

# Governance Report

The board of directors (the “**Board**”) of Procurri Corporation Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) recognises the importance of corporate governance and is committed to ensuring that a high standard of corporate governance is practised within the Group.

The Group adopts practices based on the Code of Corporate Governance 2018 (the “**Code**”) issued on 6 August 2018. This report shall reference the principles and provisions laid down in the Code and accompanying Practice Guidance issued on 6 August 2018 and updated as of 7 February 2020, which forms part of the continuing obligations of the Mainboard Listing Rules of Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). The Company has complied with the Code, except where otherwise explained. In areas where the Group has not complied with the Code, the Group will continue to assess its needs and implement appropriate measures accordingly.

## (A) BOARD MATTERS

### THE BOARD’S CONDUCT OF ITS 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.**

- 1.1 The Board’s principal duties include:
- (a) deciding on matters in relation to the Group’s activities which are of a significant nature, including the approval of major investments and divestments;
  - (b) overseeing the business and affairs of the Company, establish, with Management, the strategies and financial objectives to be implemented by Management, and monitor the performance of Management;
  - (c) identifying the key stakeholder groups and recognise that their perceptions affect the Company’s reputation;
  - (d) overseeing processes for evaluating the adequacy of internal controls, risk management, financial reporting and compliance, and satisfy itself as to the adequacy of such processes;
  - (e) assuming responsibility for corporate governance;
  - (f) setting the Company’s values and standards (including ethical standards);
  - (g) considering sustainability policies and issues as part of its strategic formulation; and
  - (h) approving the appointment of the CEO, directors, and succession planning process.
- 1.2 All directors recognise that they have to discharge their duties and responsibilities at all times as fiduciaries in the interests of the Company. Each director is required to promptly disclose any conflict or potential conflict of interest, whether direct or indirect, in relation to a transaction or proposed transaction with the Group as soon as is practicable after the relevant facts have come to his knowledge. On annual basis, each director is also required to submit details of his associates for the purpose of monitoring interested persons transactions. Where a director has a conflict or potential conflict of interest in relation to any matter, he should immediately declare his interest and abstain when the conflict-related matter is discussed, unless the Board is of the opinion that his presence and participation is necessary to enhance the efficacy of such discussion. Nonetheless, he is to abstain from voting in relation to the conflict-related matters. <Provision 1.1>
- 1.3 The Board decides on matters requiring its approval and communicates its decision to Management in writing. To assist the Board in the execution of its responsibilities, the Board has constituted various Board committees, namely the Audit Committee, the Nominating Committee and the Remuneration Committee. The role and function of each Board Committee is described in subsequent sections in this report. Clear written terms of reference (TOR) set out the duties, authority, and accountabilities of each committee as well as qualifications for committee membership. The TORs are reviewed on a regular basis, along with committee structures and membership to ensure their continued relevance. While these Board Committees are delegated with certain responsibilities, the ultimate responsibility and decision lies with the Board. Please refer to the various Principles in this Corporate Governance Report for further information on the activities of the respective Board Committees. <Provision 1.4>
- 1.4 The Board conducts regularly scheduled meetings on a quarterly basis. Ad-hoc meetings are convened as and when circumstances require. The Constitution of the Company (the “**Constitution**”) permits directors to attend meetings by telephony or video conference. <Provision 1.5>

In addition, the Directors are in frequent contact with one another outside the Board and hold constant informal discussions amongst themselves.

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The number of Board and Board Committee meetings, and the record of attendance of each director for FY2023 are set out below:

Name	Board		Remuneration Committee ("RC")		Nominating Committee ("NC")		Audit Committee ("AC")	
	No. of meetings		No. of meetings		No. of meetings		No. of meetings	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Mr Fumitoshi Imaizumi <sup>(1)</sup>	5	1	1	–	1	–	6	1*
Mr Shigeki Hayashi <sup>(2)</sup>	5	1	1	–	1	–	6	1
Mr Mathew George Jordan <sup>(3)</sup>	5	3	1	–	1	–	6	4*
Mr Wong Kok Khun <sup>(4)</sup>	5	4	1	1*	1	1	6	4*
Mr Lwi Tong Boon, Steven	5	5	1	1	1	1*	6	6
Mr Ng Loh Ken Peter	5	5	1	1*	1	1	6	6
Mr Wong Quee Quee, Jeffrey	5	5	1	1	1	1	6	5
Dr. Lim Puay Koon	5	5	1	1	1	1	6	5
Mr Lim Swee Yong <sup>(5)</sup>	5	4	1	1	1	1	6	5

#### Notes:

The number of meetings held as shown above refer to the number of meetings held during the financial year applicable to the respective directors.

\* Attended as invitees.

(1) Mr Fumitoshi Imaizumi was appointed as Non-Independent Non-Executive Chairman of the Company, and as a member of the Nominating Committee on 30 November 2023.

(2) Mr Shigeki Hayashi was appointed as Non-Independent Non-Executive Director of the Company, and as a member of Audit Committee on 30 November 2023.

(3) Mr Mathew George Jordan was appointed as Chief Executive Officer and Executive Director on 1 May 2023.

(4) Mr Wong Kok Khun ceased as Executive Chairman and Director of the Company, and as a member of the Nominating Committee on 30 November 2023.

(5) Mr Lim Swee Yong ceased as Non-Independent Non-Executive Director of the Company, and ceased as member of Audit and Nominating Committees on 30 November 2023.

- 1.5 The Board is provided with adequate information prior to Board meetings and on an on-going basis. The Company circulates copies of the minutes of the meetings of all Board Committees and the Board to all members of the Board to keep them informed of on-going developments within the Group. The Board also has separate and independent access to Management. <Provision 1.6>
- 1.6 Information provided to the Board include financial management reports, reports on performance of the Group against the budget, papers pertaining to matters requiring the Board's decision, and updates on key outstanding issues, strategic plans and developments in the Group. <Provision 1.6>
- 1.7 The directors have separate and independent access to the Company Secretary. The Company Secretary and/or their representatives attend all scheduled Board and Board Committee meetings. The Company Secretary administers and prepares minutes of Board and Board Committee meetings and assists the Chairman in ensuring that Board procedures are adhered to in compliance with applicable statutory and regulatory rules and regulations. <Provision 1.7>
- 1.8 The appointment and removal of the Company Secretary is subject to approval of the Board. <Provision 1.7>
- 1.9 Where decisions to be taken require expert opinion or specialised knowledge, the directors, whether as a group or individually, may seek independent professional advice as and when necessary in furtherance of their duties at the Company's expense. <Provision 1.7>
- 1.10 The Board has adopted a set of guidelines on matters that require its approval. Matters which are specifically reserved for the Board's approval include those involving business plans and budgets, material acquisitions and disposals of assets, corporate or financial restructuring, share issuances, dividends and other returns to shareholders, and Management acts only upon written direction and instruction from the Board for such matters. <Provision 1.3>

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- 1.11 An induction program is conducted for all new directors appointed to the Board which aims to familiarise the directors with the Group's businesses, board processes, internal controls and governance practices. The Company also provides the opportunity for the directors to attend seminars and trainings to enable them to keep pace with regulatory changes, particularly where changes to regulations and accounting standards have a material bearing on the Company and to enable them to discharge their duties. The Company is responsible for arranging and funding the training of directors as prescribed by Listing Rule 210(5)(a) (including a director who has no prior experience as a director of an issuer listed on the SGX-ST). <Provision 1.2>
- 1.12 Each Board Committee is constituted with clear terms of reference to assist the Board and the Board Committees in discharging their respective functions and responsibilities. The terms of reference are provided to each newly appointed director.

## 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.**

- 2.1 Mr. Fumitoshi Imaizumi was appointed as Non-Independent Non-Executive Chairman of the Board of the Company in Mr Wong Kok Khun's stead on 30 November 2023. The Board is required by the Code to have more than half of the Board made up of independent directors, where the Chairman is not independent. The Board currently comprises seven directors, three of whom are independent, non-executive directors, two of whom are non-independent, non-executive directors, the Executive Director and Chief Executive Officer and the Non-Independent Non-Executive Chairman.

The independent directors currently make up less than half of the Board. The Board deems the current independent directors competent as they are respected individuals from different backgrounds whose core competencies, qualifications, skills and experiences are extensive and complementary to the Company. In addition to the above, the Executive Director makes up a minority on the Board while the non-executive directors form the majority. The non-executive directors, who make up a majority of the Board, always constructively challenge and help develop proposals on strategy and review the Management's performance in meeting agreed goals and objectives and monitor the reporting of the Management's performance.

As there is a strong, independent and non-executive element on the Board and given the size of the Board, the Board is of the view that it is not necessary or cost-effective to have independent directors to make up a majority of the Board. <Provision 2.2>

- 2.2 The Board is able to exercise objective judgment independently from Management and no individual or small group of individuals dominate the decisions of the Board. Each independent director is required to complete a confirmation form annually to confirm his independence. <Provision 2.1>

- 2.3 The Board currently comprises: <Provision 2.3>

Mr Fumitoshi Imaizumi	(Non-Independent Non-Executive Chairman)
Mr Ng Loh Ken Peter	(Lead Independent Director)
Mr Wong Quee Quee, Jeffrey	(Independent Director)
Dr. Lim Puay Koon	(Independent Director)
Mr Lwi Tong Boon, Steven	(Non-Independent, Non-Executive Director)
Mr Shigeki Hayashi	(Non-Independent, Non-Executive Director)
Mr Mathew George Jordan	(Executive Director and Chief Executive Officer)

After taking into account the views of the Nominating Committee (NC) and Mainboard Listing Rule 210(5)(d), the Board is satisfied that each independent director is independent in character and judgement and that there are no relationships or circumstances which are likely to affect, or could affect, the director's judgement. <Provision 2.1>

- 2.4 The Board confirms that no independent director has served on the Board beyond nine years from the date of his first appointment. <Provision 2.1>
- 2.5 The Board is of the view that, given the scope and nature of the Group's operations, the current size of the Board is appropriate for effective decision making, taking into account the nature and scope of the Company's operations.
- 2.6 The Board is of the opinion that the current Board comprises persons who, as a group, have core competencies, such as finance, accounting, legal, business and industry knowledge, necessary to lead and govern the Company. The profiles of each of the directors are set out in the Board of Directors section in this Annual Report.

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2.7 The Company recognises and embraces Board diversity as an essential element in the achievement of business objectives and sustainable development. However, diversity is not merely limited to gender or any other personal attributes. The benefits of Board diversity are harnessed when the directors adopt an independent mindset when carrying out their responsibilities. In order to leverage on diverse perspectives, the Board strives to cultivate an inclusive environment where all directors are able to speak and participate in decision making. Each director has been appointed on the strength of his calibre, experience and stature and is expected to bring a valuable range of experiences and expertise to contribute to the development of the Group's strategies and the performance of its business.

In reviewing the composition of the Board, the NC considers the benefits of Board diversity from a number of aspects, including but not limited to gender, age, educational background, professional experience, skills and knowledge. All Board appointments are based on merit, and candidates are considered against objective criteria, having due regard for the benefits of diversity on the Board. The ultimate decision for new Board appointments will be based on merit and contribution that the selected candidates are expected to bring to the Board. Notwithstanding that the Board recognises the benefits of diversity and takes the same into consideration, the Board does not set any target on diversity as it does not engage in reverse discrimination. <Provision 2.4>

2.8 The independent directors, led by the Lead Independent Director, have meetings amongst themselves without the presence of the Management to discuss and evaluate the performance of the Management. As appropriate, the feedback and views expressed by the independent directors is communicated by the Lead Independent Director to the Non-Independent Non-Executive Chairman after the meetings. <Provision 2.5>

## CHAIRMAN AND CHIEF EXECUTIVE OFFICER ("CEO")

**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.**

3.1 The Chairman and the CEO are not related. Their roles are kept separate to ensure clear division of responsibilities, greater accountability and increased capacity for independent decision-making. The Non-Independent Non-Executive Chairman's role in the Company is assumed by Mr Fumitoshi Imaizumi while the CEO role in the Company is assumed by Mr Mathew George Jordan. The Board is of the view that the accountability and independence of the Board as a whole has not been compromised despite the Chairman being a non-independent director, taking into consideration that a majority of the Board is comprised of non-executive directors and independent directors who have demonstrated their commitment in their roles. The Board believes there is sufficient element of independence and adequate safeguards against a concentration of power in one single person. <Provision 3.1>

3.2 The Chairman is responsible to, among others: <Provision 3.2>

- (a) lead the Board to ensure its effectiveness on all aspects of its role;
- (b) set the agenda and ensure that adequate time is available for discussion of all agenda items, in particular strategic issues;
- (c) promote a culture of openness and debate within the Board;
- (d) ensure that the directors receive complete, adequate and timely information;
- (e) ensure effective communication with shareholders;
- (f) encourage constructive relations within the Board and between the Board and Management;
- (g) facilitate the effective contribution of non-executive directors in particular; and
- (h) promote high standards of corporate governance.

3.3 The Board has appointed Mr Ng Loh Ken Peter as the Lead Independent Director. The Lead Independent Director is directly available to shareholders (email at nglohken@gmail.com) where they have concerns for which contact through the normal channels of the Non-Independent Non-Executive Chairman, or the Chief Financial Officer (the "CFO") has failed to resolve such concerns or for which such contact is not appropriate. <Provision 3.3>

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## 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.**

4.1 The NC comprises:

Mr Wong Quee Quee, Jeffrey	(Chairman and Independent Director)
Mr Ng Loh Ken Peter	(Member and Lead Independent Director)
Dr. Lim Puay Koon	(Member and Independent Director)
Mr Fumitoshi Imaizumi	(Member and Non-Independent Non-Executive Chairman)

The majority of the NC, including the NC Chairman, are independent. The lead independent director is one of the members of the NC. <Provision 4.2>

4.2 The NC is responsible for the following under its terms of reference: <Provision 4.1>

- (a) reviewing and recommending the nomination or re-nomination of the directors, having regard to the director's contribution and performance;
- (b) reviewing the composition of the Board, having regard to the future requirements of the 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 the Group;
- (c) developing a process for evaluation of the performance of the Board, its committees and the 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 programs for the Board.

The evaluation of appointment and re-appointment of a director takes into consideration, among others, the composition and progressive renewal of the Board and each director's competencies, commitment, contribution and performance. <Provision 4.3>

All directors shall submit themselves for re-nomination and re-appointment at regular intervals of at least once every three years in accordance with Rule 720(5) of the SGX Listing Rules. Pursuant to Regulation 117 of the Constitution, at each AGM, one-third of the directors for the time being, or if their number is not a multiple of three, the number nearest to but not less than one-third with a minimum of one, shall retire from office and a director at an AGM shall retain office until the close of the meeting, whether adjourned or not. In addition, Regulation 122 of the Constitution also provides that a person so appointed by the directors shall hold office only until the next AGM and shall then be eligible for re-election but shall not be taken into account in determining the number of directors who are to retire by rotation at such meeting.

At the forthcoming AGM, Dr. Lim Puay Koon and Mr Wong Quee Quee, Jeffrey, will retire pursuant to Regulation 117, while Mr Fumitoshi Imaizumi, Mr Shigeki Hayashi and Mr Mathew George Jordan will retire pursuant to Regulation 122.

Dr. Lim Puay Koon and Mr Wong Quee Quee, Jeffrey, being eligible, have offered themselves for re-election. Mr Fumitoshi Imaizumi, Mr Shigeki Hayashi and Mr Mathew George Jordan, being eligible, have offered themselves for election. The information of Dr. Lim Puay Koon, Mr Wong Quee Quee, Jeffrey, Mr Fumitoshi Imaizumi, Mr Shigeki Hayashi and Mr Mathew George Jordan are set out in the Board of Directors section of this Annual Report and in Appendix 7.4.1 as per Listing Rule 720(6) found at paragraphs 4.7 and 4.8 of this section.

4.3 The NC's assessment of the independence of a director is guided by the Code and takes into account factors such as relationship with the Company, its related corporations, its substantial shareholders or its officers, and whether these relationships interfere with his business judgement. <Provision 4.4>

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- 4.4 The NC ensures that the new directors are aware of their duties and obligations. For re-nomination and re-appointment of directors, the NC takes into consideration the competing time commitments faced by directors and their ability to devote appropriate time and attention to the Company. Based on the directors' annual confirmation and their contributions to the Company, which are also evident in their level of attendance and participation at Board and Board Committee meetings, the NC and the Board are satisfied that all the directors were able to and have been adequately carrying out their duties as directors of the Company in FY2023. <Provision 4.5>
- 4.5 In its search and selection process for new directors, among others, the NC taps on the resources of the directors' contacts and recommendations of potential candidates and appraises the candidates to ensure that they possess relevant experience and have the calibre to contribute to the Group and its businesses, having regard to the attributes of the existing Board and the requirements of the Group.
- 4.6 The following sets forth the respective dates of appointment and the dates of last election, and (if applicable) cessation, as well as membership in the Board Committees, of each director:

Name of Directors and Board Membership	Date of First Appointment	Date of Last Election/ Re-Election	Date of Cessation	Audit Committee	Remuneration Committee	Nominating Committee
Fumitoshi Imaizumi <i>Non-Independent Non-Executive Chairman</i>	30 November 2023	–	–	–	–	Member
Ng Loh Ken Peter <i>Lead Independent Director</i>	27 June 2016	28 April 2023	–	Chairman	–	Member
Wong Quee Quee, Jeffrey <i>Independent Director</i>	27 June 2016	28 April 2023	–	Member	Member	Chairman
Lim Puay Koon <i>Independent Director</i>	1 April 2020	26 April 2022	–	Member	Chairman	Member
Lwi Tong Boon, Steven <i>Non-Independent Non-Executive Director</i>	15 June 2022	28 April 2023	–	Member	Member	–
Shigeki Hayashi <i>Non-Independent Non-Executive Director</i>	30 November 2023	–	–	Member	–	–
Mathew George Jordan <i>Executive Director and Chief Executive Officer</i>	1 May 2023	–	–	–	–	–
Wong Kok Khun <i>Executive Chairman</i>	15 June 2022	28 April 2023	30 November 2023	–	–	Member
Lim Swee Yong <i>Non-Independent Non-Executive Director</i>	9 November 2021	26 April 2022	30 November 2023	Member	–	Member

Please refer to the Board of Directors section in this Annual Report for the profile of each director's professional qualifications, principal commitments, and directorships both present and those held over the preceding three years in other listed companies.

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## Additional Information on Director Seeking Re-Election and Appointment

4.7 Pursuant to Rule 720(6) of the Listing Rules, the information relating to the director who is seeking re-election and appointment at the forthcoming AGM of the Company, as set out in Appendix 7.4.1 to the Listing Rules, is set out below:

	Re-Election	Re-Election
	Dr Lim Puay Koon	Wong Quee Quee, Jeffrey
Date of Appointment	1 April 2020	27 June 2016
Date of last re-appointment (if applicable)	26 April 2022	28 April 2023
Age	63	48
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board, having considered the recommendation of the NC, and assessed Dr Lim's qualifications and experience, is of the view that he has the requisite experience and capabilities to assume the duties and responsibilities as an Independent Director of the Company.	The Board, having considered the recommendation of the NC, and assessed Mr Wong's qualifications and experience, is of the view that he has the requisite experience and capabilities to assume the duties and responsibilities as an Independent Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Independent Non-Executive Director	Independent Non-Executive Director
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Chairman of RC, Member of AC and NC	Chairman of NC, Member of AC and RC
Working experience and occupation(s) during the past 10 years	2022 – 2024: Independent Non-Executive Director of Nova Tellus Alpha Acquisition Limited 2021 – 2023: Independent Non-Executive Director of Nera Telecommunications Limited 2019 – 2023: Director of Hercules Private Limited 2014 – 2019: CEO (North Asia) Dimension Data Asia Pacific Private Limited 2008 – 2014: Managing Director (ASEAN) Dimension Data Asia Pacific Private Limited	Jan 2023 – Present: Partner, Solitaire LLP Feb 2023 – April 2023: Senior Advisor to Soochow CSSD Capital Markets (Asia) Pte. Ltd. ("SCCM") Dec 2017 – Jan 2023: Chief Executive Officer of SCCM Jul 2010 – Nov 2017: Head of Investment Banking, Religare Capital Markets Corporate Finance Pte. Ltd.
Shareholding interest in Procurri Corporation Limited and its subsidiaries	Yes 95,100 Ordinary Shares	Yes 95,100 Ordinary Shares
Any relationship (including immediate family relationships) with any existing director, existing executive officer, Procurri Corporation Limited and/or substantial shareholder of Procurri Corporation Limited or of any of its principal subsidiaries	No	No
Conflict of interest (including any competing business)	No	No

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	Re-Election	Re-Election
	Dr Lim Puay Koon	Wong Quee Quee, Jeffrey
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to Procurri Corporation Limited	Yes	Yes
<b>Other Principal Commitments including Directorships</b>		
Past (for the last 5 years)	HupSteel Limited Hennfa Private Limited Dimension Data Korea Dimension Data Hong Kong Limited Dimension Data China Hong Kong Limited Dimension Data Macau Limited Dimension Data Taiwan Limited Hercules Private Limited Nera Telecommunications Limited Novo Tellus Alpha Acquisition	Honestbee Pte. Ltd. Solum Capital Limited The Cub SG Pte. Ltd. Sunstone Capital Markets Pte. Ltd. Rich Capital Holdings Limited Soochow CSSD Capital Markets (Asia) Pte. Ltd.
Present	Procurri Corporation Limited	GKE Corporation Limited Soochow CSSD Capital Markets (Asia) Pte. Ltd. Truth Assets Management (S) Pte. Ltd. Truth Wealth Management VCC GSS Energy Limited Katrina Group Ltd Soitaire LLP Hwa Chong Alumni Association Singapore Judo Federation MCST 3682 DHC Capital Pte. Ltd.
(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
(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	Yes  Mr Wong Quee Quee, Jeffrey was previously a non-executive board director of Honestbee Pte. Ltd. ("Honestbee") and resigned from such position with effect from 15 August 2019. Subsequent to his resignation, the Singapore court had, on 7 July 2020, issued an order for Honestbee to be wound up.

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		Re-Election	Re-Election
		Dr Lim Puay Koon	Wong Quee Quee, Jeffrey
(c)	Whether there is any unsatisfied judgment against him?	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
(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
(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
	If yes, please provide full details	N/A	N/A
(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

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		Re-Election	Re-Election
		Dr Lim Puay Koon	Wong Quee Quee, Jeffrey
(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
(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
(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
(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
(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

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	Re-Election	Re-Election
	Dr Lim Puay Koon	Wong Quee Quee, Jeffrey
(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	<p>Yes</p> <p>Mr Wong was previously a director of Soochow CSSD Capital Markets (Asia) Pte. Ltd. ("SCCM"). In February 2023, SCCM received a supervisory reminder from the Monetary Authority of Singapore ("Authority") to maintain its base capital at or above the minimum requirement required by the Authority.</p> <p>Mr Wong is an Independent Non-Executive Director of Procurri Corporation Limited ("Procurri"). On 4 August 2020, the Authority issued a reminder to Procurri to comply with Section 137G(1) of the Securities and Futures Act.</p> <p>Mr Wong Quee Quee, Jeffrey was an executive board director of Religare Capital Markets Corporate Finance Pte. Limited ("RCMCF") between December 2010 and November 2017. In July 2016, RCMCF received a supervisory reminder from the Authority informing RCMCF in respect of its breach of Regulation 6(1)(a) of the Securities and Futures (Financial and Margin Requirements for Holders of Capital Markets Services Licences) Regulations ("SF(FRM) R"), which required the holder of the capital markets services licence granted under the Securities and Futures Act to ensure that its financial resources do not fall below its total risk requirement. In July 2017, another breach of the SF(FRM)R by RCMCF was discovered. After his resignation as executive director of RCMCF in November 2017, he was informed by RCMCF that the Authority had, in February 2018, issued another supervisory reminder to remind RCMCF to ensure compliance with all applicable regulations at all times.</p>
in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No

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	Re-Election	Re-Election
	Dr Lim Puay Koon	Wong Quee Quee, Jeffrey
(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

## Additional Information on Directors Seeking Election and Appointment

4.8 Pursuant to Rule 720(6) of the Listing Rules, the information relating to the directors who are seeking election and appointment at the forthcoming AGM of the Company, as set out in Appendix 7.4.1 to the Listing Rules, is set out below:

	Election	Election	Election
	Mr Fumitoshi Imaizumi	Mr Shigeki Hayashi	Mr Mathew George Jordan
Date of Appointment	30 November 2023	30 November 2023	1 May 2023
Date of last re-appointment (if applicable)	N/A	N/A	N/A
Age	60	56	49
Country of principal residence	Singapore	Japan	United Kingdom
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board, having considered the recommendation of the Nominating Committee, and having assessed Mr Fumitoshi Imaizumi's qualifications and experience, is of the view that he has the requisite experience and capabilities to assume the duties and responsibilities as Non-Independent Non-Executive Chairman of the Company.	The Board, having considered the recommendation of the Nominating Committee, and having assessed Mr Shigeki Hayashi's qualifications and experience, is of the view that he has the requisite experience and capabilities to assume the duties and responsibilities as Non-Independent Non-Executive Director of the Company.	The Board, having considered the recommendation of the Nominating Committee, and assessed Mr Jordan's qualifications and experience, is of the view that he has the requisite experience and capabilities to assume the duties and responsibilities as Executive Director of the Company and Chief Executive Officer of the Group.
Whether appointment is executive, and if so, the area of responsibility	Non-Independent Non-Executive Chairman	Non-Independent Non-Executive Director	Executive Director and Chief Executive Officer
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Non-Independent Non-Executive Chairman and Member of NC	Non-Independent Non-Executive Director, Member of AC	Executive Director and Chief Executive Officer

# Governance Report

	Election	Election	Election
	Mr Fumitoshi Imaizumi	Mr Shigeki Hayashi	Mr Mathew George Jordan
Working experience and occupation(s) during the past 10 years	<p>Under EXEO Group, Inc and subsidiaries:</p> <p>June 2022 – Present: Director and Managing Operating Officer</p> <p>General Manager of Global Business Dept, ICT Solutions HQ</p> <p>June 2021 – June 2022: Managing Operating Officer, GM of Global Business Dept</p> <p>June 2019 – June 2021: Operating Officer, GM of Global Business Dept, ICT Solutions HQ</p> <p>April 2019 – June 2019: GM of Global Business Dept, ICT Solutions HQ</p> <p>December 2018 – Present: Managing Director and Chief Executive Officer, EXEO Global Pte Ltd</p> <p>July 2018 – December 2018: GM of Solution Promotion Dept and Deputy GM of Solutions Sales</p> <p>July 2017 – July 2018: Deputy GM of Solutions Sales Division and Deputy GM of Solutions Promotion Dept, ICT Solutions HQ Under NTT Communications Corporation:</p> <p>July 2014 – July 2017: Head of Data Centers, Cloud Services</p> <p>Under NTT MSC Sdn. Bhd.: March 2008 – July 2014: Chief Executive Officer</p>	<p>June 2023 – Present: EXEO Group, Inc, Director and Operating Officer, Chief Financial Officer</p> <p>June 2022 – June 2023: EXEO Group, Inc, Operating Officer, Chief Financial Officer</p> <p>June 2021 – June 2022: EXEO Group, Inc, Operational Manager</p> <p>July 2019 – July 2021: NTT Ltd, SVP, Corporate Planning and Strategy</p> <p>July 2016 – July 2019: NTT Communications (Japan), Vice President, Global Business</p> <p>July 2007 – July 2016: NTT Communications (Japan), Director, Global Business</p>	<p>2023 – Present: Global Head of Operations of Procurri Corporation Limited</p> <p>2021 – 2022: Head of Global Hardware Distribution of Procurri Corporation Limited</p> <p>2014 – 2021: Head of EMEA of Procurri Corporation Limited</p> <p>2013 – 2014: Sales Director of Tinglobal Ltd.</p>
Shareholding interest in Procurri Corporation Limited and its subsidiaries	No	No	Yes  2,422,400 ordinary shares and 2,750,000 share awards
Any relationship (including immediate family relationships) with any existing director, existing executive officer, Procurri Corporation Limited and/or substantial shareholder of Procurri Corporation Limited or of any of its principal subsidiaries	<p>Mr. Imaizumi is a Director and Managing Operating Officer of EXEO Group, Inc. (“EXEO Group”), the Managing Director and Chief Executive Officer of EXEO Global Pte. Ltd. (“EXEO Global”), and a Director of DeClout Pte. Ltd. (“DeClout”). DeClout is a wholly-owned subsidiary of EXEO Global, which in turn is a wholly-owned subsidiary of EXEO Group.</p> <p>Each of EXEO Group, EXEO Global, and DeClout is a substantial shareholder of the Company.</p>	<p>Mr. Hayashi is a Director and Operating Officer of EXEO Group and a Director of EXEO Global. EXEO Global is a wholly-owned subsidiary of EXEO Group.</p> <p>Each of EXEO Group and EXEO Global is a substantial shareholder of the Company.</p>	No

# Governance Report

	Election	Election	Election
	Mr Fumitoshi Imaizumi	Mr Shigeki Hayashi	Mr Mathew George Jordan
Conflict of interest (including any competing business)	<p>Mr. Imaizumi is the Managing Director and Chief Executive Officer of EXEO Global.</p> <p>The services offering of EXEO Global may potentially have some overlaps with certain parts of the Company.</p> <p>To mitigate any potential conflicts of interest with EXEO Global, for so long as Mr. Imaizumi is the Managing Director and Chief Executive Officer of EXEO Global and the service offerings of EXEO Global has overlaps with the Company, Mr. Imaizumi will not participate in any proceedings of the Board, and shall in any event abstain from voting, in respect of any contract, arrangement, proposal, transaction or matter where there would be a material conflict of interest with EXEO Global. Mr. Imaizumi is cognisant that, as a director of the Company, he must act in the best interest of the Company and must not make improper use of his position or any information acquired by virtue of his position to gain, directly or indirectly, an advantage for himself or for any other person or to cause detriment to the Company.</p>	<p>Mr. Hayashi is a Director of EXEO Global.</p> <p>The services offering of EXEO Global may potentially have some overlaps with certain parts of the Company.</p> <p>To mitigate any potential conflicts of interest with EXEO Global, for so long as Mr. Hayashi is a Director of EXEO Global and the service offerings of EXEO Global has overlaps with the Company, Mr. Hayashi will not participate in any proceedings of the Board, and shall in any event abstain from voting, in respect of any contract, arrangement, proposal, transaction or matter where there would be a material conflict of interest with EXEO Global. Mr. Hayashi is cognisant that, as a director of the Company, he must act in the best interest of the Company and must not make improper use of his position or any information acquired by virtue of his position to gain, directly or indirectly, an advantage for himself or for any other person or to cause detriment to the Company.</p>	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to Procurri Corporation Limited	Yes	Yes	Yes
<b>Other Principal Commitments including Directorships</b>			
Past (for the last 5 years)	None beyond the working experience and occupations stated above.	None beyond the working experience and occupations stated above.	Nil

# Governance Report

	Election	Election	Election
	Mr Fumitoshi Imaizumi	Mr Shigeki Hayashi	Mr Mathew George Jordan
Present	None beyond the working experience and occupations stated above.	None beyond the working experience and occupations stated above.	Procurri Singapore Pte. Ltd. Procurri Asia Pacific Pte. Ltd. Procurri Beijing Co. Ltd. Procurri Europe Lifecycle Services Ltd Procurri Kosovo Lifecycle Services SH P K Procurri Europe Maintenance Ltd Procurri GmbH Procurri Canada Limited Bright Green Investments Ltd Inside Sweat Ltd
(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 judgment against him?	No	No	No

# Governance Report

	Election	Election	Election
	Mr Fumitoshi Imaizumi	Mr Shigeki Hayashi	Mr Mathew George Jordan
(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
(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
If yes, please provide full details	N/A	N/A	N/A
(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

## Governance Report

		Election	Election	Election
		Mr Fumitoshi Imaizumi	Mr Shigeki Hayashi	Mr Mathew George Jordan
(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
(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

# Governance Report

	Election	Election	Election
	Mr Fumitoshi Imaizumi	Mr Shigeki Hayashi	Mr Mathew George Jordan
in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No	No
(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

## Disclosure applicable to the appointment of Director only.

Any prior experience as a director of a listed company?	No	No	No
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.	Mr. Imaizumi will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by SGX-ST.	Mr. Hayashi will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by SGX-ST.	Mr Jordan has attended the training on the roles and responsibilities of a director of a listed issuer, as prescribed by SGX-ST.
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

## 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.**

- 5.1 The NC conducts an annual assessment of the performance of the Board as a whole and the Board Committees in view of the complementary and collective nature of the directors' contributions. This process is conducted using a questionnaire designed to assess the performance of the Board and the Board Committees. The Board's and Board Committees' performance will be evaluated by each director and the findings are collated for the final review by the NC and the Board. Following the review in FY2023, the Board is of the view that the Board and its Board Committees operate effectively, and each director is contributing to the overall effectiveness of the Board. <Provision 5.1>

# Governance Report

- 5.2 The NC has established objective performance criteria, such as frequency of meetings and participation in strategic planning, risk management and internal controls to evaluate the Board's performance as a whole. <Provision 5.1>
- 5.3 The Board reviews the assessment conducted by the NC, and where necessary, makes changes to further improve the effectiveness of the Board. Following the review, the Board is of the view that the Board and the Board Committees operate effectively. <Provision 5.2>
- 5.4 Each member of the NC abstains from voting on any resolutions in respect of the assessment of his performance or re-nomination as a director. <Provision 5.2>
- 5.5 There was no external consultant involved in the Board evaluation process in FY2023. <Provision 5.2>

## (B) 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.**

- 6.1 The RC comprises:
 

Dr. Lim Puay Koon	(Chairman and Independent Director)
Mr Wong Quee Quee, Jeffrey	(Member and Independent Director)
Mr Lwi Tong Boon, Steven	(Member and Non-Independent Non-Executive Director)

The majority of the RC, including the RC Chairman, are independent. <Provision 6.2>
- 6.2 The key roles of the RC include:
  - (a) recommending to the Board a framework of remuneration for the directors and the executive officers, and determining specific remuneration packages for each of them, with the recommendations of the RC submitted to the entire Board for endorsement. All aspects of remuneration, including but not limited to directors' fees, salaries, allowances, bonuses, options, share-based incentives and benefits in kind shall be covered by the RC; <Provision 6.1>
  - (b) conducting an annual review of the remuneration of employees related to the directors and substantial shareholders, with the assistance of expert advice inside and/or outside the Company if needed, to ensure that their remuneration packages are in line with staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities. The RC will also review and approve any bonuses, pay increases and/or promotions for these employees and will also review the Company's obligations arising in the event of termination of the executive directors' and key management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous. In the event that a member of the RC is related to an employee under review, the said director abstains from participating in the review; and <Provision 6.3>
  - (c) administering the Procurri Employee Share Option Scheme (the "ESOS") and the Procurri Performance Share Plan (the "PSP").
- 6.3 If necessary, the RC shall seek expert advice on remuneration of directors and key management personnel. For FY2023, the RC did not seek the service of an external remuneration consultant. <Provision 6.4>

# Governance Report

## 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.**

- 7.1 The Group adopts a compensation philosophy where the directors' and key management personnel's remuneration framework are structured in a way that links rewards to corporate and individual performance, taking into account comparable benchmarks. In building a sustainable and performing organization, the Group believes in creating a compensation structure that embraces competitive remuneration taking into consideration of prevailing market conditions, whilst aligning with the long-term interests of the Group. The review covers all aspects of remuneration including salaries, fees, allowances, bonuses, share options, share-based incentives and awards, and benefits-in-kind. The RC's recommendations are submitted for endorsement by the entire Board. <Provision 7.1 and 7.3>
- 7.2 The Company has in place long-term incentive schemes, including the ESOS and the PSP, that serve to motivate and reward the executive director and key management personnel, and better align their interests with that of the Company. The Company has not granted share options under the ESOS so far. During the financial year ended 31 December 2023, the Company has granted a total of 22,086,300 share awards pursuant to the PSP. The table below shows the share awards granted pursuant to the PSP during FY2023:

Date of grant of award	Number of awards* granted	Market price of the shares of the Company on date of grant (S\$)	Number of awards* granted to directors and controlling shareholders (and their associates), if any
7 March 2023	22,086,300	0.2428	13,123,300

- 7.3 Any shares to be issued pursuant to the share options and awards granted are subject to certain vesting schedules or performance conditions to be satisfied by the participants. Please refer to the Directors' Statement and Notes to the Financial Statements set out in this Annual Report for more information on the ESOS and the PSP.
- 7.4 The remuneration for directors is appropriate to attract, retain, and motivate directors to provide good stewardship of the Company. The non-executive directors receive directors' fees in accordance with their level of contribution and commensurate with their appointment, taking into account factors, such as responsibilities, effort and time spent for serving on the Board and Board Committees. The Company believes that the current remuneration of independent directors is at a level that will not compromise their independence. <Provision 7.2>
- 7.5 The Company currently uses contractual provisions to reclaim incentive components of remuneration from the executive directors and key management personnel in exceptional circumstances of misstatement of financial results or of misconduct resulting in financial loss to 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.**

- 8.1 Mr Mathew George Jordan's current service agreement with the Company will end on 31 December 2025. His service agreement is renewable thereafter as may be agreed between the Company and him.

The remuneration package comprises a basic salary component, Target Short Term Incentive (STI), which is the annual target bonus in cash, and a Target Long Term Incentive (LTI), which are Performance Share Plan (PSP) shares to be cliff vested over 5 calendar years. Both the on-Target STI and on-Target LTI are conditional on certain Earning Per Shares (EPS) and/or Objective Key Results targets (as outlined in a schedule of targets).

All revisions to the remuneration packages of directors and key management personnel are subject to review and approval of the Board. Directors' fees are further subject to the approval of shareholders at the AGM. No directors participate in decisions on their own remuneration.

There are no retirement and post-employment benefits that are granted to the executive director.

- 8.2 The remuneration of the executive director is linked directly to the Group's financial performance through a profit-sharing scheme. The Group's incentive bonus is allocated based on the Group's financial performance and the senior management may be rewarded with business unit level bonus on achievement of the key performance indicators. <Provision 8.1>

# Governance Report

- 8.3 A breakdown showing the level and mix of each individual director's remuneration paid/payable for FY2023 in bands of S\$250,000 is as follows: <Provision 8.3>

Remuneration bands/Name of director	Salary <sup>(1)</sup> (%)	Bonus (%)	Director's Fees (%)	Others <sup>(2)</sup> (%)	Total (%)
<b>(i) S\$1,000,000 to below S\$1,250,000</b>					
Mr Mathew George Jordan <sup>(3)</sup>	56	7	–	37	100
<b>(iii) Below S\$250,000</b>					
Mr Wong Kok Khun <sup>(4)</sup>	–	–	–	100 <sup>(5)</sup>	100
Mr Ng Loh Ken Peter	–	–	100	–	100
Mr Wong Quee Quee, Jeffrey	–	–	100	–	100
Dr Lim Puay Koon	–	–	100	–	100
Mr Lim Swee Yong <sup>(4)</sup>	–	–	100 <sup>(5)</sup>	–	100
Mr Lwi Tong Boon, Steven	–	–	100 <sup>(5)</sup>	–	100
Mr Fumitoshi Imaizumi <sup>(6)</sup>	–	–	–	–	–
Mr Shigeki Hayashi <sup>(6)</sup>	–	–	–	–	–

Note:

(1) Includes fixed allowances.

(2) Includes fair value of the awards under PSP for FY2023 vested during the year on or before 31 December 2023.

(3) Appointed on 1 May 2023.

(4) Ceased on 30 November 2023.

(5) In an EGM held on 11 January 2023, additional Directors' emoluments in the form of up to 9,000,000 share awards granted under and in accordance with the provisions of the Procurri Corporation Performance Share Plan was approved. The share awards was granted on 7 March 2023 after the resumption of trading of the Company's shares on SGX and the completion of the Company's blackout period. The PSP shares will only vest upon meeting the prescribed performance conditions and vesting schedules in FY2023 to FY2027. In FY2023, 1,100,000 PSP shares were vested and accounted for in FY2023. On 30 November 2023, Mr. Wong Kok Khun and Mr. Lim Swee Yong ceased to be a director the Company. Accordingly, 6,200,000 of unvested PSP shares have been forfeited.

(6) Appointed on 30 November 2023.

The Board has, on review, decided not to disclose the remuneration of the directors to the nearest thousand, as the Board believes that the disclosure is commercially sensitive and could encourage talent-poaching which possibly leads to the Company and its subsidiaries being exposed to unnecessary risks. Whilst sustaining the long-term benefit of the Company, the Board is of the view that the disclosure of the remuneration in bands has sufficiently balanced the Company's interests and the necessity to provide sound information to the investors for their investment decisions.

- 8.4 Given the competitive condition of the industry that the Group operates in, it is in the best interest of the Group to maintain confidentiality of the names and remuneration details of its top 5 key executives (who are not directors) of the Group as such disclosure is commercially sensitive and could encourage talent-poaching which possibly leads to the Company and subsidiaries being exposed to unnecessary risks. In addition, disclosure of specific remuneration information may encourage inappropriate peer comparisons and discontentment and may, in certain cases, give rise to recruitment and talent retention issues.

Whilst sustaining the long-term benefit of the Group, the Board is of the view that the disclosure of the remuneration in bands has sufficiently balanced the Group's interests and the necessity to provided sound information to the investors for their investment decisions.

Notwithstanding the abovementioned reasons for deviations, the level of information that had been disclosed is consistent with Principle 8 where there is transparency on remuneration policies, the level and mix of remuneration, the procedure for setting remuneration and the relationship between remuneration, performance and value creation as disclosed on pages 68 to 71.

# Governance Report

For FY2023, the remuneration bands (including any bonuses, allowances, options and share-based incentives) of each of the top 5 key executives (who are not directors) of the Group are provided below: <Provision 8.1>

Remuneration bands	Number of Executives
S\$1,250,000 to S\$1,499,999 <sup>(1)</sup>	1
S\$1,000,000 to S\$1,249,999 <sup>(1)</sup>	1
S\$750,000 to S\$999,999 <sup>(1)</sup>	1
S\$500,000 to S\$749,999 <sup>(1)</sup>	1
Below S\$250,000 <sup>(1)</sup>	1

Note:

(1) Included employers' CPF and fair value of the awards under the PSP for FY2023 vested during the year on or before 31 December 2023.

The total remuneration, in aggregate, paid to the top 5 key executives of the Group (who are not directors) for FY2023 is approximately S\$4,082,522.79.

- 8.5 The Company has aligned and disclosed the remuneration information consistently with the intent of Principle 8. Transparency has been provided on the remuneration policies, and the Company has disclosed the level and mix of remuneration in bands of no wider than S\$250,000 and the breakdown of the component of the directors' remuneration in section 8.3, and in bands of no wider than S\$250,000 and the aggregate remuneration of the KMP in Section 8.4. The deviations are in view that the Group seeks to balance the intent with legitimate commercial concerns, such as information being exploited by competitors and maintaining confidentiality on remuneration matters.
- 8.6 The Company does not have any employees who are substantial shareholders of the Company or are immediate family members of a director.

## (C) 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.**

- 9.1 The Board oversees management in the area of risk management and internal control systems. The Board regularly reviews the Company's business and operational activities to identify areas of significant risks, as well as to take appropriate measures to control and mitigate these risks.
- 9.2 Management provides reports of risk management to the Board on a quarterly basis. The Company's risk management framework and internal control system covers financial, operational, compliance and information technology risks and internal controls. The Group has an in-house internal audit function that is carried out by Group Internal Audit ("GIA"). The Audit Committee evaluates the findings of the external and internal auditors on the Group's internal controls annually. <Provision 9.1>
- 9.3 The Group's internal controls are designed to provide reasonable assurance with regards to the keeping of proper accounting records, integrity and reliability of financial information, and physical safeguard of assets. Management takes into consideration the risks which the Group is exposed to, the likelihood of occurrence and the cost of prevention while designing internal controls.

Based on:

- (a) the internal controls established and maintained by the Group;
- (b) work performed by the internal and external auditors, and reviews performed by Management, the Board and the Board Committees; and
- (c) the confirmations received from the Executive Director and Chief Executive Officer, the CFO, and key management personnel of the respective subsidiaries that the Group's financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances, and that the Group's internal control procedures in place are adequate and effective in addressing the financial, operational, compliance, information technology controls and risk management systems. <Provision 9.2>

# Governance Report

The Board, with the concurrence of the AC, is of the opinion that the Group's current internal control procedures in place to address financial, operational, compliance, information technology controls and risk management systems are adequate and effective though continuous improvements are needed as the Group grows its business.

Notwithstanding the foregoing, the Board and Management acknowledge that no system can provide absolute assurance against the occurrence of material errors, poor judgement in decision-making, human errors, losses, fraud or other irregularities.

9.4 The AC collectively oversees risk management and does not have a separate Board risk committee.

## AUDIT COMMITTEE

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

10.1 The AC comprises:

Mr Ng Loh Ken Peter	(Chairman and Lead Independent Director)
Mr Wong Quee Quee, Jeffrey	(Member and Independent Director)
Dr. Lim Puay Koon	(Member and Independent Director)
Mr Lwi Tong Boon, Steven	(Member and Non-Independent Non-Executive Director)
Mr Shigeki Hayashi	(Member and Non-Independent Non-Executive Director)

The majority of the AC, including the AC Chairman, are independent.

10.2 At least two members of the AC, including the AC Chairman, have sufficient accounting and related financial management expertise. The Board considers that the members of the AC are suitably qualified to discharge the AC's responsibilities. The AC does not comprise former partners and/or directors of Company's existing audit firm, Ernst & Young LLP.

10.3 The AC has the authority to investigate any matters within its terms of reference and the discretion to invite any director or executive officer to attend its meetings. Management grants full cooperation and resources to enable the AC to discharge its functions properly.

10.4 The key roles of the AC include: <Provision 10.1>

- (a) assisting the Board 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 auditors' audit plan and audit report, and the external auditors' evaluation of the system of internal accounting controls, as well as reviewing the Group's implementation of any recommendations to address any control weaknesses highlighted by the external auditors;
- (e) 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 the Board, including those in connection with compliance with environmental laws and regulations;
- (f) reviewing the statements to be included in the annual reports concerning the adequacy and effectiveness of the risk management and internal controls systems, including financial, operational, compliance and information technology controls;
- (g) 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 the Group's internal control system and the relevant provisions of the Listing Rules, as well as all conflicts of interests to ensure that proper measures to mitigate such conflicts of interests 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;

# Governance Report

- (h) 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;
- (i) 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;
- (j) appraising and reporting to the Board on the audits undertaken by the external auditors and internal auditors, and the adequacy of disclosure of information; and
- (k) making recommendations to the Board 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.

10.5 The AC has met with the external auditors and the GIA, in each case, without the presence of the Management, at least annually. These meetings enable the auditors to raise any issues in the course of their work directly to the AC. <Provision 10.5>

10.6 The AC reviews the independence of the external auditor annually. In the selection of suitable auditing firms, the AC takes into consideration several factors, such as the adequacy of resources, experience of the accounting auditing firm, the audit engagement partner assigned to the audit, the firm's other audit engagements, the size and complexity of the Group being audited, and the number and experience of supervisory and professional staff assigned to the audit and its ability to provide audit service to our foreign subsidiaries. The selected auditing firm based in Singapore is engaged as auditors for the Company, as well as the Company's Singapore-incorporated subsidiaries.

Most of the Group's subsidiaries have appointed the member firms of EY Global while the rest have appointed different auditors. The AC is satisfied that the appointments would not compromise the standard and effectiveness of the audit of these subsidiaries. Accordingly, the Company has complied with Rules 712, 715, and 716 of the Listing Rules.

The AC has reviewed the independence of the external auditor of the Company, including the volume of non-audit services performed, as well as the cost-effectiveness. The aggregate amount of fees paid and payable to the external auditor of the Company and other member firms of EY Global in FY2023 are tabulated in the table below:

Fees Paid and Payable	S\$	%
Audit Services	532,000	97.06
Non-Audit Services	16,100	2.94
Total	548,100	100.00

The non-audit fees were mainly in relation to tax returns compliance services. The AC is satisfied that the nature and extent of such services will not prejudice the independence of the external auditors of the Company.

- 10.7 The Group has implemented a whistle blowing policy. The whistle blowing policy provides well-defined and accessible channels in the Group through which the employees of the Group may raise concerns about improper conduct within the Group in writing or by email submission. The objectives of such a policy are to ensure that arrangements are in place for independent investigation of such matters and for appropriate follow-up action. There were no reported incidents pertaining to whistle blowing during FY2023 until the date of this Annual Report.
- 10.8 The AC is updated annually on any changes in accounting standards by the external auditor. This ensures that the AC is kept abreast of changes to accounting standards and issues which have a direct impact on the Group's financial statements. The AC conducted meetings in FY2023 during which results announcements, external audit report, internal audit report, independence of auditors, appointment of auditors and interested person transactions were reviewed, and the duties as described above were carried out.
- 10.9 No former partner or director of the Company's existing auditing firm is a member of the AC. <Provision 10.3>

# Governance Report

## 10.10 Key Audit Matters (“KAM”)

In the review of the financial statements, the AC had discussions with Management on the accounting principles that were applied and their judgment of items that might affect the integrity of the financial statements. The following significant matters impacting the financial statements were discussed with Management and the external auditor, and were reviewed by the AC:

KAM	How the AC reviewed these matters and what decisions were made
(a) Revenue Recognition (b) Impairment Assessment of Goodwill and Cost of Investment in Subsidiaries (c) Impairment Assessment of Trade Receivables (d) Inventories provision for obsolescence	The AC examined the findings on these and other financial reporting matters together with the external auditors and management. In these KAMs, the AC assessed the management’s judgements and estimates, considered the approach and methodology applied to valuation models, and reviewed the accounting treatments adopted by management. The AC concurred with the external auditors’ opinion on the KAMs. The AC considered the KAMs reported by the external auditors and how those KAMs have been addressed by the external auditors.

### Internal Audit <Provision 10.4>

- 10.11 GIA is independent of the Management and assists the Group in evaluating and assessing the effectiveness of internal controls and to consequently highlight the areas where control weakness exist, if any, and thus improvements could be made.
- 10.12 The AC is satisfied that the internal audit function is independent, effective and adequately resourced by personnel with the relevant qualifications and experience. <Rule 719(3) of Mainboard Listing Manual>
- 10.13 GIA reports primarily to the AC Chairman. GIA operates under a charter from the AC that gives it unrestricted access to review the documents, records, properties and personnel of the Group. GIA reports to the AC on a quarterly basis regarding the progress and major findings of the internal audit process.
- 10.14 The GIA function is carried out in accordance with the standards set by internationally recognised professional bodies including the Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors.
- 10.15 The GIA comprises an individual, Group Internal Auditor, Mr Nicholas Chan Kin Yaw (“Mr Chan”). Mr Chan has over 14 years’ experience in the field of internal audit, internal controls, and risk management. He has an honors degree in the Bachelor of Accounting from the National University of Malaysia. He is a Certified Internal Auditor (CIA) with the Institute of Internal Auditors and a Certified Information Systems Auditor (CISA). He is also a fellow member of the Association of Chartered Certified Accountants (ACCA) and a Chartered Accountant with the Malaysian Institute of Accountants as well as an ASEAN Chartered Professional Accountant (ASEAN CPA).

Certain aspects of the internal audit scope of work were also outsourced to an internationally recognised accounting firm.

The AC reviews the adequacy and effectiveness of the Group’s internal controls, including financial operational, compliance and information technology controls and risk management systems through discussions with the management, its external auditors and GIA, and reports to the Board annually. Where material weaknesses are identified by the Board or the AC, the Company will disclose them with the steps taken to address those weaknesses. There were no material weaknesses identified by the Board or AC during FY2023 until the date of this Annual Report. <Rule 1207 (10) and Rule 1207 (10C) of Listing Manual>

## (D) SHAREHOLDER RIGHTS AND ENGAGEMENT

### SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETING

**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.**

- 11.1 To facilitate shareholder ownership rights, the Company ensures that timely and adequate disclosure of information on matters of material impact on the Company are made to all shareholders of the Company, in compliance with the requirements set out in the Listing Rules. The Company recognises that the release of timely and relevant information is central to good corporate governance and promotes informed decisions by shareholders as regard their investments.

# Governance Report

- 11.2 Shareholders are entitled to participate in, and vote at, general meetings and shareholders are informed of the rules, including the voting procedures that govern the general meetings of shareholders. <Provision 11.1>
- 11.3 Resolutions at general meetings are on each substantially separate issue. The Company avoids bundling resolutions unless they are interdependent and linked. Shareholders present are given an opportunity to clarify or direct questions on issues pertaining to the proposed resolutions before they are voted on. <Provision 11.2>
- 11.4 General meetings are held in Singapore. At such meetings, shareholders of the Company are given the opportunity to air their views and ask the directors questions regarding the Company. A proxy form is sent with the notice of general meeting to all shareholders so that those shareholders who are unable to attend the general meeting in person can appoint a proxy or proxies to attend and vote on their behalf. The Annual Report, Notice of AGM and Proxy form will be made available to shareholders by electronic means via publication on SGXNET and on the Company's website. <Provision 11.4>
- 11.5 All the Directors attend the general meetings of the Company to address shareholders' questions relating to the Company's development and the work of the Board Committees. The external auditors are also present to address shareholders' queries about the conduct of the audit and preparation and content of the auditors' report. The attendance of the directors at meetings held in FY2023 is published in section 1.4 of this report. <Provision 11.3>
- 11.6 The Company Secretary prepares minutes of general meetings which capture the essence of the comments and queries from shareholders and the responses to them by the Board and Management. Minutes of the general meetings are publicly available on the Company's website, as soon as practicable. <Provision 11.5>
- 11.7 The Company employs electronic polling at all general meetings. Separate resolutions are proposed on each substantially separate issue. To ensure transparency in the voting process, the detailed results of all resolutions put to vote showing the number of votes cast for and against each resolution, and the respective percentages are tallied and displayed live on-screen to shareholders immediately after the vote has been cast and is also announced via SGXNET after the conclusion of the general meeting.
- 11.8 The Company currently does not have a fixed dividend policy. In considering the form, frequency and amount of dividends that the Board may recommend or declare in respect of any particular year or period, the Board takes into account the Company's retained earnings, expected future earnings, operations, cash flow, capital requirements, general business and financing conditions, as well as other factors which the Board may determine appropriate. <Provision 11.6>
- 11.9 There was no dividend declared for FY2023 as the Group wishes to reserve funds for the future business development and expansion of the Group.

## 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.**

- 12.1 The Company has an investor relations and corporate marketing team who assists in facilitating the communications with all stakeholders – shareholders, analysts and media – on a regular basis, to attend to their queries or concerns, as well as to keep the market and investors publicly apprised of the Group's major corporate developments and financial performance. <Provision 12.1>
- 12.2 The Company maintains regular dialogue with shareholders and the investment community through analyst briefings, investor meetings, non-deal roadshows and at the general meetings. Analyst briefings are conducted for members of the investment community and media generally after results announcements. Key management personnel, including the CEO and the CFO, are typically present in these briefings. The results announcements and the analyst briefing presentations are all published timely on SGXNET and are also made available on the Company's website, www.procurri.com. Provision 12.2 of the Code provides that the company has in place 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 does not currently have a written investor relations policy, which constitutes a variation from Provision 12.2 of the Code. The Company is of the view that the intent of Principle 12 is met, as there is a section on "Investor Relations" on the Company's website. From this section, the Company's latest annual reports, financial results, corporate announcements and share trading information can be assessed. <Provision 12.2>
- 12.3 To enable shareholders to contact the Company easily, the contact details of the investor relations team are set out in this Annual Report as well as on the Company's website. The investor relations team has procedures in place for following up and responding to shareholders queries as soon as applicable. <Provision 12.3>
- 12.4 Information is disclosed in a timely manner to the shareholders through SGXNET and is also made available on the Company's website. The Company ensures fair access of information to all shareholders at the same time and does not practise selective disclosure of material information.
- 12.5 Shareholders are given the opportunity to air their views at general meetings.

# Governance Report

## (E) 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.**

- 13.1 The Company has regularly engaged its stakeholders through various medium and channels to ensure that the business interests are aligned with those of the stakeholders, to understand and address the concerns so as to improve services and products' standards, as well as to sustain business operations for long-term growth. <Provision 13.1>
- 13.2 The Company has identified the impacts that are material to investors and other stakeholders in order to streamline available resources. The Company also recognizes the importance of identifying issues that are significant to the financial operation of the business, as well as stakeholders, such as investors, society and customers.
- 13.3 The Company has undertaken a process to determine the environmental, social and governance ("ESG") issues which are important to these stakeholders. Please refer to Sustainability Report section of this Annual Report for further details. <Provision 13.2>
- 13.4 All material information on the performance and development of the Group and of the Company is disclosed in a timely, accurate and comprehensive manner through SGXNET, press releases and the Company's website. The Company does not practice selective disclosure of material information. All materials on different period financial results are available on the Company's website – www.procurri.com. The comprehensive website, which is updated regularly, contains various information on the Group and the Company which serves as an important resource for investors and all stakeholders. <Provision 13.3>

## (F) OTHER CORPORATE GOVERNANCE MATTERS

### MATERIAL CONTRACTS

Save for the service agreement between the CEO and the Company, there were no material contracts entered into by the Company and any of its subsidiaries involving the interests of any director or controlling shareholders, either still subsisting at the end of FY2023 or if not then subsisting, entered into since the end of the previous financial year.

### DEALING IN SECURITIES

With reference to Listing Rule 1207(19), the Company issues a directive to all directors and employees not to deal in the Company's securities during the period commencing one month immediately preceding the announcement of the Company's half year result and full-year results, as the case may be, and ending on the date of announcement of the relevant results. Reminders are sent via email to remind all directors and employees.

In addition, the directors and employees are advised not to deal in the Company's securities for short-term considerations and are expected to observe the insider trading laws at all times even when dealing in securities within the permitted trading periods.

### INTERESTED PERSON TRANSACTIONS

The Company has established procedures for recording and reporting interested person transactions in a timely manner to the AC and that transactions are conducted at an arm's length basis and will not be prejudicial to the interests of the Company and its minority shareholders.

The Company does not have any general mandate from shareholders for interested person transactions pursuant to Rule 920 of the Listing Manual of the SGX-ST.

Details of the interested person transactions for FY2023 are as follows:

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) S\$ '000	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000) S\$ '000
EXEO Global Pte. Ltd. <sup>(1)</sup>	375 <sup>(2)</sup>	–

(1) EXEO Global Pte. Ltd. wholly owned DeClout Pte. Ltd., the controlling shareholder of the Company. EXEO Global Pte. Ltd. is a wholly owned subsidiary of EXEO Group, Inc.

(2) Rental of office and warehouse space from EXEO Global Pte. Ltd.

# Governance Report

## USE OF PROCEEDS FROM PLACEMENT

During the year, the Company received net proceeds (after deducting placement expenses of approximately S\$1.0 million) from the placement of approximately S\$5.3 million (the “Net Proceeds”). As at the date of this Annual Report, the Net Proceeds have been utilised as follows:

Use of Proceeds	Amount S\$ million	Net Proceeds utilised S\$ million	Net Proceeds unutilised S\$ million
Merger and acquisitions, joint ventures and partnerships strategy	1.6 to 3.7	–	5.3
Working capital purposes	1.6 to 3.7	–	
Total	5.3	–	5.3