
CORPORATE GOVERNANCE

Our Directors recognise the importance of good corporate governance and the offering of high standards of accountability to our Shareholders, and will follow closely the best practices outlined in the Best Practices Guide issued by the SGX-ST. Our Board of Directors has formed three (3) committees: (a) our Audit Committee, (b) our Remuneration Committee; and (c) our Nominating Committee.

Mr. Ho Chew Thim is our Lead Independent Director. As the Lead Independent Director, he is the contact person for our Shareholders where there are concerns or issues which remain unresolved despite communication with our Global CEO, Mr. Sean Murphy, or where such communication is inappropriate. Mr. Ho will however, abstain from participating in any proceedings involving the DeClout Group, and he will refer such matter to our Audit Committee chairman. Please refer to the section entitled “*Corporate Governance – Nominating Committee – Nominating Committee’s view of our Independent Directors*” for more information.

Our business and operations are presently under the management and close supervision of our Executive Directors who are assisted by a team of Executive Officers. The overall management is overseen by our Executive Director and Global CEO, Mr. Sean Murphy.

AUDIT COMMITTEE

Our Audit Committee comprises Mr. Ng Loh Ken Peter, Mr. Ho Chew Thim, Mr. Wong Quee Quee, Jeffrey and Mr. Lim Swee Yong. Our Audit Committee is chaired by Mr. Ng Loh Ken Peter.

Our Audit Committee will meet at least four (4) times a year (to coincide with key dates in our Company’s financial reporting cycle) to discuss and carry out the duties set out below:

- (a) assisting our Board of Directors in discharging its statutory responsibilities on financing and accounting matters;
- (b) reviewing significant financial reporting issues and judgments to ensure the integrity of the financial statements and any formal announcements relating to financial performance;
- (c) reviewing the scope and results of the audit and its cost effectiveness, and the independence and objectivity of the external auditors;
- (d) reviewing the external auditor’s audit plan and audit report, and the external auditor’s evaluation of the system of internal accounting controls, including financial, operational, compliance and information technology controls as well as reviewing the Group’s implementation of any recommendations to address any control weaknesses highlighted by the external auditor;
- (e) reviewing the key financial risk areas, including the Group’s hedging policy in respect of its exposure to fluctuations in foreign exchange and raw material costs;
- (f) reviewing the risk management structure and any oversight of the risk management process and activities to mitigate and manage risk at acceptable levels determined by our Board of Directors, including that in connection with compliance with environmental laws and regulations;
- (g) reviewing the statements to be included in the annual report concerning the adequacy and effectiveness of the risk management and internal controls systems, including financial, operational, compliance controls, and information technology controls;

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- (h) reviewing all interested person transactions (either individually or as part of a series or if aggregated with other transactions involving the same interested person during the same financial year) equal to or exceeding S\$100,000 in value but below 3.0% of the latest audited NTA of our Group every quarter, and monitoring the procedures established to regulate interested person transactions, including ensuring compliance with our Company's internal control system and the relevant provisions of the Listing Rules, as well as all conflicts of interest to ensure that proper measures to mitigate such conflicts of interest have been put in place, and approving all interested person transactions (either individually or as part of a series or if aggregated with other transactions involving the same interested person during the same financial year) equal to or exceeding 3.0% of the value of the latest audited NTA of our Group, prior to such transactions being entered into;
- (i) reviewing the scope and results of the internal audit procedures, the implementation of recommendations by internal auditors, and at least annually, the adequacy and effectiveness of the internal audit function;
- (j) approving the hiring, removal, evaluation and compensation of the head of the internal audit function, or the accounting/auditing firm or corporation to which the internal audit function is outsourced;
- (k) appraising and reporting to our Board of Directors on the audits undertaken by the external auditors and internal auditors, and the adequacy of disclosure of information;
- (l) making recommendations to our Board of Directors on the proposals to Shareholders on the appointment, reappointment and removal of the external auditor, and approving the remuneration and terms of engagement of the external auditor;
- (m) undertaking such other reviews and projects as may be requested by our Board of Directors, and report to our Board of Directors its findings from time to time on matters arising and requiring the attention of our Audit Committee; and
- (n) undertaking generally such other functions and duties as may be required by law or the Listing Rules, and by amendments made thereto from time to time.

Apart from the duties listed above, our Audit Committee will ensure that arrangements are in place for employees to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters. Our Audit Committee will commission and review the findings of internal investigations into such matters or matters where there is any suspected fraud or irregularity, or failure of internal controls, or infringement of any law, rule or regulation which has or is likely to have a material impact on our Group's operating results and financial position. Our Audit Committee will also ensure that the appropriate follow-up actions are taken.

Audit Committee's Opinion of our CFO

Mr. Choo Joo Kwang has served as our Group's financial controller and now, CFO, since joining us in December 2013. In considering the suitability of Mr. Choo Joo Kwang as our CFO, our Audit Committee has considered his qualifications and past working experience and his years of service with our Group (as described in the section entitled "*Directors, Management and Staff — Executive Officers*" of this Prospectus) and has noted his abilities, familiarity and diligence in relation to financial matters and information of our Group. In addition, our Audit Committee has also interacted with him in his capacity as our Group's financial controller and with other members of our Group's finance team, and considered the views of and feedback from the executive management team of our Group.

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Based on the foregoing, our Audit Committee is satisfied and is of the opinion that Mr. Choo Joo Kwang has the relevant knowledge, expertise and experience to be appointed as the CFO of our Group. Further, after making all reasonable enquiries, and to the best of their knowledge and belief, nothing has come to the attention of our Audit Committee to cause them to believe that Mr. Choo Joo Kwang does not have the competence, character and integrity expected of the CFO of our Group.

Internal Controls

Notwithstanding the duties of our Audit Committee, we have an internal control department (shared with DeClout; please refer to the section entitled “*Interested Person Transactions and Conflicts of Interest – Present and Ongoing Interested Person Transactions – Provision of Shared Services by the DeClout Group to our Group*” of this Prospectus for more information) which works with external-internal audit professionals (i.e. third party internal audit professionals) for reviewing and implementing appropriate internal controls, including financial, operational, compliance and information technology controls, and risk management systems, for our Group. While the internal control department is shared with DeClout, the internal control department takes guidance independently and separately from and is accountable to each of the audit committees of DeClout and Procurri, respectively. The internal control department assists us and reports to our Audit Committee who will approve the internal audit controls. Our Audit Committee will review the effectiveness of the internal control function and, where deemed necessary, expand or streamline the internal control function to ensure its effectiveness within our Group. Notwithstanding this, our Board retains the responsibility for the review of the effectiveness of the system of internal control, and must form its own opinion despite aspects of internal control review being delegated to our Audit Committee.

Based on the internal controls established and maintained by our Group, work performed by the internal and external auditors, and reviews performed by the management, various Board Committees and our Board, our Audit Committee and our Board are of the opinion that our Group’s risk management and internal control systems, including financial, operational, compliance and information technology controls are adequate and effective. Our Board notes that all internal controls systems contain inherent limitations and no system of internal controls can provide absolute assurance against the occurrence of material errors, poor judgement in decision making, human error, losses, fraud or other irregularities.

REMUNERATION COMMITTEE

Our Remuneration Committee comprises Mr. Ho Chew Thim, Mr. Ng Loh Ken Peter, Mr. Wong Quee Quee, Jeffrey and Mr. Lim Swee Yong. Our Remuneration Committee is chaired by Mr. Ho Chew Thim.

Our Remuneration Committee will recommend to our Board a framework of remuneration for our Directors and Executive Officers, and determine specific remuneration packages for each of them. The recommendations of our Remuneration Committee shall be submitted for endorsement by our entire Board. All aspects of remuneration, including but not limited to Directors’ fees, salaries, allowances, bonuses, options and benefits-in-kind shall be covered by our Remuneration Committee. Each member of our Remuneration Committee shall abstain from voting on any resolutions in respect of his remuneration package.

Our Remuneration Committee will also perform an annual review of the remuneration of employees related to our Directors and Substantial Shareholders to ensure that their remuneration packages are in line with our staff remuneration guidelines and commensurate with

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their respective job scopes and level of responsibilities. Any bonuses, pay increases and/or promotions for these related employees will also be subject to the review and approval of our Remuneration Committee. In the event that a member of our Remuneration Committee is related to the employee under review, he will abstain from participating in the review.

If necessary, our Remuneration Committee will seek expert advice inside and/or outside our Company on remuneration matters. Our Remuneration Committee will ensure that existing relationships, if any, between our Company and its appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants.

Additionally, it should also be noted that the Procurri ESOS and the Procurri PSP will be administered by our Remuneration Committee.

Our Remuneration Committee will meet at least once a year and otherwise as required to properly discharge its duties as set out below.

NOMINATING COMMITTEE

Our Nominating Committee comprises Mr. Wong Quee Quee, Jeffrey, Mr. Ho Chew Thim, Mr. Ng Loh Ken Peter, and Mr. Lim Swee Yong. Our Nominating Committee is chaired by Mr. Wong Quee Quee, Jeffrey.

Our Nominating Committee will meet at least once a year to discuss and carry out the duties set out below:

- (a) reviewing and recommending the nomination or re-nomination of our Directors having regard to our Director's contribution and performance;
- (b) reviewing the composition of the Board, having regard to the future requirements of our Group, as well as the need for directors who, as a group, provide an appropriate balance and diversity of skills, experience, gender and knowledge of our Group;
- (c) developing a process for evaluation of the performance of our Board, its committees and our Directors;
- (d) determining on an annual basis whether or not a Director is independent;
- (e) in respect of a Director who has multiple board representations on various companies, to review and decide whether or not such Director is able to and has been adequately carrying out his duties as Director, having regard to the competing time commitments that are faced by the Director when serving on multiple boards and discharging his duties towards other principal commitments;
- (f) deciding whether or not a Director is able to and has been adequately carrying out his duties as a director;
- (g) reviewing and approving any new employment of related persons and the proposed terms of their employment; and
- (h) reviewing board succession plans, as well as training and professional development programmes for our Board.

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Our Directors do not have fixed terms of office. At each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation. Our Directors to retire in every year shall be those who have been longest in office since their last re-election or appointment. All Directors shall retire from office at least once every three (3) years. A retiring Director shall be eligible to stand for re-election.

Each member of our Nominating Committee will not take part in determining his own re-nomination or independence.

Nominating Committee's view of our Independent Directors

Our Nominating Committee, having taken into consideration the following:

- (a) the number of listed company directorships by each of our Independent Directors;
- (b) the principal commitments of our Independent Directors;
- (c) the confirmations by our Independent Directors stating that they are each able to devote sufficient time and attention to the matters of our Company;
- (d) the confirmations by our Independent Directors that each of them is not accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of any Controlling Shareholder, has no relationship with our Company, its related corporations or with any directors of these corporations, its 10.0% Shareholders or its officers that could interfere or be reasonably perceived to interfere, with the exercise of his or her independent business judgment with a view to the best interests of our Company;
- (e) our Independent Directors' working experience and expertise in different areas of specialisation; and
- (f) the composition of our Board,

is of the view that (i) each of our Independent Directors is collectively and individually able to devote sufficient time to the discharge of their duties and are suitable and possess relevant experience as Independent Directors of our Company; and (ii) our Independent Directors, as a whole, represent a strong and independent element on our Board which is able to exercise objective judgment on corporate affairs independently from our Controlling Shareholders.

It should also be noted that our Board has determined that our Lead Independent Director, Mr. Ho Chew Thim, be considered independent notwithstanding that he is also the lead independent director of DeClout, as (i) we are independently and separately managed from the DeClout Group, with no sharing or overlapping of any key staff; (ii) he will not participate in any discussions in relation to any interested person transactions between our Group and the DeClout Group, and he will abstain from voting on any such proposals at any of either our or DeClout's board of directors meetings and refer such matter to our Audit Committee chairman; and (iii) he will abstain from participating in any proceedings involving transactions with the DeClout Group (excluding our Group) or where there would be conflicts of interest with the DeClout Group (excluding our Group). Mr. Ho has demonstrated independence in character and judgment in the discharge of his responsibilities as our Director and, there are no other relationships or circumstances that are likely to affect, or could appear to affect, his judgment.

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CORPORATE SOCIAL RESPONSIBILITY

We are committed to sustainable development and making a positive impact on our investors, Shareholders, customers, suppliers, employees, competitors and the communities and environments in which we operate. We view corporate social responsibility to be our responsibility and a key competitive advantage.

Much of our business is premised on the maximisation of value for our customers, including but not limited to the extension of the utility of end-of-life assets, and the conversion of the same, or unutilised IT hardware, into revenue. Additionally, our innovative Hardware-as-a-Service solutions (which provide to our customers on-demand, computing resources through a pay-as-you-use model) enable customers to avoid resource over-provisioning, thus minimising waste and maximising resource efficiency. Internally, we have also implemented environmentally-friendly business practices, such as recycling and video conferencing (which reduces the need for travel despite our global operations) to reduce our carbon footprint. These in turn minimises the overall footprint of the IT industry on the environment, and positively impacts the community. We hold ourselves to the highest standards in the industry, and we have received the ISO 9001 and ISO 14001 certifications for our processes, which are internationally recognised standards for the design and implementation of quality management and effective environmental management systems respectively.

Our approach to our business, which adds value to our partners and customers, has cultivated much brand loyalty and goodwill, and our partners and customers routinely refer new business to us by “word of mouth”. We believe our reputation, together with the trust and confidence of our partners and customers, is one of our most valuable assets. In order to maintain this, we demand and seek standards, and accordingly, we provide relevant training to our staff (please refer to the section entitled “*Directors, Management and Staff – Staff Training*” of this Prospectus for more information) and our staff are provided with an employees handbook which sets out our code of ethics.

Separate from our business, we routinely contribute to, and engage with, our local communities. As part of our community development efforts and outreach, we have participated in and supported various fundraising projects and charities. Most recently, we contributed to the United Nations’ appeal for help with the relief efforts for those affected by typhoon Haiyan in the Philippines.

WHISTLEBLOWING POLICY

We are committed to maintaining high standards of honesty and accountability. As such, we have adopted a whistleblowing policy that is disseminated to our employees, agents and consultants. In addition to having a physical box which our employees, agents and consultants can drop their feedback into, the contact details of our Lead Independent Director, Mr. Ho Chew Thim, is made known to all our employees for the express purpose of whistleblowing. Any information received will be examined carefully and if it has merit, will be acted upon. The whistleblower can be assured that our Group intends to protect our business and reputation.