

**APPENDIX DATED 13 APRIL 2018**

**THIS APPENDIX IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.**

**If you are in any doubt as to the action that you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.**

This Appendix (as defined herein) is circulated to shareholders (“**Shareholders**”) of Procurri Corporation Limited (the “**Company**”) together with the Company’s annual report dated 13 April 2018 (the “**Annual Report**”). The purpose of this Appendix is to provide Shareholders with the relevant information relating to, and to explain the rationale for, the proposed renewal of the Shareholders’ Mandate (as defined herein) for which Shareholders’ approval is being sought at the annual general meeting (“**AGM**”) of the Company to be held at M Hotel, Anson III and IV, Level 2, 81 Anson Road, Singapore 079908 on 30 April 2018 at 10 a.m..

The Notice of AGM (as defined herein) and a Proxy Form (as defined herein) are enclosed with the Annual Report. If you have sold or transferred all your shares in the capital of the Company, you should immediately forward this Appendix and the Notice of AGM together with the accompanying Proxy Form to the purchaser or transferee or to the bank, stockbroker or agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the accuracy of any of the statements made, reports contained or opinions expressed in this Appendix.



P R O C U R R I  
**PROCURRI CORPORATION LIMITED**

(Incorporated in the Republic of Singapore)  
(Company Registration Number: 201306969W)

**APPENDIX TO THE NOTICE OF AGM**

**IN RELATION TO**

**THE PROPOSED RENEWAL OF THE SHAREHOLDERS’ MANDATE FOR INTERESTED PERSON TRANSACTIONS**

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## DEFINITIONS

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Except where the context otherwise requires, the following definitions apply throughout this Appendix:

- “2018 AGM”** : The AGM to be held at M Hotel, Anson III and IV, Level 2, 81 Anson Road, Singapore 079908 on 30 April 2018 at 10 a.m., notice of which is set out in the Notice of AGM
- “AGM”** : Annual general meeting of the Company
- “Annual Report”** : The annual report of the Company for FY2017
- “Appendix”** : This appendix to the Notice of AGM dated 13 April 2018
- “Associate”** : In the case of a company,
- (a) in relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means:
    - (i) his immediate family;
    - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
    - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30.0% or more
  - (b) in relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30.0% or more
- “Audit Committee”** : The audit committee of the Company comprising Mr. Ng Loh Ken Peter, Mr. Ho Chew Thim, Mr. Wong Quee Quee, Jeffrey and Mr. Lim Swee Yong, for the time being
- “Board”** : The board of Directors
- “CDP”** : The Central Depository (Pte) Limited
- “CFO”** : The chief financial officer of the Company for the time being

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## DEFINITIONS

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<b>“Companies Act”</b>	:	Companies Act, Chapter 50 of Singapore, as amended, modified or supplemented from time to time
<b>“Company”</b>	:	Procurri Corporation Limited
<b>“Constitution”</b>	:	The constitution of the Company, as amended, modified or supplemented from time to time
<b>“Controlling Shareholder”</b>	:	A person who:  (a) holds directly or indirectly 15.0% or more of the total number of issued shares excluding treasury shares in the Company. The SGX-ST may determine that a person who satisfies this paragraph is not a controlling shareholder; or  (b) in fact exercises control over the Company
<b>“CPF”</b>	:	The Central Provident Fund
<b>“DeClout”</b>	:	DeClout Limited, a Controlling Shareholder
<b>“DeClout Group”</b>	:	DeClout and its subsidiaries collectively
<b>“DeClout IPT Group”</b>	:	DeClout and its Associates collectively (excluding the Group), and “DeClout IPT Group Company” shall be construed accordingly
<b>“Directors”</b>	:	The directors of the Company for the time being
<b>“Entity At Risk”</b>	:	For the purposes of the Shareholders’ Mandate, means:  (a) the Company;  (b) a subsidiary of the Company that is not listed on the SGX-ST or an approved exchange; or  (c) an associated company of the Company that is not listed on the SGX-ST or an approved exchange, provided that the Group, or the Group and its Interested Person(s), has control over the associated company
<b>“FY”</b>	:	The financial year ended 31 December
<b>“Global CEO”</b>	:	The global chief executive officer of the Company for the time being

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## DEFINITIONS

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<b>“Global President”</b>	:	The global president of the Company for the time being
<b>“Group”</b>	:	The Company and its subsidiaries collectively, and “Group Company” shall be construed accordingly
<b>“Hardware-as-a-Service”</b>	:	The provision of IT hardware and equipment on a transaction-based pricing model
<b>“Independent Maintenance Services”</b>	:	The provision of independent IT maintenance services for a variety of IT hardware and equipment
<b>“Interested Person”</b>	:	(a) a Director, chief executive officer, or Controlling Shareholder; or  (b) an Associate of any such Director, chief executive officer, or Controlling Shareholder
<b>“Interested Person Transaction”</b>	:	A transaction between an Entity At Risk and an Interested Person
<b>“IT”</b>	:	Information technology
<b>“IT Asset Disposition”</b>	:	IT hardware and equipment disposition, remarketing and other related supplementary services
<b>“IT Support Services”</b>	:	Back-end IT support services comprising, amongst other things, service helpdesk support, enterprise IT servers, hosting of SAP accounting system and other miscellaneous IT support services
<b>“Latest Practicable Date”</b>	:	16 March 2018, being the latest practicable date prior to the printing of this Appendix
<b>“Lifecycle Services”</b>	:	Various IT hardware, equipment and software services rendered during the lifecycle of IT hardware and equipment, and one (1) of the two (2) business segments forming the Group’s core business, and which comprises Independent Maintenance Services, Hardware-as-a-Service, and IT Asset Disposition
<b>“Listing Manual”</b>	:	The Listing Manual of the SGX-ST, as may be amended, modified or supplemented from time to time
<b>“Mandated Interested Persons”</b>	:	Companies within the DeClout IPT Group, and a “Mandated Interested Person” shall be construed accordingly

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## DEFINITIONS

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<b>“Mandated Transactions”</b>	:	The transactions with the Mandated Interested Persons which will be covered by the Shareholders’ Mandate, as proposed to be renewed at the 2018 AGM
<b>“Market Day”</b>	:	A day on which the SGX-ST is open for trading in securities
<b>“Non-Interested Directors”</b>	:	The Directors who are considered independent for the purpose of the proposed renewal of the Shareholders’ Mandate, being Mr. Thomas Sean Murphy, Mr. Edward John Flacbarth, Mr. Ng Loh Ken Peter and Mr. Wong Quee Quee, Jeffrey
<b>“Notice of AGM”</b>	:	The notice of AGM dated 13 April 2018 attached to the Annual Report
<b>“NTA”</b>	:	Net tangible assets
<b>“Ordinary Resolutions”</b>	:	The ordinary resolutions set out in the Notice of AGM, and “Ordinary Resolution” shall be construed accordingly
<b>“Proxy Form”</b>	:	The proxy form in respect of the 2018 AGM as attached to the Notice of AGM
<b>“Securities Account”</b>	:	The securities account maintained by a Depositor with CDP but does not include a securities sub-account
<b>“SFA”</b>	:	Securities and Futures Act, Chapter 289 of Singapore, as amended, modified or supplemented from time to time
<b>“SGX-ST”</b>	:	Singapore Exchange Securities Trading Limited
<b>“Shared Services”</b>	:	Human resource, corporate, legal and internal control services
<b>“Shareholders”</b>	:	Persons who are registered holders of Shares in the Register of Members of the Company except where the registered holder is CDP, the term “Shareholders” shall, where the context admits, mean the Depositors in the Depository Register maintained by CDP and into whose securities accounts those Shares are credited
<b>“Shareholders’ Mandate”</b>	:	The Shareholders’ mandate for Interested Person Transactions, last approved by Shareholders on 27 April 2017
<b>“Shares”</b>	:	Ordinary shares in the capital of the Company

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## DEFINITIONS

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<b>“Substantial Shareholder”</b>	:	A person who has an interest or interests in one (1) or more voting Shares in the Company, and the total votes attached to that Share, or those Shares, is not less than 5.0% of the total votes attached to all the voting Shares in the Company
<b>“S\$”</b>	:	Singapore dollars, being the lawful currency of Singapore
<b>“%”</b>	:	Per centum or percentage

The terms **“Depositor”** and **“Depository Register”** shall have the respective meanings ascribed to them in Section 81SF of the SFA.

The term **“subsidiary”** has the meaning ascribed to it in Section 5 of the Companies Act.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall include corporations.

Any reference in this Appendix to any statute or enactment is a reference to that statute or enactment as for the time being amended or re-enacted. Any term defined under the Companies Act, the SFA, the Listing Manual or any statutory modification thereof and used in this Appendix shall have the meaning assigned to it under the Companies Act, the SFA, the Listing Manual or any statutory modification thereof, as the case may be, unless otherwise provided.

Any reference to a time of day and date in this Appendix is made by reference to Singapore time and date respectively, unless otherwise stated.

Any discrepancies in the table included in this Appendix between the listed amounts and the totals are due to rounding. Accordingly, figures shown as totals in certain tables may not be an aggregation of the figures that precede them.



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## LETTER TO SHAREHOLDERS

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### PROCURRI CORPORATION LIMITED

(Incorporated in the Republic of Singapore)  
(Company Registration Number: 201306969W)

**Directors:**

Mr. Thomas Sean Murphy (Executive Chairman and  
Global Chief Executive Officer)  
Mr. Edward John Flacbarth (Executive Director and  
Global President)  
Mr. Lim Swee Yong (Non-Executive Director)  
Mr. Ho Chew Thim (Lead Independent Director)  
Mr. Ng Loh Ken Peter (Independent Director)  
Mr. Wong Quee Quee, Jeffrey (Independent Director)

**Registered Office:**

29 Tai Seng Avenue  
#02-01 Natural Cool Lifestyle Hub  
Singapore 534119

Date: 13 April 2018

To: The Shareholders of the Company

Dear Sir/Madam,

#### 1. INTRODUCTION

The Directors refer to:

- (a) the Notice of AGM, accompanying the Annual Report to convene the 2018 AGM; and
- (b) Ordinary Resolution No. 8 relating to the proposed renewal of the Shareholders' Mandate.

The purpose of this Appendix is to provide Shareholders with the relevant information relating to, and to explain the rationale for, the proposed renewal of the Shareholders' Mandate, and to seek Shareholders' approval for the same at the 2018 AGM.

#### 2. PROPOSED RENEWAL OF THE SHAREHOLDERS' MANDATE FOR INTERESTED PERSON TRANSACTIONS

##### 2.1 The Existing Shareholders' Mandate

Chapter 9 of the Listing Manual permits the Company to obtain a mandate from its Shareholders for recurrent Interested Person Transactions which are of a revenue or trading nature or for those necessary for its day-to-day operations. These transactions may not include the purchase or sale of assets, undertakings or businesses which are not part of the Company's day-to-day operations. Under Chapter 9 of the Listing Manual, a general mandate for transactions with Interested Persons is subject to annual renewal.

The Shareholders' Mandate was approved by Shareholders on 27 April 2017. The Shareholders' Mandate is effective until the 2018 AGM to be held on 30 April 2018, and the Company thus seeks the approval of Shareholders for renewal of the Shareholders' Mandate at the 2018 AGM.

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## LETTER TO SHAREHOLDERS

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### 2.2 Proposed Renewal of the Shareholders' Mandate

The Directors propose that the Shareholders' Mandate be renewed at the 2018 AGM. The renewal of the Shareholders' Mandate will authorise an Entity at Risk to enter, in the ordinary course of business, into Mandated Transactions with Mandated Interested Persons, being the DeClout IPT Group, provided that such transactions are made on normal commercial terms and are not prejudicial to the Company and its minority Shareholders, and are entered into in accordance with the review procedures for such transactions.

If renewed by Shareholders at the 2018 AGM, the Shareholders' Mandate will take effect from the passing of the Ordinary Resolution relating to the proposed renewal of the Shareholders' Mandate at the 2018 AGM, and will (unless revoked or varied by the Company in a general meeting) continue in force until the next AGM or the date by which the next AGM is required by law to be held, whichever is earlier, at which point in time, the Company will seek Shareholders' approval for a renewal of the Shareholders' Mandate, subject to satisfactory review by the Audit Committee of its continued application to the transactions with the Mandated Interested Persons.

### 2.3 Further Information

Details of the Shareholders' Mandate, including the class of Interested Persons, the nature of the transactions contemplated under the Shareholders' Mandate, the rationale for and benefits of the Shareholders' Mandate and the review procedures for Interested Person Transactions are set out in Annex A to this Appendix.

### 2.4 Statement of the Audit Committee

The Audit Committee comprises Mr. Ng Loh Ken Peter (Chairman), Mr. Ho Chew Thim, Mr. Wong Quee Quee, Jeffrey and Mr. Lim Swee Yong. In view of Mr. Ho Chew Thim being the lead independent director of DeClout and Mr. Lim Swee Yong being the Head of Corporate Office of DeClout, they have abstained from the Audit Committee's statement below.

The Audit Committee (comprising Mr. Ng Loh Ken Peter and Mr. Wong Quee Quee, Jeffrey, with Mr. Ho Chew Thim and Mr. Lim Swee Yong abstaining for the reasons explained above), having considered the terms of the Shareholders' Mandate (as proposed to be renewed at the 2018 AGM), is of the view that:

- (a) the methods or procedures for determining the transaction prices under the Shareholders' Mandate have not changed since the 2017 AGM; and
- (b) the methods or procedures referred to in sub-paragraph (a) above are sufficient to ensure that the transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

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## LETTER TO SHAREHOLDERS

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If, during the periodic reviews by the Audit Committee, the Audit Committee is of the view that the established review procedures are inadequate or inappropriate to ensure that the Mandated Transactions will be on normal commercial terms, and will not be prejudicial to the interests of the Company and its minority Shareholders, or in the event of any amendment to Chapter 9 of the Listing Manual, it will, in consultation with the Board, take such action as it deems proper in respect of such procedures and/or modify or implement such procedures as may be necessary and direct the Company to revert to Shareholders for a fresh mandate based on new guidelines and procedures for transactions with the DeClout IPT Group.

### 3. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, the interests of Directors and Substantial Shareholders in Shares, based on the register of Directors' interests in Shares and register of Substantial Shareholders' interests in Shares respectively, are as follows:

Directors	Direct Interest		Deemed Interest <sup>(2)</sup>	
	Number of Shares	% <sup>(1)</sup>	Number of Shares	% <sup>(1)</sup>
Thomas Sean Murphy <sup>(3)</sup>	1,653,400	0.59	33,995,000	12.03
Edward John Flacbarth <sup>(4)</sup>	724,000	0.26	33,995,000	12.03
Lim Swee Yong	110,100	0.04	–	–
Ho Chew Thim	241,000	0.09	–	–
Ng Loh Ken Peter	137,600	0.05	–	–
Wong Quee Quee, Jeffrey	123,800	0.04	–	–
<b>Substantial Shareholders (other than Directors)</b>				
DeClout Limited	132,319,978	46.83	–	–
Irrucorp Pte. Ltd.	33,995,000	12.03	–	–

**Notes:**

- (1) Based on the issued share capital of the Company of 282,569,100 Shares as at the Latest Practicable Date.
- (2) Deemed interests refer to interests determined pursuant to Section 4 of the SFA.
- (3) Mr. Thomas Sean Murphy is deemed interested in the Shares held by Irrucorp Pte. Ltd. by virtue of his shareholding in Irrucorp Pte. Ltd..
- (4) Mr. Edward John Flacbarth is deemed interested in the Shares held by Irrucorp Pte. Ltd. by virtue of his shareholding in Irrucorp Pte. Ltd..

### 4. NON-INTERESTED DIRECTORS' RECOMMENDATIONS

The Directors who are considered independent for the purpose of the proposed renewal of the Shareholders' Mandate are Mr. Thomas Sean Murphy, Mr. Edward John Flacbarth, Mr. Ng Loh Ken Peter and Mr. Wong Quee Quee, Jeffrey (the "**Non-Interested Directors**"). The Non-Interested Directors are of the opinion that the entry into Interested Person Transactions between the Group and the DeClout IPT Group in the ordinary course of business will enhance the efficiency of the Group and is in the best interests of the Company. For the reasons set out in the section entitled "*Rationale for and Benefits of the Shareholders' Mandate*" of Annex A to this Appendix, the Non-Interested Directors recommend that Shareholders vote in favour of Ordinary Resolution No. 8, being the Ordinary Resolution relating to the proposed renewal of the Shareholders' Mandate.

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## LETTER TO SHAREHOLDERS

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### 5. ABSTENTION FROM VOTING

In accordance with the requirements of Chapter 9 of the Listing Manual, DeClout (being a Mandated Interested Person) will abstain, and has undertaken to ensure that its Associates will abstain, from voting on Ordinary Resolution No. 8, being the Ordinary Resolution relating to the proposed renewal of the Shareholders' Mandate, in respect of the Shares, if any, held by them respectively. In addition, DeClout will, and has undertaken to ensure that its Associates will, decline to accept appointment as proxy for any Shareholder (being one who is not subject to the foregoing voting restrictions) to vote in respect of Ordinary Resolution No. 8 at the 2018 AGM unless the Shareholder concerned has given specific instructions in his Proxy Form as to the manner in which his vote is to be cast in respect of Ordinary Resolution No. 8 at the 2018 AGM.

### 6. ACTIONS TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the 2018 AGM and wish to appoint a proxy to attend and vote at the 2018 AGM on their behalf, should complete, sign and return the Proxy Form attached to the Notice of AGM in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the office of the Company's Share Registrar, Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.) at 80 Robinson Road, #11-02, Singapore 068898, not less than 72 hours before the time fixed for the 2018 AGM. The completion and return of the Proxy Form by a Shareholder will not prevent him from attending and voting at the 2018 AGM, if he wishes to do so, in place of his proxy.

A Depositor shall not be entitled to attend the 2018 AGM and to speak and vote thereat unless he is shown to have Shares entered against his name in the Depository Register at least 72 hours before the time fixed for the 2018 AGM as certified by CDP to the Company.

### 7. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the proposed renewal of the Shareholders' Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading.

Where information in this Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Appendix in its proper form and context.

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## LETTER TO SHAREHOLDERS

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### 8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection by Shareholders at the registered office of the Company at 29 Tai Seng Avenue, #02-01 Natural Cool Lifestyle Hub, Singapore 534119 during normal business hours from the date of this Appendix up to and including the date of the 2018 AGM:

- (a) the Constitution of the Company; and
- (b) the Annual Report of the Company for FY2017.

Yours faithfully

For and on behalf of the Board of Directors of  
**PROCURRI CORPORATION LIMITED**

Thomas Sean Murphy  
Executive Chairman and Global Chief Executive Officer

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## ANNEX A – THE SHAREHOLDERS’ MANDATE

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### Chapter 9 of the Listing Manual

Chapter 9 of the Listing Manual allows a listed company to obtain a mandate from its shareholders for recurrent interested person transactions which are of a revenue or trading nature or for those necessary for its day-to-day operations. These transactions may not include the purchase or sale of assets, undertakings or businesses which are not part of the Company’s day-to-day operations. Transactions between the Group and any Interested Person will constitute an Interested Person Transaction, which is subject to Chapter 9 of the Listing Manual.

The Company anticipates that the Group would in the ordinary course of business, continue to enter into certain transactions with Interested Persons, including but not limited to those categories of transactions described below. It is likely that such transactions will occur with some degree of frequency and may arise at any time. In view of the time-sensitive and/or recurrent nature of commercial transactions, it would be advantageous for the Company to obtain a Shareholders’ mandate to enter into certain Interested Person Transactions in its normal course of business, provided that all such Interested Person Transactions are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders. A Shareholders’ mandate to enter into certain Interested Person Transactions is subject to annual renewal.

### Classes of Mandated Interested Persons

The Shareholders’ Mandate will apply to the Group’s transactions with the DeClout IPT Group (the “**Mandated Interested Persons**” and each a “**Mandated Interested Person**”, all being “interested persons” as defined in the Listing Manual). For the avoidance of doubt, such Mandated Interested Persons would include such persons who may, during such period while such Shareholders’ Mandate is effective, become Mandated Interested Persons where previously they were not so.

Transactions with Mandated Interested Persons which do not fall within the ambit of the Shareholders’ Mandate shall be subject to the relevant provisions of Chapter 9 of the Listing Manual.

### Mandated Transactions under the General Mandate

The transactions with the Mandated Interested Persons which will be covered by the Shareholders’ Mandate (the “**Mandated Transactions**”) relate to the provision to, or the obtaining from, Mandated Interested Persons of recurrent transactions (such as the purchase and sale of products and services in the normal course of the Company’s business) of a revenue or trading nature or which are necessary for the Company’s day-to-day operations (but not in respect of the purchase or sale of assets, undertakings or businesses which are not part of the Company’s day-to-day operations) comprising the following:

- (a) purchases of IT hardware and equipment and Lifecycle Services from the DeClout IPT Group;
- (b) provision of IT hardware and equipment and Lifecycle Services to the DeClout IPT Group;
- (c) provision of Shared Services by the DeClout IPT Group to the Group; and
- (d) back-end IT Support Services from the DeClout IPT Group.

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## ANNEX A – THE SHAREHOLDERS’ MANDATE

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Transactions with other interested persons (other than the classes of Mandated Interested Persons) that do not fall within the ambit of the Shareholders’ Mandate will be subject to the relevant provision of Chapter 9 of the Listing Manual and/or applicable provisions of the Listing Manual and/or any applicable law. Transactions conducted under the Shareholders’ Mandate are not subject to Rule 905 and 906 of Chapter 9 of the Listing Manual pertaining to threshold and aggregation requirements.

### **Rationale for and Benefits of the Shareholders’ Mandate**

The Shareholders’ Mandate and its subsequent renewal on an annual basis would eliminate the need to convene separate general meetings from time to time to seek Shareholders’ approval as and when potential interested person transactions with a specific class of Mandated Interested Persons arise, thereby reducing substantially administrative time and expenses in convening such meetings, without compromising the corporate objectives and adversely affecting the business opportunities available to the Company.

The Shareholders’ Mandate is intended to facilitate transactions in the normal course of the Company’s business which are entered into from time to time with the specified classes of Mandated Interested Persons, provided that they are carried out on normal commercial terms and are not prejudicial to the Company and its minority Shareholders.

### **Review Procedures for the Mandated Transactions with Mandated Interested Persons**

The Company has established procedures to ensure that the Mandated Transactions with the Mandated Interested Persons are undertaken on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

(a) Purchases of IT Hardware and Equipment and Lifecycle Services from the DeClout IPT Group

All contracts entered into or transactions with Mandated Interested Persons are to be carried out by obtaining quotations (wherever possible or available) from at least two (2) other unrelated third party suppliers for similar quantities and/or quality of services or products, prior to the entry into of the contract or transaction with the Mandated Interested Person, as a basis for comparison to determine whether the price and terms offered by the Mandated Interested Person are fair and reasonable and comparable to those offered by other unrelated third parties for the same or substantially similar type of services or products. In determining whether the price and terms offered by the Mandated Interested Person are fair and reasonable, factors such as, but not limited to, availability of IT hardware and equipment and Lifecycle Services in the open market, delivery schedules, specification compliance, track record, experience and expertise, and where applicable, preferential rates, rebates or discounts accorded for bulk purchases, will also be taken into account.

In the event that such competitive quotations from unrelated third party suppliers cannot be obtained (for instance, if there are no unrelated third party vendors of similar products or services, or if the product is a proprietary item), the Company will obtain two (2) quotations (wherever possible or available) from DeClout for similar quantities and/or quality of services or products provided by DeClout to their unrelated third party customers, prior to the entry into the contract or transaction with the Mandated Interested Person, as a basis for comparison to determine whether the price and terms offered by the Mandated Interested Person are fair and reasonable and comparable to those offered by DeClout to other unrelated third party customers for the same or substantially similar type of services or

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## ANNEX A – THE SHAREHOLDERS’ MANDATE

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products. In determining whether the price and terms offered by the Mandated Interested Person are fair and reasonable, factors such as, but not limited to, availability of IT hardware and equipment and Lifecycle Services in the open market, delivery schedules, specification compliance, track record, experience and expertise, and where applicable, preferential rates, rebates or discounts accorded for bulk purchases, will also be taken into account.

In the event that such quotations from DeClout’s unrelated third party customers cannot be obtained (for instance, if there are no unrelated third party customer of DeClout of similar products or services, or if the product is a proprietary item), the regional head of sales of the relevant Group Company (who must have no interest, direct or indirect in the transaction) will determine whether the price and terms offered by the Mandated Interested Person are fair and reasonable in accordance with the Group’s usual business practices and pricing policies or industry norms, and taking into account factors such as, but not limited to, the availability of IT hardware and equipment and Lifecycle Services in the open market, delivery schedules, specification compliance, track record, experience and expertise, and where applicable, preferential rates, rebates or discounts accorded for bulk purchases.

Any transaction exceeding an amount of S\$100,000 must be approved by the CFO (who must have no interest, direct or indirect in the transaction), and transactions exceeding an amount of S\$500,000 must be approved by the Audit Committee (whose members must have no interest, direct or indirect in the transaction) prior to entry into the transaction.

(b) Provision of IT Hardware and Equipment and Lifecycle Services to the DeClout IPT Group

All contracts entered into or transactions with Mandated Interested Persons are to be carried out at the prevailing market rates or prices of third-party service or product providers for similar transactions, on terms which are no more favourable to the Mandated Interested Person than the usual commercial terms extended to unrelated third parties (including, where applicable, preferential rates/prices/discounts accorded to corporate customers or for bulk purchases) or otherwise in accordance with applicable industry norms. The Company will make comparisons with at least two (2) other contracts or invoices issued to unrelated third parties for the same or substantially similar types of transactions.

Where the prevailing market rates or prices are not available due to the nature of service to be provided or the product to be sold, the regional head of sales of the relevant Group Company (who must have no interest, direct or indirect in the transaction) will determine whether the Group’s pricing for such services to be provided or products to be sold to the Mandated Interested Person are fair and reasonable in accordance with the Group’s usual business practices and pricing policies or industry norms, and taking into account factors such as, but not limited to, the availability of IT hardware and equipment and Lifecycle Services in the open market, delivery schedules, specification compliance, track record, experience and expertise, and where applicable, preferential rates, rebates or discounts accorded for bulk purchases.

Any transaction exceeding an amount of S\$100,000 must be approved by the CFO (who must have no interest, direct or indirect in the transaction), and transactions exceeding an amount of S\$500,000 must be approved by the Audit Committee (whose members must have no interest, direct or indirect in the transaction) prior to entry into the transaction.



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(c) Provision of Shared Services by the DeClout IPT Group to the Group

In connection with the provision of the Shared Services by the DeClout IPT Group to the Group, the DeClout IPT Group and the Group have entered into a shared services agreement (the “**Shared Services Agreement**”). Under the terms of the Shared Services Agreement, the Group shall pay to the DeClout IPT Group fees for the Shared Services to be determined based on a cost recovery basis, taking into account all personnel-related costs of personnel assigned to perform the Shared Services comprising remuneration and its attendant costs such as CPF contributions and insurance.

The CFO or a senior finance staff in the Group (both of whom must have no interest, direct or indirect in the transaction) shall review DeClout’s time costs of DeClout’s personnel providing such Shared Services on a quarterly basis to determine whether the personnel related costs charged by the Mandated Interested Person are fair and reasonable.

(d) Back-end IT Support Services from the DeClout IPT Group

The Group will make comparisons against the quotations obtained from at least two (2) other comparative offers from unrelated third parties that are reasonably contemporaneous in time, to ensure that the cost of procuring similar back-end IT Support Services is no less favourable to the cost of procuring the back-end IT Support Services from the DeClout IPT Group. Comparisons will be made taking into consideration, amongst other things, the price, standard of services, convenience of procurement, experience and expertise.

In the event that such competitive quotations from unrelated third party service providers cannot be obtained (for instance, if there are no unrelated third party suppliers of similar services), the Company will obtain two (2) quotations (wherever possible or available) from the relevant DeClout IPT Group Company for similar quantities and/or quality of services provided by the relevant DeClout IPT Group Company to its unrelated third party customers, prior to the entry into the contract or transaction with the Mandated Interested Person, as a basis for comparison to determine whether the price and terms offered by the Mandated Interested Person are fair and reasonable and comparable to those offered by the relevant DeClout IPT Group Company to other unrelated third party customers for the same or substantially similar type of services. In determining whether the price and terms offered by the Mandated Interested Person are fair and reasonable, factors such as, but not limited to, availability of the back-end IT Support Services in the open market, specification compliance, track record, experience and expertise, and where applicable, preferential rates, rebates or loyalty discounts, will also be taken into account.

In the event that such quotations from the relevant DeClout IPT Group Company’s unrelated third party customers cannot be obtained (for instance, if there are no unrelated third party customer of the relevant DeClout IPT Group Company of similar services), the Global CEO (who must have no interest, direct or indirect in the transaction) will determine whether the pricing for such services to be procured from the Mandated Interested Person is fair and reasonable in accordance with the Group’s usual business practices and pricing policies or industry norms, and taking into account factors such as, but not limited to, the availability of such back-end IT support services in the open market, specification compliance, track record, experience and expertise. In the event that the Global CEO has an interest in the transaction, the Global President (who must have no interest, direct or indirect in the transaction) will be responsible for such determination.

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Any transaction exceeding an amount of S\$100,000 must be approved by the CFO (who must have no interest, direct or indirect in the transaction), and transactions exceeding an amount of S\$500,000 must be approved by the Audit Committee (whose members must have no interest, direct or indirect in the transaction) prior to entry into the transaction.

### Approval Threshold

In addition to the review procedures, the following thresholds will apply to the Mandated Transactions:

- (a) where the aggregate value of the Mandated Transactions is of an amount of more than 5.0% and less than 10.0% of the latest audited consolidated NTA of the Company, any Mandated Transaction thereafter which is equal to or less than S\$20,000 in value will be reviewed and approved by the CFO and any Mandated Transaction thereafter which exceeds S\$20,000 in value will be reviewed and approved by the Global CEO; and
- (b) where the aggregate value of the Mandated Transactions is of an amount of more than 10.0% of the latest audited consolidated NTA of the Company, any Mandated Transaction thereafter which is equal to or less than S\$50,000 in value will be reviewed and approved by the Global CEO and any Mandated Transaction thereafter which exceeds S\$50,000 in value will be reviewed and approved by the Audit Committee.

For the avoidance of doubt, transactions below S\$100,000 will be included for the purposes of the aforementioned thresholds.

The above approval thresholds are adopted after taking into account, amongst other things, the nature, volume, recurrent frequency and transaction size as well as the Group’s day-to-day operations, administration and businesses. The approval thresholds act as an additional safeguard to supplement the review procedures to be implemented for the Mandated Transactions. Any of the persons referred to above may, as he deems fit, request for additional information pertaining to the transaction from independent sources or advisers.

If any of the persons referred to above:

- (a) is an interested person in respect of that particular Mandated Transaction to be reviewed;
- (b) has an interest, whether direct or indirect, in relation to that particular Mandated Transaction; and/or
- (c) is otherwise not considered independent in relation to that particular Mandated Transaction, he will, and will undertake to ensure that his Associates will, abstain from any decision-making in respect of that particular Mandated Transaction.

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### Other Review Procedures

The Group has implemented the following procedures for the identification of Interested Person Transactions (including the Mandated Transactions) and Interested Persons (including the Mandated Interested Persons) and the recording of all Interested Person Transactions:

- (a) the Company will maintain a list of Interested Persons (which will be reviewed by a senior finance staff of the Company on a quarterly basis and updated as necessary) and will disclose the list to the relevant staff of the Group to enable the identification of the Interested Persons on a quarterly basis or as and when there are updates;
- (b) the CFO and/or a senior finance officer of the Company (both of whom must have no interest, direct or indirect in the transaction) (the “**IPT Committee**”) will maintain two (2) registers of all transactions (including all transactions below S\$100,000) carried out with Interested Persons including the Mandated Interested Persons (recording the basis and the quotations, if any, obtained to support such basis on which these transactions are entered into, whether mandated or non-mandated). One (1) register shall be maintained to record Mandated Transactions and the other register shall be maintained to record Interested Person Transactions which are not classified as Mandated Transactions. The registers shall be submitted to the Audit Committee for review on a quarterly basis. Any discrepancies or significant variances (as determined by the Audit Committee) from the Group’s usual business practices and pricing will be highlighted to the Audit Committee; and
- (c) the Company’s annual internal controls plan shall incorporate a review of all Interested Person Transactions (including Mandated Transactions), including the established review procedures for the monitoring of all such transactions.

If during any of the reviews by the Audit Committee, the Audit Committee is of the view that the guidelines and review procedures for Mandated Transactions have become inappropriate or insufficient in the event of changes to the nature of, or manner in which, the business activities of the Group or the Mandated Interested Persons are conducted, the Company will seek a fresh general mandate from Shareholders based on new guidelines and review procedures so that Mandated Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

The Audit Committee has the overall responsibility for determining the review procedures, with the authority to delegate to individuals within the Company as it deems appropriate. The Audit Committee will conduct periodic reviews (of not more than quarterly intervals) of the review procedures for the interested person transactions. If, during these periodic reviews, the Audit Committee is of the view that these review procedures are no longer appropriate to ensure that the Interested Person Transactions are transacted on normal commercial terms and will not be prejudicial to the interest of the Company and/or its minority Shareholders, the Company will seek a fresh mandate from Shareholders based on new review procedures for Interested Person Transactions.

In the event that any member of the Audit Committee has an interest in a transaction, he shall, and shall undertake to ensure that his Associates shall, abstain from participating in the review and approval process in relation to that transaction.

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## ANNEX A – THE SHAREHOLDERS’ MANDATE

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### **Validity Period of the Shareholders’ Mandate**

If renewed by Shareholders at the 2018 AGM, the Shareholders’ Mandate will take effect from the passing of the Ordinary Resolution relating to the proposed renewal of the Shareholders’ Mandate at the 2018 AGM, and will (unless revoked or varied by the Company in a general meeting) continue in force until the next AGM or the date by which the next AGM is required by law to be held, whichever is earlier, at which point in time, the Company will seek Shareholders’ approval for a renewal of the Shareholders’ Mandate, subject to satisfactory review by the Audit Committee of its continued application to the transactions with the Mandated Interested Persons.

### **Disclosure in Annual Report**

The Company will announce the aggregate value of transactions conducted with Mandated Interested Persons pursuant to the Shareholders’ Mandate for the quarterly financial periods which the Company is required to report on pursuant to the Listing Manual and within the time required for the announcement of such report, in accordance with the requirements of Chapter 7 of the Listing Manual.

Disclosure will be made in the Company’s annual report of the aggregate value of transactions conducted with Mandated Interested Persons pursuant to the Shareholders’ Mandate during the financial year, and in the annual reports for subsequent financial years that the Shareholders’ Mandate continues in force, in accordance with the requirements of Chapter 9 of the Listing Manual.

The Board will also ensure that all disclosures, approvals and other requirements on the Mandated Transactions, including those required by prevailing legislation, the Listing Manual and relevant accounting standards, are complied with.