

# CORPORATE GOVERNANCE REPORT

The Board of Directors (the “Board”) of Informatics Education Ltd. (the “Company”) and its subsidiaries (the “Group”) are committed to maintaining a good standard of corporate governance and business practices and has adopted processes and systems to enhance and safeguard the interests of its shareholders.

This report describes the measures and the corporate governance policies and practices of the Group that are currently in place and used throughout the financial year ended 30 June 2021 (the “Year”), with specific reference made to the principles and provisions of the Code of Corporate Governance 2018 (the “2018 Code”), and as applicable, the Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX-ST Listing Rules”) and the Singapore Companies Act (Chapter 50) (the “Act”).

Pursuant to Rule 710 of the SGX-ST Listing Rules, the Board confirms that the Company and the Group, have, for the Year, complied with the principles and provisions as set out in the 2018 Code. Where there are deviations from the 2018 Code, explanations for the deviation and how the Group’s practices are consistent with the intent of the relevant principle and provisions are provided in the sections below.

## **BOARD MATTERS**

### **Board’s Conduct of Affairs**

**Principle 1: The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company.**

#### Provisions 1.1 and 1.2

The Board understands their duties and responsibilities and recognises the need to make decisions objectively in the best interests of the Company. The Board oversees the business affairs and sets the overall business direction, objectives, and values of the Group. This includes putting in place a code of conduct and ethics, setting appropriate tone-from-the-top and desired organisational culture, and ensuring proper accountability within the Group. When any of the Directors faces potential conflicts of interest, the Directors disclose and recuse themselves from discussions and decisions involving the issues of conflict.

Apart from its fiduciary duties and statutory responsibilities, the Board’s principal functions include:

- Set the overall business direction and objectives of the Company;
- Review and decide on major transactions, business plans, annual budgets and operating results of the Company;
- Review the Group’s financial performance and authorises announcements issued by the Company;
- Review the Management’s performance;
- Provide entrepreneurial leadership;
- Ensure the necessary financial and human resources are in place for the Company to meet its objectives;
- Review the process for evaluating risks policies, including the adequacy and effectiveness of internal controls and establishment of risk management;
- Identify the key stakeholder groups and recognise that their perceptions affect the Company’s reputation;
- Set the Company’s values and standards, including putting in place a code of conduct and ethics, setting appropriate tone-from-the-top and desired organisational culture, and ensure proper accountability within the Company;
- Ensure obligations to shareholders and other stakeholders are understood and met; and
- Consider sustainability issues, e.g. environmental and social factors, as part of its strategic formulation.

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The Company worked closely with its Company Secretary and professionals to provide its Directors with regular updates on relevant legal, regulatory and technical developments. Changes to regulations and accounting standards are monitored closely by the Management. The Directors are provided with updates released by regulatory authorities on directors' duties and responsibilities, corporate governance, changes in financial reporting standards in Singapore, development in the Act and the SGX-ST Listing Rules so as to update themselves on matters that may affect or enhance their performance as the Board or Board Committee members. Appropriate external trainings will be arranged where necessary. The Directors may also attend other appropriate courses, conference and seminars, at the Company's expense. This includes programmes run by the Singapore Institute of Directors and other professional bodies.

Newly appointed Directors will be given appropriate training and orientation (including his or her duties as a Director and how to discharge those duties) to ensure that the incoming Directors are familiar with the Company's business and governance practices. The newly appointed Directors will be briefed by Management on the Group's business activities, operations, strategic direction and policies. Orientation programmes and familiarisation visits are also organised, if necessary, to facilitate a better understanding of the Group's operations.

## Provisions 1.3 and 1.4

Matters which are specifically reserved to the Board for decision include the following corporate events and actions:

- material acquisitions and disposal of assets, corporate or financial restructuring and share issuances and dividends;
- approval of results announcements;
- approval of the annual report, sustainability report and financial statements;
- annual budgets;
- interested person transactions;
- convening of members' meetings;
- matters covered by statutory requirements, Constitution, Best Practices Guide, and Corporate Governance;
- matters relating to or having significant impact on the interest of shareholders, including communications to shareholders, or affecting the capital structure of the Company;
- matters that may have material impact on the system of internal controls; or significantly exposes the Company and the Group to financial or operating risks;
- matters relating to proper corporate and financial governance of performance of the Company and the Group;
- matters recommended by the Remuneration Committee relating to the Chairman and Chief Executive Officer ("CEO"), executive Directors and Key Management Personnel who report directly to the Chairman and CEO, and any other significant matters affecting employees;
- matters recommended by the Nominating Committee in respect of the appointment of Directors, re-election of Directors and appointment of Key Management Personnel; and
- all other matters in the reasonable view of Management is of such material nature that requires the approval of the Board.

The Board is supported by Board Committees, namely the Audit and Risk Management Committee (the "AC"), the Nominating Committee (the "NC"), and the Remuneration and Strategic Human Resource Committee (the "RC") (collectively, the "Board Committees"). All Board Committees have been constituted with written terms of references to assist the Board in discharging its responsibilities, which are reviewed periodically by the Board.

The Board acknowledges that while these various Board Committees have the authority to examine particular issues and reports back to the Board with their decisions and recommendations, the ultimate responsibility on all matters lies with the Board.

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## Provisions 1.5 and 1.6

The Board and the Board Committee meetings are held quarterly. Ad-hoc meetings are convened as the circumstances require. The Company's Constitution allows the holding of Board meetings by way of telephone-conferencing or video-conferencing. Should the Board have informal discussions on matters requiring urgent attention, such discussions and decisions would then be formally confirmed and approved by resolutions circularised in accordance with the Constitution. Minutes of the Board Committee meetings are available to all Board members. The Board and Board Committees may also make decisions through circular resolutions.

Directors are provided with complete, adequate and timely information prior to board meetings and on on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities. Detailed Board and Board Committees papers prepared for each meeting are circulated in advance of each meeting. These include copies of disclosure documents, budgets, forecasts and internal financial statements. In respect of budgets, any material variance between the projections and actual results are also disclosed and explained.

The attendance of the Directors, who held office during the Year at the Board and Board Committees meetings are as follows:-

	<b>Board of Directors</b>	<b>NC</b>	<b>RC</b>	<b>AC</b>
No. of Meetings held	5	1	1	5
<b>No. of meetings attended by respective Directors</b>				
Dato' Sri Robin Tan Yeong Ching	2	–	–	2
Mr Yeap Beng Swee, Philip	5	1	1	5
Professor Lai Kim Fatt	5	1	1	5
Ms Yau Su Peng	5	N.A.	N.A.	N.A.

*Notes:*

*N.A.: Not Applicable*

Directors with multiple board representations are to disclose such board representations and ensure that sufficient time and attention are given to the affairs of the Group.

During the Board and Board Committee meetings, the Non-Executive Directors constructively challenged and helped develop the Group's short-term and long-term business strategies and review the performance of Management in meeting agreed goals and objectives and monitor the reporting of performance. Where necessary, the Non-Executive Directors meet and discuss on need-to basis on the Group's affairs without the presence of Management.

## Provision 1.7

The Company Secretary, to whom the Directors have independent access, keeps the Board informed of relevant laws, regulations and changes thereto. The appointment and removal of the Company Secretary is a matter for the Board as a whole.

The Directors, either individually or as a group, have the authority to seek independent professional advice, if necessary, at the Company's expense. The Board is also given separate and independent access to Management.

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## Board Composition and Guidance

**Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.**

The Board consist of four members, comprising of one Non-Executive Director, one Executive Director and two Independent Directors. Their profiles are in the section on Board of Directors of this Annual Report. Membership of the Board Committees are as follows:

Name of Director	Appointment	Date of Initial Appointment	Date of Last Re-election	AC	NC	RC
Dato' Sri Robin Tan Yeong Ching	Non-Executive Chairman	22 June 2011	26 November 2020	Member	Member	Member
Mr Yeap Beng Swee, Philip	Non-Executive, Independent Director	19 July 2018	18 July 2019	Chairman	Member	Member
Professor Lai Kim Fatt	Non-Executive, Independent Director	19 July 2018	18 July 2019	Member	Chairman	Chairman
Ms Yau Su Peng	Executive Director	23 November 2012	18 July 2018	-	-	-

### Provision 2.1

Under Provision 2.1 of the 2018 Code, an “independent” director is one who is independent in conduct, character and judgement, and has no relationship with the company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director’s independent business judgement in the best interests of the company.

Rule 210(5)(d) of the SGX-ST Listing Rules also sets out circumstances under which a director will not be independent.

The Board adopted the definition of the 2018 Code and the SGX-ST Listing Rules of what constitutes “independent” in its review of the independence or otherwise of each Director (“Independent Director”).

### Provisions 2.2 and 4.4

The independence of each Director is assessed and reviewed annually by the NC. In its deliberation as to the independence of a Director, the NC considered whether a Director had business relationships with the Group, and if so, whether such relationships could interfere, or be reasonably perceived to interfere, with the exercise of the Director’s independent judgements. Each Independent Director is required to complete a Director’s Independence Form annually to confirm his independence based on the provisions as set out in the 2018 Code and the SGX-ST Listing Rules. The Directors must also confirm that there exist no conditions that would impair his independence. This declaration of independence is tabled before the NC and, if accepted, the director’s independence is then recommended by the NC to the Board. Taking into account the views of the NC, the Board is satisfied that Professor Lai Kim Fatt and Mr Yeap Beng Swee, Philip are independent in the light of the provisions of the 2018 Code and Rule 210(5)(d) of the SGX-ST Listing Rules.

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There are two Independent Directors out of a total of four Directors, hence the Independent Directors represent 50% of the total Board membership. Provision 2.2 of the 2018 Code states that Independent Directors shall make up a majority of the Board where the Chairman is not independent. The NC and the Board, after extensive deliberation and observation, are of the opinion that there is a strong element of independence in the Board to exercise objective and balanced judgement on the Group's corporate affairs, and meet the current requirements of the Group's business. The matters requiring the Board's approval are discussed and deliberated with participation of all the Directors and decisions are made collectively without any individual or small group of individuals influencing or dominating the decision-making process. In addition, the Board is of the opinion that based on the Group's current size and operations, it is not necessary nor cost effective to have Independent Directors make up a majority of the Board. Nevertheless, the Board will continue to review the composition of Independent Directors should there be expansion or significant changes to the scope, nature and/or requirements of the Group's business.

## Independent Directors with more than 9-year tenure

The independence of any Director who has served on the Board beyond nine (9) years from the date of his first appointment will be subject to more rigorous review, taking into account the need for progressive refreshing of the Board.

Under Rule 210(5)(d)(iii) of the SGX-ST Listing Rules which will come into force on 1 January 2022, it stipulates that a Director will not be considered independent if he/she has been a director for an aggregate period of more than nine (9) years (whether before or after listing) and his/her continued appointment as an independent director has not been sought and approved in separate resolutions by (A) all shareholders and (B) shareholders excluding the directors and the chief executive officer of the listing applicant, and associates of such directors and chief executive officer. The Board notes that the SGX-ST has stated that to ensure that the independence designation of a director who has served for more than nine (9) years as at and from 1 January 2022 is not affected, a listed issuer should seek and obtain approvals for his continued appointment as an independent director prior to 1 January 2022.

To date, none of the Independent Directors has served the Company for more than nine (9) years from his/her date of first appointment to the Board.

## Provisions 2.3 and 2.5

The non-executive directors ("Non-Executive Directors") constitute more than half of the Board. The Independent and Non-Executive Directors had constructively challenged and contributed to the development of both the Group's short-term and long-term business strategies. Their views and opinions provide different perspectives to the Group's businesses. Where appropriate, the Independent and Non-Executive Directors would also meet without the presence of the Management.

## Provision 2.4

The Board's policy in identifying Director candidates is primarily to have an appropriate mix of members with complementary skills, core competencies and experience for the Group, regardless of gender. The Board comprises Directors who as a group, provide an appropriate balance and diversity of skills, experience and knowledge of the Group. The Board also collectively have the necessary mix of experience and core competencies such as accounting and finance, legal expertise, business and management experience, industry knowledge, strategic planning experience to contribute to the effective strategic leadership of the Group. In recognition of the importance and value of gender diversity in the composition of the Board, out of the four Directors, one is a female Director. The female gender therefore represents 25% of the total Board membership. In terms of age diversity, one Director is between the ages of 60 to 69, representing 25% of the total Board membership, two Directors are between the ages of 50 to 59, representing 50% of the total Board membership and one Director is between the ages of 40 to 49, representing 25% of the total Board membership.

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## Chairman and Chief Executive Officer

**Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.**

### Provisions 3.1 and 3.2

There is a clear segregation of the roles and responsibilities between the Chairman and Executive Director, which ensures a balance of power and authority for independent decision making.

The Chairman, Dato' Sri Robin Tan Yeong Ching, is a Non-Executive Chairman who oversees the overall business and bears the responsibility for the workings of the Board. He leads the Board discussions and ensures that Board meetings are convened and conducted appropriately. He approves the agendas for the Board meeting and ensures the quality, quantity and timeliness of the flow of information and encourages constructive relations between the Board and Key Management Personnel to facilitate efficient decision making.

The Executive Director, Ms Yau Su Peng, takes a leading role in developing the overall business of the Group and manages the day-to-day operations of the Group with the assistance of the Chief Operating Officer, Mr Allan Maxwell Norton. She also oversees the execution of the Group's business and corporate strategy decisions made by the Board.

The Chairman of the Board and the Executive Director are not related to each other.

### Provision 3.3

Provision 3.3 of the 2018 Code requires the appointment of a Lead Independent Director to provide leadership in situations where the Chairman is conflicted, and especially when the Chairman is not independent, to act as an available channel for shareholders when normal channels of communication with the Chairman or Management are inappropriate or inadequate.

The Board is of the view that the appointment a Lead Independent Director is not necessary as the Independent Directors, which constitute half of the Board are able to lead and resolve situations where the Chairman is conflicted. The Independent Directors also ensure that all Directors act in the best interest of the Company as a whole and not of any particular group of shareholders or stakeholders. The shareholders have access to the Board and the Company has always responded to queries raised by the shareholders. The absence of a Lead Independent Director has not and is unlikely to affect the shareholder's accessibility and communication to the Board. Nevertheless, the Board will annually examine the need for the appointment of a Lead Independent Director, and will make such an appointment where appropriate.

Although no Lead Independent Director was formally appointed, the Company's Independent Directors conferred among themselves to be available to shareholders where they have concerns and for which contact through the normal channels of communication with the Chairman or Management is inappropriate or inadequate.

## Board Membership

**Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.**

### Provisions 4.1 and 4.2

The Board has established a NC comprising three Non-Executive Directors, the majority of whom, including the NC Chairman, are independent:

NC Chairman: Professor Lai Kim Fatt (Independent Director)

Members: Mr Yeap Beng Swee, Philip (Independent Director)  
Dato' Sri Robin Tan Yeong Ching (Non-Executive, Non-Independent Director)

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The NC is guided by its terms of reference which sets out its responsibilities. The NC is responsible for making recommendations to the Board on relevant matters relating to:

- (a) the review of succession plans for Directors, in particular the appointment and/or replacement of the Chairman, the CEO and Key Management Personnel;
- (b) the process and criteria for evaluation of the performance of the Board, its board committees and directors;
- (c) the review of training and professional development programmes for the Board and its directors; and
- (d) the appointment and re-appointment of Directors (including alternate Directors, if any).

## Provision 4.3

The process for the selection, appointment and re-appointment of Directors to the Board is as follows:-

- The NC recommends to the Board a suitable Board size after reviewing the size and composition of the Board annually to ensure that it has an appropriate balance of expertise, skills, attributes and abilities.
- The NC will assist to identify and recommend suitable candidates for appointment to the Board.
- The NC considers the channels for seeking suitable candidates and draws up a list of potential candidates. Where necessary, the NC may seek advice from external consultants.
- The NC evaluates and reviews the candidates' capabilities, taking into account the Company's objectives and the requirements of the Board.
- The NC makes recommendation to the Board on candidates it considers appropriate for appointment. New Directors are appointed by way of board resolution.
- With regard to the re-election of existing Directors each year, the NC reviews annually the Directors due for retirement under the Constitution of the Company and recommends to the Board the re-election of Director(s) having regard to their past contribution and performance.
- The NC will make recommendations to the Board as to whether the Board should support the re-election of a Director retiring in accordance with the provisions of the Constitution.
- In making recommendations, the NC will undertake a process of review of the retiring non-executive Director's performance during the period in which the non-executive Director has been a member of the Board.

The above process will be reviewed periodically at the discretion of the Board.

With effect from January 1, 2019, all directors, including executive directors, must submit themselves for re-nomination and re-appointment at least once every three years, in accordance with Rule 720(5) of the SGX-ST Listing Rules.

Under Regulation 91 of the Company's Constitution, all Directors are subject to retirement by rotation once at least every three years and they are eligible for re-election at the Annual General Meeting (the "AGM"). The Directors who have been longest in office since their last re-election shall retire first.

Regulation 95 of the Company's Constitution requires that new Directors appointed by the Board shall hold office until the next AGM and shall be eligible for re-election at that AGM.

Ms Yau Su Peng who is retiring under Regulation 91 of the Constitution, has given her consent for re-election as a Director of the Company at the forthcoming AGM.

The initial appointment date and the date of last re-election of the Directors in office at the date of this report are shown under Principle 2 "**Board Composition and Guidance**".

As at 30 June 2021, there is no alternate Director on the Board.

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## Provision 4.5

The NC evaluates the Board, each Board Committee and each Director taking into consideration of each Director's attendance record, skills, preparedness, participation, candour and contribution to the effectiveness of the Board and Board Committees. The NC also considers whether the Board Committees have fulfilled their roles and discharged tasks delegated by the Board.

The NC had reviewed the multiple board representations held by the Directors and their confirmations that they are able to devote sufficient time and attention to the matters of the Group. The NC also noted the Directors' attendances in relation to the Board and Board Committee meetings held during the year. The NC was satisfied that the Directors have been able to devote sufficient time and resources to the affairs of the Group. As such, the Board does not think that it is necessary to set a maximum number of listed board representations that any Director may hold.

Individual Director's feedback on the Board and Board Committees are also considered.

## **Board Performance**

**Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.**

## Provisions 5.1 and 5.2

The NC pays particular attention to the efficient and effective operation of the Board in guiding Management. Issues such as whether the Board has spent appropriate amount of time deliberating on the long term strategy and performance of Management, and the assistance to Management in setting clear and well understood policies and action plans were reviewed. Brainstorming sessions were also organised for the Board members and Management to discuss the overall business directions and planning and to focus on common objectives.

The NC undertakes annual evaluation process of the performance and effectiveness of the Board as a whole and the Board Committees as well as the contribution of individual Directors to the effectiveness of the entire Board. The criteria taken into consideration by the NC include contribution and performance factors such as attendance, preparedness and participation. These criteria will be changed when it is deemed necessary and approved by the Board. The NC is satisfied that the Board as a whole and Board Committees had met the performance objectives in the Year and each Director has contributed to effective functioning of the Board and sufficient time and attention has been given by the Directors to the affairs of the Company, notwithstanding that some of the Directors have multiple board representations and other principal commitments.

No external facilitator was engaged in the Year in the evaluation of the Board as a whole, its Board Committees and the individual Directors.

# CORPORATE GOVERNANCE REPORT

## REMUNERATION MATTERS

### Procedures for Developing Remuneration Policies

**Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.**

#### Provisions 6.1 and 6.2

The Board has established the RC to deal with remuneration matters. The RC comprises three Non-Executive Directors, the majority of whom, including the RC Chairman, are independent:

RC Chairman: Professor Lai Kim Fatt (Independent Director)

Members: Mr Yeap Beng Swee, Philip (Independent Director)  
Dato' Sri Robin Tan Yeong Ching (Non-Executive, Non-Independent Director)

The RC is guided by its terms of reference which sets out its responsibilities. The RC is responsible for making recommendations to the Board on:

- (a) a framework of remuneration for the Board and Key Management Personnel;
- (b) terms of appointment and the specific remuneration packages for each director as well as for the Key Management Personnel; and
- (c) disclosing performance measures and targets for Key Management Personnel's performance bonuses.

#### Provisions 6.3 and 6.4

The RC considers all aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options and benefits-in-kind. The RC reviews the fairness and reasonableness of the remuneration package of the Executive Director and Key Management Personnel to ensure that there is no overly onerous or generous termination clause.

The RC has access to expert advice on human resource matters whenever there is a need to consult externally. The RC determined that there was no need to seek such expert advice for the Year.

### Level and Mix of Remuneration

**Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company.**

#### Provisions 7.1 and 7.2

It is the Company's policy to ensure that the level of remuneration is appropriate to attract, retain and motivate the personnel to run the Group successfully. The remuneration of Key Management Personnel is structured so as to link rewards to corporate and individual performance. The Company's risk policies are also taken into account. From time to time, remuneration packages of employees are reviewed to ensure that they are sufficiently competitive. A compensation system is in place to reward employees based on merit and performance through annual merit service increments and bonuses. In view of the challenging market and business conditions, the Company was not profitable for the Year. Hence, the Executive Director and Key Management Personnel were not entitled to performance bonuses.

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Service agreement for the Executive Director was entered with the Company on 20 October 2014 with no fixed appointment period and does not contain onerous termination provisions. The Non-Executive Directors and Independent Directors receive Directors' fees in accordance with their level of contributions, taking into account factors such as effort and time spent for serving on the Board and Board Committees, as well as the responsibilities and obligations of the Directors. Directors' fees are recommended by the Board for approval by the shareholders at the Company's AGM.

There are no contractual provisions for the Company to reclaim incentive components of remuneration from Executive Director and Key Management Personnel in exceptional circumstances of misstatement of financial results, or misconduct resulting in financial loss to the Company. The RC is of the view such claw back provisions are not necessary as the variable components of their remuneration package are moderate.

## Provision 7.3

The Company recognises the need to pay competitive fees to attract, motivate and retain Directors without being excessive to the extent that their independence might be compromised.

The RC will submit its recommendation on the remuneration packages (including Directors' fee, salaries, allowance, bonuses, options and/or benefits in kind) for each Director for endorsement by the Board. No Directors are involved in deciding his or her own remuneration. If a member of the RC has an interest in a matter being reviewed or considered by the RC, he or she will abstain from voting on that matter.

## **Disclosure of Remuneration**

**Principle 8: The Company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.**

## Provision 8.1

Details of remuneration of the Directors of the Company for the Year are as follows:

<b>Name of Director</b>	<b>Total Remuneration S\$'000</b>	<b>Salary %</b>	<b>Performance Bonuses %</b>	<b>Director's Fees* %</b>
<b><u>Non-Executive Directors</u></b>				
Dato' Sri Robin Tan Yeong Ching	-	-	-	-
Mr Yeap Beng Swee, Philip	20	-	-	100%
Professor Lai Kim Fatt	20	-	-	100%
<b><u>Executive Director</u></b>				
Ms Yau Su Peng	60	100%	-	-
<b>Total</b>	<b>100</b>	<b>60%</b>	<b>-</b>	<b>40%</b>

\* These fees are subject to shareholders' approval as a lump sum at the AGM for the Year.

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Details of remuneration for the top five Key Management Personnel (who are not Directors of the Company and in office during the year) for the Year are set out below:

<b>Top 5 Key Management Personnel (Non-Directors of the Company)</b>	<b>Salary %</b>	<b>Performance Bonuses %</b>	<b>Allowance and Other Benefits %</b>
<b><i>Below S\$250,000</i></b>			
Mr Allan Maxwell Norton Chief Operating Officer	99.9%	-	0.1%
Ms Esther Chesterman <sup>(1)</sup> General Manager, NCC Education Ltd	100.0%	-	-
Ms Foo Wee Vian Financial Controller	99.9%	-	0.1%
Ms Nio Ai Lin Head – Academic and Curriculum Development, Informatics Academy Pte Ltd	100.0%	-	1.0%
Ms Wong Wai Lan General Manager, Informatics Education (HK) Limited	68.7%	-	31.3%

<sup>(1)</sup> Ms Esther Chesterman relinquished her role as General Manager of NCC Education Ltd on 26 April 2021.

The aggregate amount of the total remuneration paid to the top five Key Management Personnel (who are not Directors or CEO) is S\$752,000. The remuneration of individual Key Management Personnel is not fully disclosed but in bands of S\$250,000 as the Company believes that such disclosure may be prejudicial to its business interest given the highly competitive environment it is operating in.

## Provision 8.2

There are no employees related to a Director, CEO or substantial shareholders of the Company whose remuneration exceeds S\$100,000 in the Group's employment for the Year.

## Provision 8.3

The Company previously had an employee share option scheme which had expired on 15 February 2016. The Company currently does not have any incentive scheme for its Directors and Key Management Personnel. The Company also does not have any scheme which encourages its Executive Director and Key Management Personnel to hold shares in the Company.

# CORPORATE GOVERNANCE REPORT

## ACCOUNTABILITY AND AUDIT

### **Risk Management and Internal Controls**

**Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the Company and its shareholders.**

#### Provision 9.1

The Board ensures that Management maintains a sound system of internal controls and risk management to safeguard the shareholders' interests and the Company's assets.

All business units have a primary responsibility for managing their specific risk exposures based on the Group's guidelines. The Company has established an Enterprise Risk Management Framework ("ERM framework") for the purpose of addressing the operational, compliance, financial and information technology risks of the holding Company and its subsidiaries and will continue improving on the framework.

#### Rule 1207(10) of the SGX-ST Listing Rules

The AC is tasked to oversee the implementation of an effective system of internal controls as well as putting in place an ERM framework to continually identify, evaluate and manage significant business risks of the Group. Having considered the Group's business operations as well as its existing internal control and risk management systems, the Board is of the view that a separate risk committee is not required for the time being due to the current size of the Group's operations.

The Board will continue to review and ensure that there are adequate controls in the Group. Based on the internal controls established and maintained by the Group, reports issued by consultants and regulators, control observations as reported by external auditors of the Company and its subsidiaries, and reviews performed by Management, the Board with the concurrence of the AC, are of the opinion that the Group's internal controls, and risk management systems maintained to address financial, operational, compliance and information technology risks were adequate and effective during the Year to address the risks which the Group considers relevant and material.

The Board notes that the system of internal controls provides reasonable, but not absolute, assurance that the Group will not be affected by any event that could be reasonably foreseen as it strives to achieve its business objectives. In this regard, the Board also notes that no system can provide absolute assurance against the occurrence of material errors, poor judgment in decision-making, human error, fraud or other irregularities.

#### Provision 9.2

The Board has received assurance from the Chief Operating Officer and the Financial Controller that (a) the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances and (b) regarding the adequacy and effectiveness of the Company's risk management and internal control systems.

### **Audit Committee**

**Principle 10: The Board has an Audit Committee which discharges its duties objectively.**

#### Provisions 10.1(a), 10.1(c) and 10.2

The AC comprises three Directors, the majority of whom, including the AC Chairman, are independent:

AC Chairman: Mr Yeap Beng Swee, Philip (Independent Director)

Members: Professor Lai Kim Fatt (Independent Director)  
Dato' Sri Robin Tan Yeong Ching (Non-Executive, Non-Independent Director)

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The AC is guided by its terms of reference which sets out its responsibilities. The duties of AC include:

- (a) reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance;
- (b) reviewing at least annually the adequacy and effectiveness of the Company's internal controls and risk management systems;
- (c) reviewing the assurance from the CEO and the CFO on the financial records and financial statements;
- (d) making recommendations to the Board on: (i) the proposals to the shareholders on the appointment and removal of external auditors; and (ii) the remuneration and terms of engagement of the external auditors;
- (e) reviewing the adequacy, effectiveness, independence, scope and results of the external audit and the Company's internal audit function; and
- (f) reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on. The Company publicly discloses, and clearly communicates to employees, the existence of a whistle blowing policy and procedures for raising such concerns.

## Provision 10.3

The AC does not comprise former partners or directors of the Company's existing auditing firm or auditing corporation: (a) within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as they have any financial interest in the auditing firm or auditing corporation.

## Provisions 10.1(b) and 10.1(d)

The responsibility of the AC is to assist the Board in maintaining a good standard of corporate governance, particularly by providing an independent review of the adequacy and effectiveness of the financial reporting process and internal control systems of the Company, the review of the significant financial reporting issues and the integrity of the financial statements of the Company for any formal announcements. The AC governs and approves key financial policies and has the power to conduct or authorise investigations into any matters within its scope of responsibility.

In addition, the AC reviewed the audit plans, evaluated the risk management framework and discussed regulatory compliance matters and accounting implications of any major transactions including significant financial reporting issues. It also assessed the internal audit function to ensure that an effective system of control is maintained in the Group.

The AC is empowered to make recommendations to the Board on the appointment, re-appointment and removal of the external auditors, and to approve the remuneration and terms of engagement of the external auditors. For the Year, the AC has discussed with the external auditors and reviewed the volume and nature of all non-audit services provided by them to the Group. The AC is satisfied that the financial, professional and business relationships between the Group and the external auditors will not affect their independence and objectivity. The fee payable to auditors is set out on page 72 of this annual report. The AC has recommended to the Board the nomination of Ernst & Young LLP for re-appointment by shareholders as external auditors of the Company at the forthcoming AGM.

In appointing the audit firms for the Group, the AC is satisfied that the Company has complied with Rules 712 and 715 of the SGX-ST Listing Rule. In accordance with the requirements of Rule 716 thereof, the AC and the Board are satisfied that the appointment of auditors for some of its foreign subsidiaries would not compromise the standard and effectiveness of the audit of the Company.

# CORPORATE GOVERNANCE REPORT

## Provision 10.1(f)

To achieve a good standard of corporate governance for the operations of the Group, employees must maintain a high level of integrity and professionalism in their conduct and ensure compliance with all laws and regulations in their dealings with all stakeholders. Accordingly, the Board has put in place the Employee Code of Ethics and Policy for Reporting Improper Action and Protecting Employees Against Retaliation (“Whistle Blower”) since 2004. The Whistle Blower policy is liberally construed in favour of protecting the Group’s interest through full disclosure of any conflict of interest and promoting ethical standards of conduct for all employees. The Whistle Blower policy is included in the staff orientation programme.

Any person may report via e-mail to the AC Chairman, a complaint alleging violation of the policy, together with all available supporting documents or other evidence to demonstrate a reason for believing that a violation had occurred. The AC Chairman may delegate to Management to conduct a preliminary investigation on the complaint and discuss with Management on the appropriate follow-up action to be taken after the investigation. The identity of reporting employees will be kept confidential to the extent possible under law, unless the employee authorises the disclosure of his or her identity in writing. For the Year, there have been no incidents pertaining to whistle-blowing reported.

## Provisions 10.1(e) and 10.4, Rules 719(3) and 1207(10C) of the SGX-ST Listing Rules

The AC ensures that the internal audit function is staffed with persons with relevant qualifications and experience and reviews the adequacy and effectiveness of the function at least annually.

The internal auditors report to the AC and assist the Board in monitoring and managing business risks and system of internal controls. The internal audit function has unfettered access to all the Company’s documents, records, properties and personnel, including access to the AC.

The scope of work of the internal auditors covers the audit of all units and operations including the Company’s overseas offices, and subsidiaries. To further enhance the internal controls of the Group, the AC may engage an external audit firm to perform internal audit tasks from time to time.

The AC has a duty to review and approve the Company’s internal audit plan. The results of the audit findings by internal auditors will also be submitted to the AC for review on the internal controls of the Group. During the Year, the Group had not engaged any external audit firm to perform internal audit work for the Group’s operations in Singapore due to on-going restructuring of the Singapore operations. In addition, internal audit plans covering overseas operations continued to be deferred due to the COVID-19 pandemic, and these are expected to resume when travel and borders restrictions are lifted.

Based on the internal controls established and maintained by the Group, reports issued by consultants and regulators, control observations as reported by the external auditors of the Company and its subsidiaries, and reviews performed by Management, the Board is satisfied that there were adequate and effective internal controls (including financial, operational, compliance and information technology controls) and risk management systems. The AC concurs with the Board’s comment. The Board, together with the AC and Management, will continue to enhance and improve the existing internal controls framework to identify and mitigate these risks. There were no material weaknesses identified by the Board or the AC for the Year.

# CORPORATE GOVERNANCE REPORT

## Provision 10.5

Members of the AC have independent access to both the external auditors and the internal auditors. During the Year, the AC met with the external auditor without the presence of the Management. The AC has explicit authority to investigate any matter within its terms of reference, full access to and co-operation by Management and full discretion to invite any Director or Executive Officer of the Company to attend its meetings.

To keep abreast of the changes in financial reporting standards and related issues which have a direct impact on financial statements, discussions are held with the external auditors where applicable when they attend the AC meetings.

## Significant financial statement reporting matters

The significant issues considered by the AC in relation to the financial statements during the Year are detailed below, alongside the actions taken by the AC to address the issues.

<b>Significant matters considered</b>	<b>How the issues were addressed by the AC</b>
Material uncertainty related to going concern	The AC has reviewed and challenged the Group's ability to operate as a going concern. The AC concurred and agreed with the external auditors and Management that the financial statements of the Group and Company be prepared on a going concern basis given that the Group has received letter of financial support from the Company's penultimate holding company, Berjaya Land Berhad, to provide continuing financial support to the Group to enable it to continue its operations and meet its liabilities as and when they fall due.
Allowances for expected credit loss on trade receivables	The AC has reviewed and challenged Management's assumptions and inputs used in the computation of the allowance for expected credit losses on trade receivables. The AC concurred and agreed with the external auditors and Management on their assessment and judgement on the significant matter reported by the external auditors.
Fair valuation of intercompany loans	The AC has reviewed and challenged Management's basis for the key assumptions and inputs used in the fair valuations of the intercompany loans, including the expected cash flows and discount rates used. The AC concurred and agreed with the external auditors and Management on their assessment and judgement on the significant matter reported by the external auditors.

## SHAREHOLDER RIGHTS AND RESPONSIBILITIES

### **Shareholder Rights and Conduct of General Meetings**

**Principle 11: The Company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the Company. The Company gives shareholders a balanced and understandable assessment of its performance, position and prospects.**

## Provision 11.1

In view of the current COVID-19 situation, the forthcoming AGM to be held in respect of FY2021 will be convened and held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (the "Alternative Arrangements"). The Alternative Arrangements relating to attendance at the AGM via electronic means i.e. live audio-visual webcast or live audio-only stream, submission of questions to the Chairman of the Meeting in advance of the AGM, addressing of substantial and relevant questions at the AGM (if any) and appointing the Chairman of the Meeting as the proxy at the AGM, will be put in place.

# CORPORATE GOVERNANCE REPORT

The Company will ensure that shareholders have equal opportunity to participate effectively in and vote at general meetings and brief shareholders on the rules, including voting procedures that govern general meetings. All shareholders of the Company shall receive the Annual Report and Notice of AGM. The Board regards the AGM as the principal communication channel with shareholders, where shareholders are given the opportunity to communicate their views and are encouraged to raise pertinent questions to the Board members and to vote at shareholders' meetings. Directors, including the chairpersons of the Board and Board Committees are present at the annual general meetings to address relevant questions raised by the shareholders. The external auditors will also be present to assist the Directors in addressing any relevant queries by shareholders.

To promote greater transparency and effective participation, the Company has conducted the voting of all its resolutions by employing electronic poll voting for all its resolutions passed at its AGM. The detailed results of the electronic poll voting on each resolution tabled at the AGM, including the total number of votes cast for or against each resolution tabled, were released immediately at the AGM and announced to SGX-ST via SGXNET thereafter. The Company Secretary prepares minutes of general meetings that includes a summary of comments or queries made by shareholders during that meeting, and responses from the Board. Generally, during general meetings, shareholders are invited to raise questions, and this would be recorded in the minutes.

## Provision 11.2

The Company tables separate resolutions at general meetings of shareholders on each substantially separate issue unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are "bundled", the Company explains the reasons and material implications in the notice of meeting.

## Provision 11.3

The Directors, Management and the external auditor are present and available at the general meetings to address any queries or concerns on matters relating to the Group and its operation.

## Provision 11.4

The Company's Constitution allows any shareholder to appoint proxies during his absence, to attend and vote on his behalf at the general meetings. The Company's Constitution does not permit voting in absentia by mail, facsimile or email due to the difficulty in verifying and ensuring authenticity of the vote.

## Provision 11.5

Provision 11.5 of the 2018 Code provides that the Company publishes minutes of general meetings of shareholders on its corporate website as soon as practicable. The Company does not publish minutes of general meetings or shareholders on its corporate website. There are potential adverse implications for the Company if the minutes of general meetings are published to the public at large (outside the confines of a shareholders' meeting) including disclosure of sensitive information to the Group's competitors. Further, shareholders, including those who did not attend the relevant general meeting, have a right to be furnished copies of minutes of general meeting pursuant to Section 189 of the Act. Accordingly, the Company is of the view that its position is consistent with the intent of Principle 11 of the 2018 Code as shareholders are treated fairly and equitably by the Company.

In accordance with the Alternative Arrangements, the Minutes of AGM will be published within one month after the AGM to be held in respect of FY2021 through the SGXNET and the Company's website.

# CORPORATE GOVERNANCE REPORT

## Provision 11.6

The Company does not have a fixed dividend policy. The frequency and amount of dividends will depend on the Company's earnings, general financial condition, results of operations, capital requirements, cash flow and general business condition, development plans and other factors as the Directors may deem appropriate.

The Board does not recommend any payment of dividends for the Year as the business conditions are expected to remain challenging due to the pandemic situation, with the Group continuing to pursue new and profitable revenue streams and generate cash flow growth, and streamline its processes and leveraging technology to achieve a leaner cost structure.

## **Engagement with Shareholders**

**Principle 12: The Company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the Company.**

## Provision 12.1, 12.2 and 12.3

The Board believes in regular, timely and effective communication with Shareholders. In addition to the mandatory public announcements made through the SGXNET, timely release of the financial results provides Shareholders with an overview of the Group's performance and operations. The Company does not practice selective disclosure. Any price sensitive information is first publicly released through SGXNET, before the Company announce to any group of investors or analysts. Announcements of results and information on new initiatives are published through the SGXNET.

Shareholders can also access information on the Group via the website [www.informaticseducation.com](http://www.informaticseducation.com). To keep all stakeholders of the Company updated on latest announcements and press releases of the Company, the Company has made available other channels such as the Company's website (<http://www.informaticseducation.com/investor-media-centre/investor-relations-contact/>) and hotline at +65 9698 4237 for shareholders to submit their feedback and queries.

The Company maintains the minutes of general meetings that include substantial and relevant comments or queries from shareholders relating to the agenda of the meeting, and responses from the Board and Management. These minutes are made available to shareholders upon their request.

Although the Company has not adopted a formal Investor Relations Policy to regularly convey pertinent information to the shareholders, the Board recognises the need to furnish timely information to shareholders and ensure full disclosure of material information to comply with statutory requirements and the SGX-ST Listing Rules.

## **Engagement with Stakeholders**

**Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served.**

## Provision 13.1

The Company has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationships with such groups.

## Provision 13.2

Details of the Company's strategy and key areas of focus in relation to the management of stakeholder relationships during the Year will be set out in the Company's Sustainability Report.

# CORPORATE GOVERNANCE REPORT

## Provision 13.3

The Company maintains a current corporate website to communicate and engage with stakeholders. The Company's website is at [www.informaticseducation.com](http://www.informaticseducation.com).

## **OTHER CORPORATE GOVERNANCE MATTERS**

### **Interested Person Transactions**

During the Year, there were no interested person transactions (excluding transactions less than S\$100,000) entered into by the Group.

The Company does not have a general mandate from shareholders for interested person transactions pursuant to Rule 920 of the SGX-ST Listing Rules.

### **Material Contracts**

Save for the service agreement between the Company and the Executive Director, there were no material contracts of the Company and its subsidiaries involving the interests of the Directors, Chief Executive Officer or the controlling shareholders and his/her associates that have subsisted during the Year or have been entered into since the end of the Year.

"Associate" in relation to a Director, Chief Executive Officer or controlling shareholder means:

- his/her immediate family;
- the trustees of any trust of which he/her or his/her immediate family member is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
- any company in which he/her and his/her immediate family together (directly or indirectly) have an interest of 30% or more.

### **Dealings in Securities**

In compliance with Listing Rule 1207(19) of the SGX-ST Listing Rules, the Group issues quarterly reminders to its Directors, officers and employees on the restrictions in dealings in listed securities of the Company during the period commencing (i) two weeks prior to the announcement of financial results of each of the first three quarters of the financial year, and (ii) one month before the announcement of full year results, and ending on the date of such announcements. Directors, officers and employees are also reminded not to trade in listed securities of the Company at any time while in possession of unpublished price sensitive information and to refrain from dealing in the Company's securities on short-term considerations.

In addition, the Directors and officers of the Company and Group are expected to observe insider trading laws at all times even when dealing in securities within the permitted trading period.