



NSL LTD
(Incorporated in Singapore)
Company Registration Number 196100107C

RESPONSE TO QUERIES FROM THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ON NSL LTD - ANNUAL REPORT 2015

The Singapore Exchange Securities Trading Limited ("**SGX-ST**") had on 20 April 2016 requested NSL Ltd to provide certain information in relation to its Annual Report 2015.

The questions from the SGX-ST and NSL Ltd's response are set out below:

SGX-ST Question 1

As required under Listing Rule 710, please make disclosures as recommended in the Code of Corporate Governance 2012 (the "Code") or otherwise explain the reason(s) for the deviation from the following Code guidelines:-

Paragraph 2.4 of the Code states that the independence of any director who has served on the Board beyond nine years from the date of his first appointment should be subject to particularly rigorous review. In doing so, the Board should also take into account the need for progressive refreshing of the Board. The Board should also explain why any such director should be considered independent.

NSL Ltd's response

The commentary has been disclosed on page 26 of Annual Report 2015. Please refer to the paragraphs below:

"In conducting its assessment on the independence of non-shareholder related non-executive directors, the Nominating Committee was guided by the 2012 Code and a set of specific criteria. The Nominating Committee noted that only one guideline out of eight in Principle 2 dealt with the tenure of directorship. The Committee was of the view that an individual's independence cannot be arbitrarily determined merely on the basis of a set period of time. On the contrary, these directors continued to provide stability to the Board and the Company had benefited greatly from the presence of individuals who were specialists in their own field and they had, over time, not only gained valuable insight into the Group, its business, markets and industry but have brought their breadth and depth of business experience to the Company.

The Nominating Committee considered specifically whether their length of service had compromised their independence and having regard to all the other relevant circumstances, concluded that these non-executive directors i.e. Prof Cham Tao Soon, Mr John Koh Tiong Lu and Dr Tan Tat Wai remained independent from Management and provided a strong independent element on the Board, being free from any business or other relationship which could materially interfere with the exercise of their judgement."

SGX-ST Question 2

Paragraph 11.3 of the Code states that the Board should comment on the adequacy and effectiveness of the internal controls, including financial, operational, compliance and information technology controls, and risk management systems, in the company's Annual Report. The Board's commentary should include information needed by stakeholders to make an informed assessment of the company's internal control and risk management systems.

On page 29 of the Company's Annual Report, we note that the Board has commented on the adequacy of the internal controls, however, there was no commentary on the adequacy and effectiveness of internal controls of information technology controls and risk management systems. In this respect, please disclose or explain the reason(s) for the deviation from the code.

NSL Ltd's response

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, and reviews performed by Management, various Board Committees and the Board, the Audit Committee and the Board are of the opinion that the Group's risk management and internal control systems, including financial, operational, compliance and information technology controls were adequate and effective as at 31 December 2015.

SGX-ST Question 3

As required under Listing Rule 1207(19) which states that an issuer must disclose "A statement whether and how the issuer has complied with the following best practice in securities..."

Please provide further disclosure on how the Company has complied with the best practices set out in Listing Rule 1207(19).

NSL Ltd's response

As disclosed on page 30 of Annual Report 2015, the Company had adopted a policy on dealings in the securities of the Company applicable to its Directors, employees and directors of its subsidiaries as part of its internal Corporate Governance Guide since 1998.

The Company and its officers are not allowed to deal in the Company's securities during the period commencing two weeks before the announcement of the company financial statements for each of the first three quarters of its financial year and one month before the announcement of the company's full year financial statements.

By Order of the Board

Lim Su-Ling
Company Secretary
22 April 2016