

RafflesEducationCorporation

(Incorporated in the Republic of Singapore)

Company Registration No. 199400712N

RESPONSE TO QUERIES BY SGX-ST ON ANNUAL REPORT 2014

SGX-ST Query 1

Paragraph 2.4 of the Code of Corporate Governance 2012 (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.

It was disclosed that Mr Henry Tan Song Kok has served as an Independent Director of the Company for more than nine years. Please elaborate on the rigorous review and the factors taken into account by the Nomination Committee in relation to their assessment that Mr Henry Tan Song Kok is independent.

Company’s Response

The rigorous review and the factors taken into consideration by the Nomination Committee to assess and determine the independence of Mr Henry Tan Song Kok include but are not limited to the following:

- a) He has no relationship with the Company’s related corporations, substantial shareholders or its officers and Management that could impair his fair judgment;
- b) He has continued to demonstrate independence in character and judgment when discharging his duties as the Lead Independent Director and in his conduct of the Board’s affairs;
- c) He has gained valuable insight and understanding of the Company through his years of involvement with the Company and these together with his accounting expertise will continue to greatly benefit the Company through his impartial and autonomous views.

The Board considers continuity and stability of the Board as important and that it is not in the interest of the Company to require directors who have served more than nine years or longer to be ineligible for re-election (as independent directors). The Board nevertheless will on a continual basis, review the need for progressive refreshing of its Board.

SGX-ST Query 2

Rule 1207(19) of the Listing Manual requires an issuer to disclose whether “An officer should not deal in his company’s securities on short-term considerations”.

Please make disclosures on dealings as required.

Company's Response

It is stated in the Company's policy and guidelines on dealings in the securities of the Company that all Directors and employees of the Group should not deal in the Company's securities on short-term considerations. This policy will be disclosed in the Corporate Governance Report of future editions of the Company's Annual Report.

SGX-ST Query 3

As required by Rule 1207(12) of the Listing Manual, please make disclosures as recommended in paragraph 9.2 and 9.3 of the Code of Corporate Governance 2012 (the "Code") or otherwise explain the reason(s) for the deviation from the following Code recommendations.

Paragraph 9.2 of the Code states that the Company should fully disclose the remuneration of each individual director and the CEO on a named basis. For administrative convenience, the Company may round off the disclosed figures to the nearest thousand dollars.

Paragraph 9.3 of the Code states that the Company should disclose in aggregate the total remuneration paid to the top five key management personnel (who are not directors or the CEO).

Company's Response

The remuneration of each director and the CEO was disclosed on page 48 of Annual Report 2014 on a named basis in bands of S\$250,000 with the breakdown into salary (including fees) and others in percentages. The Board is of the view that the current disclosure in bands of S\$250,000, instead of to the nearest thousand dollars recommended by Paragraph 9.2 of the Code, provides a balance between detailed disclosure and confidentiality.

In the Board's opinion, the disclosure recommended by Paragraph 9.3 of in aggregate the total remuneration paid to the top five key management personnel (who are not directors or the CEO) would not be in the best interests of the Company as such information are both confidential and sensitive, and could also be exploited by competitors. The non disclosure does not compromise the ability of the Company to meet the Code on good corporate governance as the Remuneration Committee, comprising entirely of independent directors, reviews the remuneration package of such key management personnel who are remunerated based on the performance of the Group to ensure that they are fairly remunerated.

On behalf of the Board

Chew Hua Seng
Group Chief Executive Officer and Chairman