



CIVMEC LIMITED
(Company Registration Number 201011837H)

RESPONSE TO SGX QUERY IN RELATION TO THE ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

The Board of Directors (the "Board") of Civmec Limited refers to the query raised by the Singapore Exchange Securities Trading Limited ("SGX-ST") on 25 October 2021 relating to the Company's Corporate Governance Report in its FY2021 Annual Report announced on 14 October 2021.

The Company wishes to provide below its response to the queries raised by SGX-ST:

SGX-ST QUERY

We refer to the Listing Rule 1207(10C) requires the Audit Committee's comments on whether the internal audit function is independent, effective and adequately resourced. Please disclose if the Audit Committee is satisfied that internal audit function is independent.

COMPANY'S RESPONSE

The internal Audit function is outlined on page 82 of the Annual Report, repeated below;

The Board recognises the importance of maintaining an internal audit function, independent of the activities it audits, to maintain a sound system of internal control within the Company to safeguard shareholders' investments and the Company's assets.

The Company's internal audit function is outsourced to Deloitte, which is one of the Big Four multinational accounting organisations and it is independent of the Company's business activities. The internal audit team that provide expertise and industry insights to strengthen the Company's governance and risk management on an annual basis and comprises a director, a senior manager and supported by other staff, which have more than 30 years of relevant experience combined. The internal auditors conduct the audit based on the standards set by internationally recognised professional bodies. The annual internal audit plan is submitted to the AC for approval prior to the commencement of the internal audit work. The internal auditors review the effectiveness of key internal controls in accordance with the internal audit plan.

Staffed by suitably qualified and experienced executives, the internal auditors have unrestricted direct access to the AC and unfettered access to all the Company's documents, properties and personnel. The internal auditors have a direct and primary reporting line to the AC and assist the AC in overseeing and monitoring the implementation and improvements required on internal control weaknesses identified. The AC reviews the adequacy and effectiveness of the internal audit function quarterly.

The role of the internal auditors is to support the AC in ensuring that the Group maintains a sound system of internal controls by monitoring and assessing the effectiveness of key

controls and procedures, conducting in-depth audits of high-risk areas and undertaking investigations as directed by the AC.

The AC regularly reviews the performance of the internal auditors and determines their reappointment and level of remuneration.

The AC reviews the adequacy of the function of the internal audit annually and based on this review believes that the internal auditors have adequate resources to perform their function effectively and objectively and has unfettered access to the Company's documents, records, properties and personnel.

The AC is satisfied with the effectiveness of the existing internal control systems put in place by the senior management to meet the needs of the Group in its current business environment.

The Company's external auditors also conduct annual reviews of the effectiveness of the Group's material internal controls for financial reporting in accordance with the scope as laid out in their audit plans.

Provision 10.5 The AC meets with the external auditors, and with the internal auditors, in each case without the presence of Management, at least annually.

The AC has met with the Company's external auditors and internal auditors without the presence of the management and has full unfettered access to do so.

The Audit Committee is satisfied that the internal audit function is independent, effective and adequately resourced. The internal auditors are appointed, their remuneration set and activities determined and overseen by the Audit Committee.

Authorised for release to ASX and SGX by the Board

James Finbarr Fitzgerald
Executive Chairman
27 October 2021