

**NORDIC GROUP LIMITED**

(Company Registration Number: 201007399N)

**RESPONSE TO SINGAPORE EXCHANGE SECURITIES TRADING LIMITED'S QUERIES
ON 22 APRIL 2021**

The Board of Directors (the "Board") of Nordic Group Limited (the "Company") wishes to respond to queries raised by the Singapore Exchange Securities Trading Limited ("SGX-ST") on 22 April 2021 in relation to the FY2020 Annual Report.

SGX-ST's queries

We would appreciate it if you can address the following queries in a clarification announcement via SGXNet by Monday, 26 April 2021. In your announcement, please disclose our questions and your corresponding answers to enable investors to understand the matters raised by the Exchange. If our queries have been addressed previously, please contact us to clarify this:-

(a) Provision 2.4 of the Code of corporate governance 2018 (the "Code") states that, "The Board and board committees are of an appropriate size, and comprise directors who as a group provide the appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity such as gender and age, so as to avoid groupthink and foster constructive debate. The board diversity policy and progress made towards implementing the board diversity policy, including objectives, are disclosed in the company's annual report."

Listing Rule 710 requires issuers to explicitly state, when deviating from the provisions prescribed in the Code, the provision from which it has varied, explain the reason for variation and provide an explanation on how the practices it had adopted are consistent with the intent of the relevant principle. We note that the Company had not complied with Provision 2.4 of the Code as you have not disclosed your board diversity policy and progress made towards implementing the board diversity policy, including objectives, and there were no explanations were provided for in your FY2020 annual report on how it is consistent with the intent of Principle 2 of the Code. Please state if the Company has a formal board diversity policy and clarify how the practices the Company had adopted are consistent with the intent of Principle 2 of the Code, which requires the Board to have an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interest of the Company.

(b) Provision 8.2 of the Code states that, “The company discloses the names and remuneration of employees who are substantial shareholders of the company, or are immediate family members of a director, the CEO or a substantial shareholder of the company, and whose remuneration exceeds S\$100,000 during the year, in bands no wider than S\$100,000, in its annual report. The disclosure states clearly the employee's relationship with the relevant director or the CEO or substantial shareholder.

Listing Rule 710 requires issuers to explicitly state, when deviating from the provisions prescribed in the Code, the provision from which it has varied, explain the reason for variation and provide an explanation on how the practices it had adopted are consistent with the intent of the relevant principle. We note that the Company had not complied with Provision 8.2 of the Code with regard to the disclosure of names and remuneration of employees who are substantial shareholders of the company, or are immediate family members of a director, the CEO or a substantial shareholder of the company, and whose remuneration exceeds S\$100,000 during the year. Please clarify as to whether there are any employees who are substantial shareholders of the company, or are immediate family members of a director, the CEO or a substantial shareholder of the company. If yes, please disclose the required information accordingly. Please also clarify how the practices the Company 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.

The Board's response

(a) As disclosed on page 26 of the Annual Report, the Nominating Committee (“NC”) reviews size and composition of the Board and Board Committees and the skills and core competencies of its members to ensure appropriate balance of skills and experience. In this review, the NC considers Principle 2 of the Code and its Provisions and makes recommendations to the Board concerning the Board's diversity policy, including the diversity and balance of skills, knowledge and experience on the Board and other aspects such as gender, age and personal qualities. The NC and Board aim to promote diversity of perspectives, avoid group think and foster constructive debate and achieve overall effective performance of the Board. Currently, the Board comprises suitably qualified directors who provide the Company with a good balance of accounting, finance, legal and business management expertise and experience, complemented by sound industry knowledge. There are two female directors on the Board, and three directors have recent and relevant accounting or related financial management expertise or experience. Information on their respective fields of specialities is provided on pages 8 and 9 of the Annual Report. The Board acknowledges that improvements to Board diversity practices are an ongoing process. The Board reviews the scope and nature of the Group's operations in determining the appropriate Board composition and areas of enhancement in its policy and practices to incorporate a balance of skills, knowledge, experience, gender, age and other qualities that will harness the benefits that diversity can bring. Provision 2.4 has been complied with.

(a) As disclosed on page 100 of the Annual Report, Chang Yeh Hong, Teo Ling Ling Dorcas and Lin Choon Hin are substantial shareholders of the Company. The exact remuneration (with breakdown in terms of salary, bonus and allowance) of Chang Yeh Hong and Teo Ling Ling, Dorcas, being Directors of the Company, are disclosed on page 31 of the Annual Report under “Directors’ Remuneration for FY2020”. The remuneration of Lin Choon Hin, a key employee of the Company, is also disclosed on page 31 of the Annual Report under “Remuneration of Key Executives for FY2020”. Saved as disclosed on page 31 of the Annual Report, there is no other employee who is related to a Director, the CEO or substantial shareholder and whose remuneration exceeded \$100,000 during FY2020. Principle 8 of the Code and its Provisions have been complied with.

BY ORDER OF THE BOARD

Chang Yeh Hong
Executive Chairman
28 April 2021