

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

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**CLARIFICATION ON RESPONSE 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”) refers to the announcement dated 1 May 2020 and wishes to make clarification on the response to the query 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**

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**

With reference to page 19 of the Annual Report, the Company has disclosed the policies and mechanics of the remuneration packages for its directors and key management personnel, and their linkages to the performance of the Company and individuals.

Remuneration is fixed in accordance with the experience of the individual, the role performed, the contribution of the individual and/or the performance of the Company and the Group. Remuneration package of the key management personnel is proposed by the CEO and is linked to the performance of the individual and the Group based on industry benchmarking. Remuneration of the Executive Director is subjected to the review of the Remuneration Committee. The remuneration framework for the Executive Director comprises mainly a fixed component and a variable component. The fixed component is paid in the form of a base salary. The variable component is a profit sharing scheme that is performance-related to align his interests with those of the shareholders and other stakeholders and promotes the long-term success of the Company.

Remuneration packages of the Executive Director and key management personnel are structured to focus on achieving sustainable performance and create value in the short, medium and long term, taking into account the strategic objectives and business model of the Group.

It is further described on page 19 of the Annual Report that the Company currently does not have any long-term incentive scheme, apart from the employee share performance scheme known as the “VibroPower Share Performance Scheme” which has expired in April 2020. The Company will consider the establishment of other forms of long term incentive schemes, as and when appropriate. The information disclosed provides shareholders with insights as to the remuneration policies, procedure of setting remuneration and the relationships between remuneration, performance and value creation.

The Company has disclosed in page 20 of the Annual Report the breakdown of the remuneration of each

director and key management personnel 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 management personnel, as disclosed in the Annual Report, the Board is of the view that full disclosure of the specific remuneration of each director and key management personnel 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. The Company believes that shareholders' interest will not be prejudiced as a result of such non-disclosure of the specific remuneration of each director and key management personnel of the Company. With the Company's disclosure of their remuneration in bands of not wider than S\$250,000, shareholders are provided an insight into the level of remuneration paid to the directors and key management personnel.

Notwithstanding the deviation, the Company is of the view that the intent of Principle 8 of the Code is met.

BY ORDER OF THE BOARD

Benedict Chen Onn Meng  
Chief Executive Officer  
6 May 2020