

## **SINGTEL AUDIT COMMITTEE CHARTER**

### **1. PURPOSE**

The Audit Committee shall assist the Board in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control, the management of financial, fraud and legal risks, and the internal and external audit process.

In performing its duties, the Audit Committee shall maintain effective working relationships with the Board of Directors, other Board committees, Management and the internal and external auditors. To perform his or her role effectively, each Committee member shall obtain an understanding of the detailed responsibilities of committee membership as well as the Company's business, operations and risks.

In addition to compliance with Section 201B of the Singapore Companies Act 1967, which stipulates the appointment, membership and functions of an audit committee, the Singtel Audit Committee Charter has also incorporated the recommendations and guidance notes from the SGX Listing Rules and Singapore Code of Corporate Governance, where applicable.

### **2. MEMBERSHIP**

- The Board shall appoint an Audit Committee that has sufficient and relevant expertise to fulfil its role effectively.
- The Audit Committee shall comprise at least three (3) members, all of whom shall be non-executive directors and who are not members of the Finance & Investment Committee.
- The Chairman of the Audit Committee, who is not the Chairman of the Board of Directors of Singtel, will be nominated by the Board of Directors from time to time.
- The majority of the Audit Committee members, including the Chairman, shall be independent.
- At least two members of the Audit Committee, including the Chairman, shall have recent and relevant accounting or related financial management expertise or experience.

### **3. SECRETARIAT**

- Group Chief Internal Auditor shall provide secretariat support to the Audit Committee.
- Meeting agendas shall be prepared and provided to the members in advance along with briefing materials.
- The proceedings of the meetings shall be minuted and kept by Internal Audit and shall be produced for inspection upon request of any member of the Audit Committee or the Board.

### **4. ATTENDANCE AND FREQUENCY OF MEETINGS**

- The Audit Committee shall meet at least four (4) times a year.
- The quorum for any meeting shall be at least half of the total number of AC members with the majority of the quorum being Independent Directors.
- The Chairman shall convene a meeting of the Audit Committee upon the request of the internal or external auditors if deemed necessary. Special meetings may be convened by the Committee, as circumstances require.
- Members may attend each meeting in person or via tele- or video conference.

- The Group CEO, Group Chief Corporate Officer, Group CFO, Group Financial Controller, Vice President (Group Financial Reporting), Group Chief Internal Auditor and respective CEOs of the businesses shall attend the Audit Committee meetings. As and when appropriate, the Chairman may invite other staff or external parties to be present at the meetings.
- The Audit Committee shall meet with the external and the internal auditors without the presence of Management at least annually.
- A member shall not vote on any matter in which he or she has any direct or indirect interest and shall recuse himself or herself from the portion of the meeting involving the potential conflict.

### 5. **AUTHORITY**

The Audit Committee is authorised by the Board to investigate into any matter within its terms of reference. The Audit Committee shall have:

- Full access to and cooperation by Management.
- Full discretion to invite any director or executive officer to attend its meetings.
- Direct and unrestricted access to the external auditors and Group Chief Internal Auditor.
- Reasonable resources to enable it to discharge its functions properly, including obtaining legal or other professional advice.
- Authority to annually review its terms of reference and its own effectiveness and recommend necessary changes to the Board.

### 6. **ROLES AND RESPONSIBILITIES**

#### i) **Overseeing Financial Reporting**

- The Audit Committee shall review with Management and the external auditors the interim and full year financial statements, and recommend to the Board for approval the interim and full-year financial statements (including any formal announcements relating to the Company's financial performance).
- The Audit Committee shall provide commentary on key audit matters in the annual report.
- In discharging the above financial reporting oversight role, the Audit Committee shall review the relevance and consistency of the accounting standards used; and assess and challenge, where necessary, the correctness, completeness, and consistency of financial information, including:
  - Critical accounting policies and practices, and any changes in them
  - Decisions requiring a significant element of judgement
  - Clarity of disclosures
  - Significant adjustments resulting from the audit, if any
  - Significant financial reporting and disclosure issues, including major litigations

#### ii) **Overseeing Internal Control**

The Audit Committee shall:

- Review and report to the Board at least annually its concurrence on the adequacy and effectiveness of the internal controls (including financial, operational, compliance and information technology controls) and risk management systems. Where relevant and as far as can be assessed, sanctions-related risks were considered.

- Review the assurance from the Group CEO and Group CFO on the financial records and financial statements.
- Ensure that periodic reviews of the effectiveness of the internal control system are carried out by the external or internal auditors.
- Review Management's and the internal auditor's reports on the effectiveness of the systems for internal control, financial reporting and risk management.
- Review significant fraud cases and the adequacy and effectiveness of policies and procedures for preventing and detecting fraud.
- Review the policy and arrangements by which staff and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters; and ensure that there is independent investigation into all whistle blower complaints and appropriate follow-up.
- Appraise and report to the Board on the audits undertaken by the external auditors and internal auditors, the adequacy of disclosure of information and appropriateness / quality of the system of management and internal control.
- Approve new or changes to existing policies related to its area of responsibility.

### iii) **Overseeing Internal and External Audit Processes**

#### **Internal Audit**

- Review with Management and Group Chief Internal Auditor the Internal Audit Charter, activities, staffing, skills and organisational structure of the internal audit function and assess the effectiveness of the internal audit function annually.
- Review and ensure that the internal audit function complies with the International Professional Practice Framework, International Standards for the Professional Practice of International Auditing.
- Review and approve the annual internal audit plan and ensure that internal audit resources are allocated effectively in accordance with the key business and financial risk areas, focusing on optimum coverage and minimal duplication of efforts between the external and internal auditors.
- Review the internal auditor's evaluation of the internal control system.
- Review the reports of the internal auditors and assess the effectiveness of responses / actions taken by Management on the audit recommendations and observations.
- Review the assistance given by Management to the internal auditors.
- Ensure that the internal audit function is adequately resourced, staffed with persons with the relevant qualifications and experience and has appropriate standing in Singtel.
- Approve decisions relating to appointment or removal of Group Chief Internal Auditor and review the annual performance appraisal, including independence of Internal Audit, and approve the remuneration for Group Chief Internal Auditor.
- Functionally, Group Chief Internal Auditor reports to the Audit Committee in the first instance through the Chairman of the Audit Committee.
- Meets with the internal auditors without the presence of Management at least annually.

#### **External Audit**

- Review the overall performance of the external auditors and recommend to the Board on the proposal to shareholders on the appointment, reappointment or removal of the external auditors.

- Evaluate the performance of the external auditors, taking into consideration the Audit Quality Indicators Disclosure Framework published by the Accounting and Corporate Regulatory Authority.
- Review and recommend to the Board for approval the remuneration and terms of engagement of the external auditors.
- Review the external auditor's proposed audit plan, scope and approach, including coordination of audit efforts with internal audit.
- Review the external auditor's findings, evaluation of the system of internal accounting controls and the external auditors' Management Letter.
- Review the assistance given by Management to the external auditors.
- Monitor and assess the independence and objectivity of the external auditors; and review the nature and extent of non-audit services supplied by the external auditors to ensure the external auditor's independence or objectivity is not impaired.
- Review the management representation letters provided by Management to the external auditors in respect of the financial statements.
- Ensure that the external auditors have direct and unrestricted access to the Chairman of the Audit Committee.
- Meets with the external auditors without the presence of Management at least annually.

**iv) Other Responsibilities**

- Report to the Board on discussions and decisions taken at each Audit Committee meeting and make recommendations to the Board, as necessary
- Review the register of Interested Person Transactions to ensure adequacy and compliance with established policies and procedures
- Institute and oversee special investigations as needed.