

**VIBROPOWER CORPORATION LIMITED**  
**(Company Registration No.: 200004436E)**  
**(Incorporated in the Republic of Singapore)**

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**INFORMATION RELATING TO QUESTIONS FROM THE SINGAPORE EXCHANGE SECURITIES  
TRADING LIMITED ON THE ANNUAL REPORT 2019**

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The Board of Directors (the “Board”) of VibroPower Corporation Limited (the “Company”) wishes to announce information relating to queries raised by the Singapore Exchange Securities Trading Limited on the Annual Report 2019 that was released by the Company on 15 April 2020 via SGXNET:

**Query 1**

With reference to Provision 3.1 of the Code of Corporate Governance 2018 (the “Code”):

*“The Chairman and Chief Executive Officer (“CEO”) are separate persons to ensure an appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision-making.”*

Please explicitly state the provision from which it has deviated from and explain how the practices it had adopted are consistent with the intent of Principle 3 of the Code, which requires a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision making.

**Company’s Response**

The Company’s Chairman and CEO positions are filled by the same person, Mr Benedict Chen Onn Meng and this is a deviation from the Code.

With reference to page 14 of the Annual Report, the Board is of the view that it is in the best interests of the Group to adopt a single leadership structure, whereby the Chairman and CEO is the same person, so as to ensure that the decision-making of the Group would not be unnecessarily hindered. The Board believes that there are sufficient strong independent elements and adequate safeguards are in place against an uneven concentration of power and authority in a single individual. All major proposals and decisions made by the Chairman and CEO are discussed and reviewed by the Board which comprises a majority of independent directors.

Pursuant to Rule 720(4) of the SGX Listing Rules, Mr Benedict Chen Onn Meng shall submit himself for re-nomination and re-election at least once every three years at the Annual General Meeting of the Company. His re-election to the Board is reviewed by the Nominating Committee. In addition, the remuneration package of Mr Benedict Chen Onn Meng is reviewed by the Remuneration Committee. The Nominating Committee and Remuneration Committee comprise a majority of independent directors.

In addition, Mr Ernest Yogarajah s/o Balasubramaniam has been appointed as the Lead Independent Director of the Company. He is the principal liaison in the event that any issues arise between the Independent and Non-Executive Directors and the Executive Director. He is available to address the concerns of shareholders in the event for which contact through the normal channels of communication with the Chairman or Management are inappropriate and inadequate.

In view of the above, the Board is satisfied that the practices adopted by the Company are consistent with the intent of Principle 3 of the Code, which requires a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision making.

## **Query 2**

With reference to Provision 8.1 of the Code:

*“The company discloses in its annual report the policy and criteria for setting remuneration, as well as names, amounts and breakdown of remuneration of:*

*(a) each individual director and the CEO; and*

*(b) at least the top five key management personnel (who are not directors or the CEO) in bands no wider than S\$250,000 and in aggregate the total remuneration paid to these key management personnel.”*

Please explicitly state the provision from which it has deviated from and explain how the practices it had adopted are consistent with the intent of Principle 8 of the Code, which requires transparency on the Company's remuneration policies, level and mix of remuneration, the procedure for setting remuneration and the relationships between remuneration, performance and value creation.

### **Company's Response**

The Company has disclosed in the Annual Report the breakdown of the remuneration of each director and key executive into types of compensation in percentage terms and in bands of \$250,000. While this practice varies from Provision 8.1 of the Code which requires companies to disclose the specific remuneration of each director and key executive, as disclosed in the Annual Report, the Board is of the view that full disclosure of the specific remuneration of each director and key executive is not in the best interest of the Company as this disclosure may hamper its ability to retain and nurture the Group's talent pool, given the sensitive nature of the matter and the competition in the industry for key talent.

## **Query 3**

With reference to Rule 1207(10C) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Audit Committee is required to provide comments on whether the internal audit function is independent, effective and adequately resourced.

Please also provide information on whether the head of the internal audit function team has the relevant experience and qualifications in your disclosure. Where the internal audit function is outsourced, please provide information on the relevant experience of accounting firm and the engagement team.

### **Company's Response**

The internal audit function of the Company is outsourced to Nexia TS Risk Advisory Pte Ltd, a certified public accounting firm which is a corporate member of the Institute of Internal Auditors Singapore, and staffed with professionals with relevant qualifications and experience.

One of the key duties and responsibilities of the Audit Committee (“AC”) is to review the adequacy, effectiveness, independence, scope and results of the external audit and the Company's internal audit function.

For FY2019, the AC has reviewed and is satisfied that the internal audit function is independent, effective and adequately resourced. The AC is also satisfied that the internal auditors is staffed by qualified and experienced personnel.

BY ORDER OF THE BOARD

Benedict Chen Onn Meng  
Chief Executive Officer  
1 May 2020