Companies Act). A shareholder which is a relevant intermediary is entitled to appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such shareholder. A "relevant intermediary" includes corporations holding licences in providing nominee and custodial services and the CPF Board where it purchases shares on behalf of the CPF investors.

## Corporate Governance

To safeguard shareholders' interest, separate resolutions are proposed on each substantially separate issue at the general meetings of shareholders, unless the issues are interdependent and linked so as to form one significant proposal. All the resolutions at general meetings are in single item resolutions. Where the resolutions are combined, the Company will explain the reasons and material implications in the notice of meeting. Detailed information of the resolutions in the Notice of AGM is provided in the explanatory notes to the Notice of AGM in the Annual Report.

All resolutions at general meetings of the Company are voted by poll as required by Rule 730A(2) of the SGX-ST Listing Manual. The detailed results of the electronic poll voting on each resolution tabled at general meetings, including the total number of votes "for", "against" or "abstain" in relation to each resolution tabled, are announced immediately at the general meetings and via SGXNET thereafter.

Shareholders are given the opportunity to raise questions and clarify any issues that they may have relating to the resolutions to be passed. The Board and senior management are present at each general meeting to respond to any questions from shareholders. The Group's external auditors are also present to address queries regarding the conduct of the audit and the preparation and content of the auditors' report. During FY2022, the AGM of the Company held on 28 July 2021 was the only general meeting that was held, and all the directors of the Company attended the meeting (save for Mr Chong Ngien Cheong who was retiring as a director).

Minutes of general meetings, which incorporate substantial and relevant comments or queries from shareholders relating to the agenda of the meetings, and responses from the Board and Management, will be prepared by the company secretary and published on SGXNET and the Company's corporate website within one month after its general meetings. This is consistent with Provision 11.5 of the Code and the requirement of the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 ("Order").

In view of the COVID-19 control measures in place within Singapore under the COVID-19 (Temporary Measures) Act 2020 and subsidiary legislation, such as the COVID-19 (Temporary Measures) (Control Order) Regulations 2020, physical attendance of shareholders at the Company's AGM is prohibited, and general meetings may only be conducted by way of electronic means pursuant to the Order or held in accordance with existing law or legal instrument, if doing so would not breach prevailing safe management measures. It is presently uncertain when the COVID-19 control measures may be lifted, and when the COVID-19 outbreak will fully stabilise within Singapore. In the interest of transparency and accountability, and taking these factors into account, the Board is of the view that the Company should proceed with its AGM for FY2022 by electronic means on 28 July 2022. The Board is satisfied that the alternative means for shareholders to submit questions are adequate to provide shareholders with the necessary oversight regarding the Company's operations.

### **Dividend Policy**

The Company does not have a fixed dividend policy. The form, frequency and amount of dividends will depend on, among other things, the Company's earnings, general financial condition, results of operations, capital requirements, cash flow, general business condition, development plans and other factors as the directors may deem appropriate. However, subject to the above, it is the Company's aim to declare and pay sustainable dividends and the Company has been declaring dividends on a half-yearly basis.

In view of the Group's continued profitability derived from core businesses as well as a strong cash position, the Board has recommended a final tax exempt one-tier dividend of 2.5 Singapore cents per ordinary share for FY2022. The Company will be seeking the approval of shareholders at the forthcoming AGM to be held for the declaration of the said proposed dividend.



## Corporate Governance

### Engagement with Shareholders

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

The Company provides avenues for communication between the Board and all shareholders. The AGM is the principal forum for dialogue with shareholders. Shareholders are encouraged to participate effectively and vote at general meetings, where relevant rules and procedures governing such meetings are clearly communicated.

All material information on the performance and development of the Group and of the Company is disclosed in an accurate, clear, comprehensive, consistent, sincere, timely and transparent manner through company announcements released over SGXNET, media releases and the Company's website. The Company does not practice selective disclosure of material information. All materials on the half-year and full-year financial results are available on the Company's website and are accompanied by a media release in English.

The Company has a dedicated Investor Relations ("IR") Team which focuses on facilitating the communications with key stakeholders – institutional and retail shareholders, analysts and media – on a regular basis, to attend to their queries or concerns, as well as keep key stakeholders or the public informed of the Group's corporate developments and financial performance, in a balanced manner on both positive and negative matters. Communication activities include investor conferences, meetings, presentations, media interviews and investor outreach programmes to share business strategies and financial performance.

The Company has instituted an investor relations policy which allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with shareholders. The Company is committed to the accurate, clear, comprehensive, consistent, sincere, timely and transparent disclosure of material information, having a dedicated IR Team which focuses on facilitating communications with shareholders and other stakeholders and the carrying out of regular communications and outreach activities as described above. For details on the Group's IR activities in FY2022, please refer to the Stakeholder Relations on pages 66 to 67 of this Annual Report.

Further, to enable shareholders to contact the Company easily, the contact details of the IR Team are set out on all announcements and media releases, as well as on the Company's website. The IR Team has procedures in place for responding to investors' queries as soon as applicable.

Taking into account the foregoing, the Company is of the view that the practices adopted by the Company are consistent with the intent of Principle 12.

### MANAGING STAKEHOLDERS RELATIONSHIPS

#### Engagement with Stakeholders

**Principle 13 - The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.**

#### *Managing Stakeholders' Relationships*

The Company has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationships with such groups, which forms part of its sustainability practices. The Company defines key or material stakeholders as being groups that its businesses may have a significant impact on or vice versa, and who have a vested interest in the way it conducts its business. The Company deems stakeholder relations to be important for the sustainable growth of its businesses, and a common consideration for the Company is whether a specific business expansion can provide sustainable profit and simultaneously also create sustainable socio-economic shared value for as many key stakeholders in as many economic and ESG facets as possible.

Accordingly, the Company seeks to maintain an open and transparent dialogue with its key stakeholders. The Company regularly engages its stakeholders through various platforms and channels to ensure that its business interests are aligned with those of the stakeholders, to understand and address their concerns so as to improve product, service and solution standards, as well as to sustain business operations for long-term growth and longevity. Stakeholders identified by the Company include the Board, Management, shareholders, team members, clients, strategic partners, suppliers, lenders, investors, media, government and regulators, and local communities.

## Corporate Governance

The Company has identified the material ESG topics of relevance to its key stakeholders (i.e. the Company's business model, strategies and outlook; corporate governance; smart eco-sustainable solutions; quality and transformation; economic performance; business ethics; data and information security; talent acquisition, development, management and retention; succession planning; health and safety; environment as well as legal and regulatory compliance) taking into account stakeholders' views, needs and interests, and periodically reviews these on an ongoing basis. The Board oversees the management and monitoring of these matters as part of the Company's sustainability practices.

As a commitment to its key stakeholders, the Company will disclose its strategy, practices and performance on these material ESG matters in its FY2022 Longevity Report (Sustainability Report), which will be available on the Company's website by 31 August 2022.

### **Corporate Website**

The Company maintains a current corporate website at [www.boustead.sg](http://www.boustead.sg), to communicate and engage with key stakeholders. The Company's corporate website contains various information pertaining to the Group and the Company which serves as an important resource for investors and all key stakeholders. The website is updated from time to time.

### **Measures Implemented to Protect Stakeholders from COVID-19**

During the initial stages of the global COVID-19 pandemic, the Company moved quickly to safeguard the wellbeing of its stakeholders including its team members, subcontractors and their employees, clients and surrounding communities by implementing preventive and control measures such as strict health checks, safe distancing measures, split team and telecommuting arrangements. Post-Circuit Breaker, the Company has implemented the substantive list of safe management measures as required by the Ministry of Health and Ministry of Manpower, with most activities conducted remotely or via videoconferencing and telecommuting on secure Cloud-based platforms, where possible.

The Company continues to monitor the COVID-19 situation and the Company's Human Resources department will update employees and implement safety management measures issued by government from time to time.

### **DEALINGS IN SECURITIES**

The Company, its directors and officers, including employees who have access to price-sensitive information, are not to deal in the Company's securities on short-term considerations and, during the period commencing one month before the announcement of the Company's half year and full year financial statements, and ending on the date of announcement of the relevant results. The Company, its directors and officers, including employees who have access to price-sensitive information, are expected to comply with the Securities and Futures Act, Chapter 289 of Singapore, and observe laws against insider trading at all times.

### **MATERIAL CONTRACTS**

Since the end of the previous financial year, no material contracts involving the interest of the Chief Executive Officer, each director or controlling shareholder of the Company have been entered into by the Company or any of its subsidiaries, and no such contract subsisted as at 31 March 2022.

### **INTERESTED PERSON TRANSACTIONS**

All transactions with interested persons must be negotiated and made at arm's length and reviewed by the Audit & Risk Committee.

For the financial year ended 31 March 2022, the Group did not enter into any transaction that would be regarded as an interested person transaction pursuant to the Listing Manual of the SGX-ST.

## Corporate Governance

### Additional Information on Directors Seeking Re-election Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST

Mr Mak Lye Mun, Dr Tan Khee Giap and Mr Godfrey Ernest Scotchbrook are the directors seeking re-election at the forthcoming AGM to be held on 28 July 2022 (collectively, the “Retiring Directors”).

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, the information relating to the Retiring Directors as set out in Appendix 7.4.1 to the Listing Manual of the SGX-ST is set out below:

Name of Director	Mr Mak Lye Mun	Dr Tan Khee Giap	Mr Godfrey Ernest Scotchbrook
Date of Appointment	29 July 2021	28 June 2018	21 September 2000
Date of last re-appointment (if applicable)	-	25 August 2020	25 August 2020
Age	64	64	76
Country of principal residence	Singapore	Singapore	Hong Kong
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee and has reviewed and considered the work experience and suitability of Mr Liak Teng Lit for re-appointment as a Director of the Company. The Board has concluded that Mr Mak Lye Mun possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee and has reviewed and considered the work experience and suitability of Dr Tan Khee Giap for re-appointment as a Director of the Company. The Board has concluded that Dr Tan Khee Giap possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee and has reviewed and considered the work experience and suitability of Mr Godfrey Ernest Scotchbrook for re-appointment as a Director of the Company. The Board has concluded that Mr Godfrey Ernest Scotchbrook possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Non-Executive Director, Chairman of the Remuneration Committee and member of the Audit & Risk Committee	Non-Executive Director, Chairman of the Audit & Risk Committee and member of the Nominating Committee and Remuneration Committee	Non-Executive Director, Chairman of the Nominating Committee and member of the Audit & Risk Committee
Professional qualifications	Bachelor of Civil Engineering (1st Class Hons), University of Malaya MBA, University of Texas at Austin	PhD (Monetary Economics), University of East Anglia	DipCamPR and Fellow, Chartered Institute of Public Relations

## Corporate Governance

Name of Director	Mr Mak Lye Mun	Dr Tan Khee Giap	Mr Godfrey Ernest Scotchbrook
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil	Nil	Nil
Conflict of interest (including any competing business)	Nil	Nil	Nil
Working experience and occupation(s) during the past 10 years	Chief Executive Officer of CIMB Bank Singapore, Advisor to the Chief Executive Officer of CIMB Group Holdings Bhd	Associate Professor of Public Policy at the National University of Singapore Lee Kuan Yew School of Public Policy, Chairman of the Singapore National Committee for Pacific Economic Cooperation and Co-Director of Asia Competitiveness Institute	Founder of Scotchbrook Associates International Ltd, a firm focused on corporate and financial communications and investor relations
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes
Shareholding interest in the listed issuer and its subsidiaries	Nil	Nil	Yes
Shareholding Details	N.A.	N.A.	<u>The Company</u> Indirect interest of 1,052,783 ordinary shares <u>Boustead Projects Limited</u> Indirect interest of 315,834 ordinary shares
Other Principal Commitments (as defined in the Code) including directorships – Past (for the last 5 years)	Independent Non-Executive Chairman of Hwa Hong Corporation Ltd, Independent Non-Executive Director of Boardroom Ltd and Tat Hong Holdings Ltd	Independent Non-Executive Director of Boustead Projects Limited, Co-Director of the Asia Competitiveness Institute at LKYSPP, NUS, and Associate Dean of Graduate Studies at the Nanyang Technological University	Nil
Other Principal Commitments (as defined in the Code) including directorships – Present	Independent Non-Executive Chairman of Intraco Ltd, Independent Non-Executive Director of SC Global Developments Pte Ltd and AVJennings Ltd	Independent Non-Executive director of Amcorp Global Ltd, BreadTalk Group Pte Ltd and Lian Beng Group Ltd	Non-Executive Director of Convenience Retail Asia Ltd and Independent Non-Executive Director of Del Monte Foods Inc and Del Monte Pacific Ltd

## Corporate Governance

Name of Director	Mr Mak Lye Mun	Dr Tan Khee Giap	Mr Godfrey Ernest Scotchbrook
<b>Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is “yes”, full details must be given.</b>			
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No
(c) Whether there is any unsatisfied judgement against him?	No	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No

## Corporate Governance

Name of Director	Mr Mak Lye Mun	Dr Tan Khee Giap	Mr Godfrey Ernest Scotchbrook
<b>Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.</b>			
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No

## Corporate Governance

Name of Director	Mr Mak Lye Mun	Dr Tan Khee Giap	Mr Godfrey Ernest Scotchbrook
<b>Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is “yes”, full details must be given.</b>			
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-			
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,	No	No	No
in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?			
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No
<b>Disclosure applicable to the appointment of Director only.</b>			
Any prior experience as a director of an issuer listed on the Exchange?	N.A.	N.A.	N.A.
If yes, please provide details of prior experience.	N.A.	N.A.	N.A.
If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.	N.A.	N.A.	N.A.
Please provide details of relevant experience and the nominating committee’s reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable)	N.A.	N.A.	N.A.