
CORPORATE GOVERNANCE

Our Directors recognise the importance of corporate governance and offering high standards of accountability to our Shareholders.

Our Board has formed three (3) committees: (i) the Nominating Committee; (ii) the Remuneration Committee; and (iii) the Audit Committee. In addition, we have appointed Loo Hock Leong as our Lead Independent Director. As our Lead Independent Director, he is the contact person for Shareholders in situations where there are concerns or issues which communication with our Non-executive Chairman, CEO, and/or CFO has failed to resolve or where such communication is inappropriate.

Our Board of Directors comprises five (5) Directors, of which three (3) are Independent Directors. Our Independent Directors do not have any past or existing business or professional relationship of a material nature with our Group, our other Directors and/or Substantial Shareholder. Our Independent Directors are also not related to other Directors and/or Substantial Shareholder.

Risk Management

Our Board of Directors has overall responsibility for the governance of risk and exercises oversight of the material risks in our Group's business.

Our Board of Directors will be responsible for determining our Company's levels of risk tolerance and risk policies, and overseeing our management in the design, implementation and monitoring of the risk management and internal control systems. Our Board of Directors will also review the adequacy and effectiveness of our Company's risk management and internal control systems, including financial, operational, compliance and information technology controls.

The identification and management of risks will be delegated to our management who assumes ownership and day-to-day management of such risks. Our management will be responsible for the effective implementation of risk management strategy, policies and processes to facilitate the achievement of business plans and goals within the risk tolerance established by our Board of Directors.

Nominating Committee

Our Nominating Committee comprises Heng Chye Kiou, Loo Hock Leong and Lim Chwee Kim. The Chairman of our Nominating Committee is Heng Chye Kiou.

Our Nominating Committee will be responsible for:

- (a) reviewing and recommending the nomination or re-nomination of our Directors having regard to our Directors' contribution and performance;
- (b) determining on an annual basis whether or not a Director is independent;
- (c) in respect of a Director who has multiple board representations on various companies, to review and decide whether or not such Director is able to and has been adequately carrying out his duties as a Director, having regard to the competing time commitments that are faced by the Director when serving on multiple boards and discharging his duties towards other principal commitments;
- (d) reviewing and approving any new employment of persons related to Directors, Executive Officers or Controlling Shareholder and the proposed terms of their employment;

CORPORATE GOVERNANCE

- (e) reviewing of board succession plans for Directors, in particular, our Non-executive Chairman and our CEO;
- (f) developing a process for evaluation of the performance of the Board, its committees and Directors; and
- (g) reviewing training and professional developments programmes for the Board.

Our Nominating Committee will decide how our Board's performance is to be evaluated and propose objective performance criteria, subject to the approval of our Board, which address how our Board has enhanced long-term shareholders' value. Our Board will also implement a process to be carried out by our Nominating Committee for assessing the effectiveness of our Board as a whole and for assessing the contribution of each individual Director to the effectiveness of our Board. Each member of the Nominating Committee shall abstain from voting on any resolutions in respect of the assessment of his performance or re-nomination as Director.

Remuneration Committee

Our Remuneration Committee comprises Lim Chwee Kim, Loo Hock Leong and Heng Chye Kiou. The Chairman of our Remuneration Committee is Lim Chwee Kim.

Our Remuneration Committee will recommend to our Board a framework of remuneration for our Directors and Executive Officers, and determine specific remuneration packages for each Executive Director and Executive Officer. The recommendations of our Remuneration Committee shall be submitted for endorsement by the entire Board. All aspects of remuneration, including but not limited to directors' fees, salaries, allowances, bonuses, share-based incentives and awards and other benefits-in-kind shall be covered by our Remuneration Committee. Our Remuneration Committee will also review our obligations arising in the event of termination of our Executive Director's and Executive Officers' contracts of service to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous. Each member of our Remuneration Committee shall abstain from voting on any resolutions in respect of his remuneration package.

The remuneration of employees related to Directors, Executive Officers and Controlling Shareholder will be reviewed annually by our Remuneration Committee to ensure that their remuneration packages are in line with our staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities. Any bonuses, pay increases and/or promotions for these related employees will also be subject to the review and approval of our Remuneration Committee. In the event that a member of our Remuneration Committee is related to the employee under review, he will abstain from participating in the review.

Audit Committee

Our Audit Committee comprises Loo Hock Leong, Lim Chwee Kim and Heng Chye Kiou. The Chairman of our Audit Committee is Loo Hock Leong.

Our Audit Committee will assist our Board of Directors in discharging their responsibility to safeguard our assets, maintain adequate accounting records and develop and maintain effective systems of internal control, with the overall objective of ensuring that our management creates and maintains an effective control environment in our Group.

CORPORATE GOVERNANCE

Our Audit Committee will provide a channel of communication between our Board of Directors, our management and our external auditors on matters relating to audit.

Our Audit Committee shall meet periodically to perform the following functions:

- (a) review with the external auditors the audit plans, their evaluation of the system of internal controls, their audit report, their management letter and our management's response;
- (b) review with the internal auditors the internal audit plans and their evaluation of the adequacy of our internal control and accounting system before submission of the results of such review to our Board for approval prior to the incorporation of such results in our annual report (where necessary);
- (c) review the internal control and procedures and ensure coordination between the external and internal auditors and our management, and review the assistance given by our management to the auditors, and discuss problems and concerns, and any matters which auditors may wish to discuss in the absence of our management where necessary;
- (d) review and report to our Board, at least annually, the adequacy and effectiveness of our Group's internal controls, including financial, operational, compliance and information technology controls and discuss issues and concerns, if any, prior to the incorporation of such results in our annual report (where necessary);
- (e) review the financial statements of our Company and our Group, and discuss any significant adjustments, major risk areas, changes in accounting policies, compliance with Singapore Financial Reporting Standards, concerns and issues arising from the audits including any matters which the auditors may wish to discuss in the absence of management, where necessary, before their submission to our Board for approval;
- (f) review and discuss with the external and internal auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on our Group's operating results or financial position, and our management's response;
- (g) review the independence of the external auditors and recommend their appointment or re-appointment, remuneration and terms of engagement;
- (h) review all Interested Person Transactions (either individually or as part of a series or if aggregated with other transactions involving the same Interested Person during the same financial year) every quarter and approving all Interested Person Transactions (either individually or as part of a series or if aggregated with other transactions involving the same Interested Person during the same financial year) equal to or exceeding 3.0% of the value of the latest audited NTA of our Group, prior to such transactions being entered into, and monitoring the procedures established to regulate Interested Person Transactions, including ensuring compliance with our Company's internal control system and the relevant provisions of the Catalist Rules, as well as all conflicts of interest to ensure that proper measures to mitigate such conflicts of interest have been put in place;

CORPORATE GOVERNANCE

- (i) review and approve under the Dealership Agreement the Minimum Volume and % Change (as defined in the section entitled “General Information on our Group – Our Procurement Process” of this Offer Document) of the UEC Group Premium (including the basis for % Change and Minimum Volume) on an annual basis, and any amendment proposed to be made to the Dealership Agreement, and review the terms of the Dealership Agreement every three (3) years with the assistance from independent advisers, to ensure that the Dealership Agreement is on normal commercial terms and is not prejudicial to the interests of our Company and our minority shareholders;
- (j) appraise the performance of the CFO on an annual basis;
- (k) review potential conflicts of interests (if any) and to set out a framework to resolve or mitigate any potential conflicts of interest;
- (l) review and approve all hedging policies and instruments implemented by our Group and conduct periodic review of foreign exchange transactions and hedging policies and procedures;
- (m) review our key financial risk areas, with a view to providing an independent oversight on our Group’s financial reporting, the outcome of such review to be disclosed in the annual reports or where the findings are material, immediately announced via SGXNET;
- (n) undertake such other reviews and projects as may be requested by our Board and report to our Board its findings from time to time on matters arising and requiring the attention of our Audit Committee;
- (o) review arrangements by which our staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting and to ensure that arrangements are in place for the independent investigations of such matter and for appropriate follow-up; and
- (p) generally to undertake such other functions and duties as may be required by statute or the Catalist Rules, and by such amendments made thereto from time to time.

Apart from the duties listed above, our Audit Committee shall commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or suspected infringement of any Singapore law, rule or regulation which has or is likely to have a material impact on our Group’s operating results and/or financial position. In the event that a member of our Audit Committee is interested in any matter being considered by our Audit Committee, he will abstain from reviewing and deliberating on that particular transaction or voting on that particular resolution.

Our Audit Committee shall also commission an annual internal control audit until such time as our Audit Committee is satisfied that our Group’s internal controls are robust and effective enough to mitigate our Group’s internal control weaknesses (if any). Prior to the decommissioning of such an annual audit, our Board is required to report to the SGX-ST and the Sponsor on how the key internal control weaknesses have been rectified, and the basis for the decision to decommission the annual internal control audit. Thereafter, such audits may be initiated by our Audit Committee as and when it deems fit to satisfy itself that our Group’s internal controls remain robust and effective. Upon completion of the internal control audit, appropriate disclosure will be made via SGXNET of any material, price-sensitive internal control weaknesses and any follow-up actions to be taken by our Board.

CORPORATE GOVERNANCE

Currently, based on the internal controls established and maintained by our Group, work performed by the internal and external auditors, and reviews by our management, our Board of Directors and our Audit Committee, our Board of Directors, to the best of its knowledge and belief, with the concurrence of our Audit Committee, is of the opinion that the internal controls of our Group, including financial, operational, compliance and information technology controls, and risk management systems, are adequate and effective.

Our Audit Committee has conducted an interview with our CFO, Sylvia Lio. Our Audit Committee has further considered the following:

- (a) the qualifications and past working experiences of Sylvia Lio (as described in the section entitled “Directors, Executive Officers and Employees – Executive Officers” of this Offer Document) which are compatible with her position as CFO of our Group;
- (b) Sylvia Lio’s past audit, financial and accounting related experiences;
- (c) Sylvia Lio’s demonstration of the requisite competency in finance-related matters in connection with the preparation for the listing of our Company;
- (d) the absence of negative feedback on Sylvia Lio from the representatives of our Group’s Independent Auditor and Reporting Accountant; and
- (e) the absence of internal control weaknesses attributed to Sylvia Lio identified during the internal control review conducted,

and is of the view that Sylvia Lio is suitable for the position of CFO of our Group. Further, after making all reasonable enquiries, and to the best of their knowledge and belief, nothing has come to the attention of our Audit Committee members to cause them to believe that Sylvia Lio does not have the competence, character and integrity expected of a CFO of a listed issuer.

In addition, Sylvia Lio shall be subject to performance appraisal by our Audit Committee on an annual basis to ensure satisfactory performance.

POLICIES

Our Board has adopted or intends to adopt the following policies.

Conflict of Interest Policy

Our Group will adopt a conflict of interest policy to guide our employees in the identification and management of conflicts of interests. Conflicts of interest is defined broadly in the policy to refer to any situation where an employee has a personal interest that is sufficient to influence, or appears to influence, the objective exercise of his official duties. Pursuant to the policy, our employees are required to declare real or perceived conflicts of interests in accordance with documented procedures and to comply with the actions recommended by our management to address such conflicts.

All of our key management, including but not limited to our Executive Director and Executive Officers, are to complete annual conflict of interest disclosures to our Board.

CORPORATE GOVERNANCE

Insider Trading Policy

Our Group intends to adopt an insider trading policy to preserve the reputation and integrity of our Group and our affiliates, and to promote compliance with the relevant requirements of, amongst others, the SFA. In accordance with the policy, any person who possesses material, non-public information relating to our Company, or any other publicly-traded company, including our customers and suppliers, obtained in the course of employment or by association with our Group, is considered an insider to such information. An insider may not buy or sell securities of our Company or communicate such information to a third party.

The insider trading policy shall include a restriction on the dealing in Shares during the period commencing two (2) weeks before the announcement of our Group's financial statements for each of the first three (3) quarters of our financial year and one (1) month before the announcement of our Group's full year financial statements (if required to announce quarterly financial statements), or one (1) month before the announcement of our Group's half year and full year financial statements (if not required to announce quarterly financial statements).

Fraud and Whistleblowing Policy

Our Group is committed to maintaining high ethical standards, honesty and accountability and eliminating fraud and corruption in the conduct of our business. As such, our Group intends to adopt a fraud and whistleblowing policy which is made known to our employees, contractors, agents and consultants.

In addition to the establishment of operational systems which incorporate internal controls designed to minimise the incidence of fraud, limit its impact and ensure prompt detection, our employees are provided an avenue to report incidents of fraud or malpractice to their immediate supervisor or any of our Executive Director or Executive Officers. Our Board believes that it is in the interest of our Group to have prompt knowledge of such illegal, dishonest or improper activities. A preliminary investigation will be conducted on any information received to determine whether further investigation or disciplinary action is necessary or the matter should be referred to the local authorities. The whistle-blower can be assured that our Group intends to protect our business and reputation.

BOARD PRACTICES

Our Directors are appointed by our Shareholders at a general meeting and an election of our Directors takes place annually. One third (or the number nearest one third) of our Directors, are required to retire from office at each AGM. Further, all our Directors are required to retire from office at least once every three (3) years. However, a retiring Director is eligible for re-election at the meeting at which he retires. Further details on the appointment and retirement of Directors can be found in the section entitled "Summary Of Our Constitution" as set out in Appendix E of this Offer Document.