

# Governance and Sustainability Philosophy

Singtel is committed to the highest levels of corporate governance in all that we do. Our emphasis on responsible business practices, transparency and integrity cuts across all levels of the organisation. We aim for what is strategically, financially and operationally sustainable while protecting our environment and contributing back to the communities in which we operate. We strive to be an employer of choice, and encourage our staff to initiate and take part in programmes and activities that help the community. The foundation of these practices is the firm belief that good corporate governance fuels sustainable, long-term growth for our business and value creation for our stakeholders.





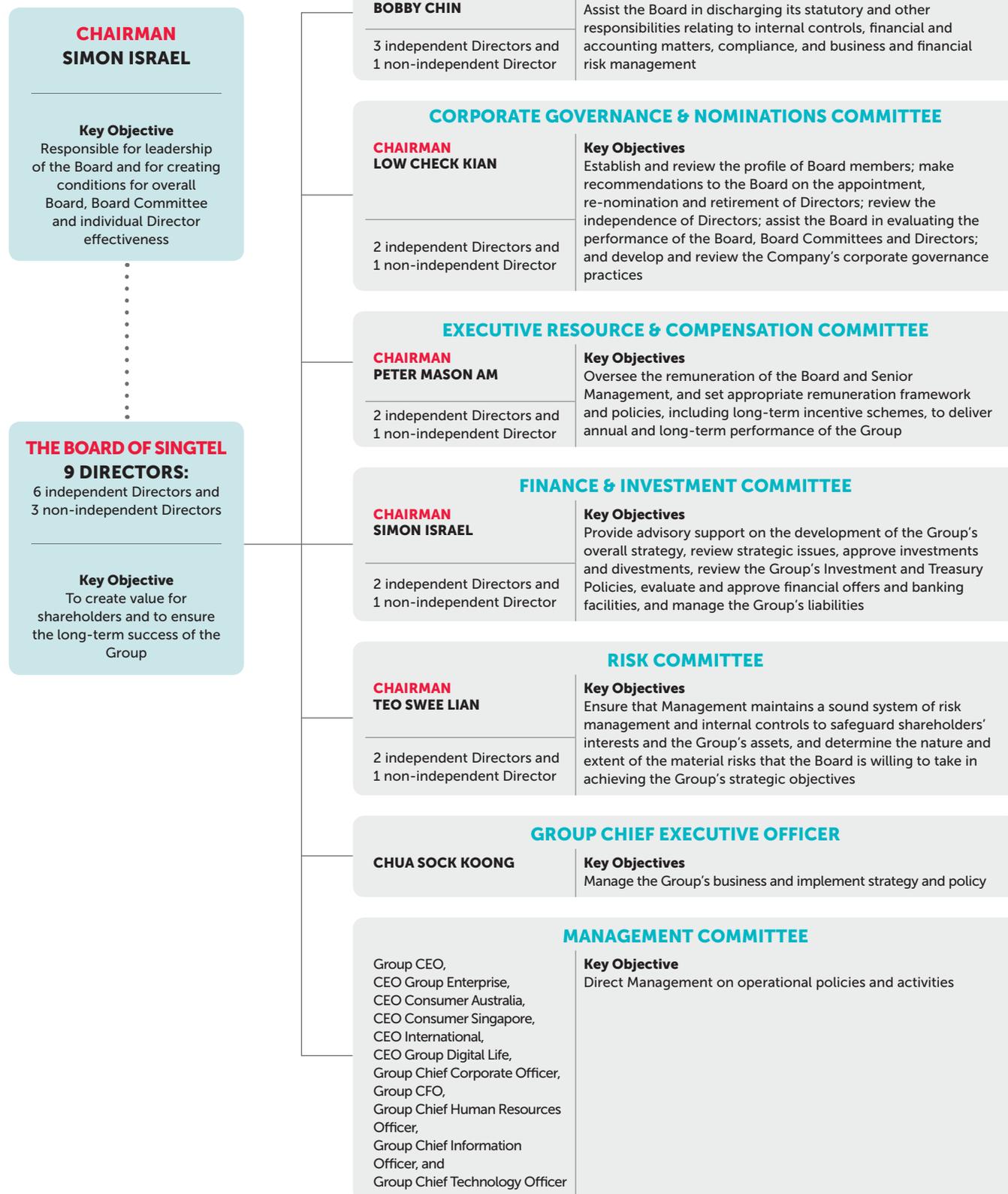
**EDMUND QUEK HAN YEOW**

Singtel Radio Network Quality, Director

What started off as a typical photo assignment at an elderly home 16 years ago, quickly became a lifelong mission for Edmund. As the then fresh graduate captured the different faces of the elderly, he was touched by their sheer joy and gratitude. That first encounter inspired him to later found the All Saints Volunteer Group which befriends the elderly at All Saints Homes.

# Corporate Governance

## OUR GOVERNANCE FRAMEWORK



## INTRODUCTION

Singtel aspires to the highest standards of corporate governance as we believe that good governance supports long-term value creation. To this end, Singtel has in place a set of well-defined policies and processes to enhance corporate performance and accountability, as well as protect the interests of stakeholders. The Board of Directors is responsible for Singtel's corporate governance standards and policies, and stresses their importance across the Group.

Singtel is listed on the Singapore Exchange Securities Trading Limited (SGX) and has complied in all material respects with the principles, guidelines and recommendations in the Singapore Code of Corporate Governance 2012 (Singapore Code). This report sets out Singtel's key corporate governance practices with reference to the Singapore Code.

## Recognition of Singtel's commitment to best practices in corporate governance

### Governance and Transparency Index 2016

**#1**

in Singapore

### SIAS Investors' Choice Awards 2016



Diversity Award



Hall of Fame,  
Most Transparent  
Company Award

### Singapore Corporate Awards 2016



Best Managed Board  
Award – Gold  
(Companies with S\$1 billion and  
above in market capitalisation)

## DIRECTORS' ATTENDANCE AT BOARD/GENERAL MEETINGS DURING THE FINANCIAL YEAR ENDED 31 MARCH 2017 <sup>(1)</sup>

Name of Director	Scheduled Board Meetings		Ad Hoc Board Meetings		Annual General Meeting
	Number of Meetings Held	Number of Meetings Attended	Number of Meetings Held	Number of Meetings Attended	
Simon Israel	7	7	2	2	✓
Chua Sock Koong	7	7	2	2	✓
Bobby Chin <sup>(2)</sup>	7	7	2	1	✓
Venkataraman (Venky) Ganesan <sup>(3)</sup>	7	7	2	1	✓
Low Check Kian	7	7	2	2	✓
Peter Mason AM <sup>(4)</sup>	7	7	2	2	✓
Christina Ong	7	7	2	2	✓
Peter Ong <sup>(5)</sup>	7	7	2	–	✓
Teo Swee Lian	7	7	2	2	✓

### Notes:

<sup>(1)</sup> Refers to meetings held/attended while each Director was in office.

<sup>(2)</sup> In line with the Board's Code of Conduct and Ethics, Mr Bobby Chin recused himself and did not participate in an ad hoc Board meeting relating to a transaction in respect of which he was deemed to be not independent.

<sup>(3)</sup> Mr Venky Ganesan was unable to attend an ad hoc Board meeting on short notice, however he communicated his views to the Group CEO prior to the meeting and his views were conveyed to the Board at the meeting.

<sup>(4)</sup> Member of the Order of Australia.

<sup>(5)</sup> In line with the Board's Code of Conduct and Ethics, Mr Peter Ong recused himself and did not participate in an ad hoc Board meeting relating to a transaction in respect of which he was deemed to be not independent. In relation to another ad hoc Board meeting, while Mr Ong was unable to attend the meeting on short notice, he communicated his views to the Group CEO prior to the meeting and his views were conveyed to the Board at the meeting.

# Corporate Governance

## BOARD MATTERS

### The Board's Conduct of Affairs

The Board aims to create value for shareholders and ensure the long-term success of the Group by focusing on the development of the right strategy, business model, risk appetite, management, succession plan and compensation framework. It also seeks to align the interests of the Board and Management with that of shareholders and balance the interests of all stakeholders. In addition, the Board sets the tone for the entire organisation where ethics and values are concerned.

The Board oversees the business affairs of the Singtel Group. It assumes responsibility for the Group's overall strategic plans and performance objectives, financial plans and annual budget, key operational initiatives, major funding and investment proposals, financial performance reviews, compliance and accountability systems, and corporate governance practices. The Board also appoints the Group CEO, approves policies and guidelines on remuneration as well as the remuneration for the Board and Senior Management, and approves the appointment of Directors. In line with best practices in corporate governance, the Board also oversees the long-term succession planning for Senior Management.

Singtel has established financial authorisation and approval limits for operating and capital expenditure, the procurement of goods and services, and the acquisition and disposal of investments. The Board approves transactions exceeding certain threshold limits, while delegating authority for transactions below those limits to the Board Committees and the Management Committee to optimise operational efficiency.

#### Material items that require Board approval include:

- The Group's strategic plans
- The Group's annual operating plan and budget
- Full-year, half-year and quarterly financial results
- Dividend policy and payout
- Issue of shares
- Board succession plans
- Succession plans for Senior Management, including appointment of, and compensation for, Group CEO, CEOs, Group Chief Corporate Officer and Group CFO
- Underlying principles of long-term incentive schemes for employees
- The Group's risk appetite and risk tolerance for different categories of risk, as well as risk strategy and the policies for management of material risks
- Acquisitions and disposals of investments exceeding certain material limits
- Capital expenditures exceeding certain material limits

### Board meetings

The Board and Board Committees meet regularly to discuss strategy, operational matters and governance issues. All Board and Board Committee meetings are scheduled well in advance of each year in consultation with the Directors. At every scheduled meeting, the Board sets aside time for discussion without the presence of Management (except the executive Director). The non-executive Directors meet separately at least once a year without any executives present. The Board holds approximately seven scheduled meetings each year, and may also hold ad hoc meetings as and when warranted by particular circumstances. Nine Board meetings were held in the financial year ended 31 March 2017. Attendance at Board or Board Committee meetings via telephone or video conference is permitted by Singtel's Constitution.

Typically, at least one Board meeting a year is held overseas, in a country where the Group has a significant investment or has an interest in investing, or where Board members can be exposed to new technology relevant to the Group's growth strategy. On such occasions, the Board may meet with local business leaders and government officials so as to help Board members gain greater insight into such countries. The Board also meets Singtel's partners and key customers in those countries to develop stronger relationships with such partners and customers. Singtel also arranges for the Board to meet with experts in the technology/digital space to enhance their knowledge in new growth areas and enable the Board to make more informed decisions. Board meetings may include presentations by senior executives and external consultants/experts on strategic issues relating to specific business areas, as well as presentations by the Group's associates. This allows the Board to develop a good understanding of the Group's businesses and to promote active engagement with the Group's partners and key executives. For the financial year ended 31 March 2017, the Board held its annual strategy session with Senior Management in Silicon Valley, and also held a meeting at the Optus campus in Sydney, Australia.

A record of the Directors' attendance at Board meetings during the financial year ended 31 March 2017 is set out on page 64. Directors who are unable to attend a Board meeting are provided with the briefing materials and can discuss issues relating to the matters to be discussed at the Board meeting with the Chairman or the Group CEO.

### Director development/training

The Board values ongoing professional development and recognises that it is important that all Directors receive regular training so as to be able to serve effectively on, and contribute to, the Board. The Board has therefore adopted a policy on continuous professional development for Directors.

All new Directors appointed to the Board are briefed by the Chairman, as well as the chairmen of the Board Committees on which they will serve, on issues relating to the Board and Board Committees. They are also briefed by senior management on the Group's business activities, strategic direction and policies, key business risks, the regulatory environment in which the Group operates and governance practices, as well as their statutory and other duties and responsibilities as Directors.

Upon appointment to the Board, each Director receives a Directors' Manual, which sets out the Director's duties and responsibilities and the Board governance policies and practices. The Directors' Manual is maintained by the Company Secretary. In line with best practices in corporate governance and the Singapore Code, new Directors also sign a letter of appointment from the Company stating clearly the role of the Board and non-executive Directors, the time commitment that the Director would be expected to allocate and other relevant matters.

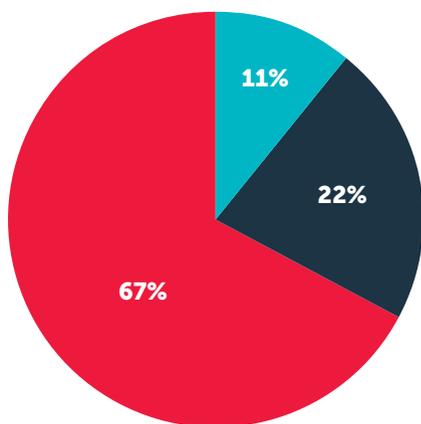
To ensure Directors can fulfil their obligations and to continually improve the performance of the Board, all Directors are encouraged to undergo continual professional development during the term of their appointment. Professional development may relate to a particular subject area, committee membership, or key developments in Singtel's environment, market or operations. Directors are encouraged to consult the Chairman if they consider that they personally, or the Board as a whole, would benefit from specific education or

training regarding matters that fall within the responsibility of the Board or relate to the business of Singtel.

During the financial year ended 31 March 2017, the development/training programmes for Directors included the following:

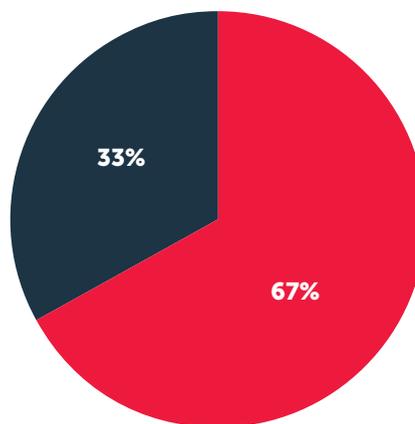
- The Directors participated in an annual offsite workshop in Silicon Valley with Senior Management to formulate and plan the Group's longer-term strategy, during which the Directors were briefed on developments in the markets in which the Group operates and were introduced to new technologies and advancements relevant to the Group. The Board also met with representatives from start-ups and tech companies there to keep updated on emerging trends and technologies relevant to the Group's business.
- The Board met with the management of Singtel's associate, Bharti Airtel, in India during which the Board was updated on Airtel's business and its operating environment.
- The Board visited the Optus campus in Sydney, Australia, and met with business leaders and key customers there. The Board also toured the Michael Crouch Innovation Centre at the University of New South Wales.
- The Board was updated on the Singapore Government's initiative on building a smart nation.
- Members of the Board attended forums and dialogues with experts and senior business leaders on issues facing boards and board practice.
- Briefings were provided by the Group's external auditor to Audit Committee members on new accounting standards.

## BOARD COMPOSITION, DIVERSITY AND BALANCE



### Independence

- Independent, non-executive directors
- Non-independent, non-executive directors
- Executive director / GCEO



### Gender Diversity

- Male directors
- Female directors

# Corporate Governance

The Board comprises nine Directors, six of whom are non-executive independent Directors, two of whom (including the Chairman) are non-executive non-independent Directors and one executive Director. The Board has appointed a Lead Independent Director. A summary of the role of the Lead Independent Director is set out on page 69. The profiles of the Directors are set out on pages 17 to 21.

The size and composition of the Board are reviewed from time to time by the Corporate Governance and Nominations Committee (CGNC). The CGNC seeks to ensure that the size of the Board is conducive to effective discussion and decision making, and that the Board has an appropriate number of independent Directors. The CGNC also aims to maintain a diversity of expertise, skills and attributes among the Directors. Any potential conflicts of interest are taken into consideration.

In order to ensure that Singtel continues to be able to meet the challenges and demands of the markets in which Singtel operates, the Board is focused on enhancing the diversity of skills, expertise and perspectives on the Board in a structured way by proactively mapping out Singtel's Board composition needs over the short and medium term (Board Progression Planning). This is an ongoing process facilitated by an independent consultant and is informed by a series of detailed interviews between the consultant and each member of the Board as well as key management members.

## Board diversity

Singtel is committed to building a diverse, inclusive and collaborative culture. Singtel recognises and embraces the benefits of diversity on the Board, and views diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development.

The Board's Diversity Policy provides that, in reviewing Board composition and succession planning, the CGNC will consider the benefits of all aspects of diversity, including diversity of skills, experience, background, gender, age, ethnicity and other relevant factors. These differences will be considered in determining the optimum composition of the Board and when possible should be balanced appropriately. All Board appointments are made based on merit, in the context of the skills, experience, independence and knowledge which the Board as a whole requires to be effective. Diversity is a key criterion in the instructions to external search consultants.

The Board is of the view that gender is an important aspect of diversity and will strive to ensure that (a) any brief to external search consultants to search for candidates for appointment to the Board will include a requirement to present female candidates, (b) female candidates are included for consideration by the CGNC whenever it seeks to identify a new Director for appointment to the Board, (c) the Board appoints at least one female Director to the CGNC, and (d) there is significant and appropriate female representation on the Board, recognising that the Board's

needs will change over time taking into account the skills and experience of the Board.

Reflecting the focus of the Group's business in the region, three of Singtel's nine Directors are from, and have extensive experience in, jurisdictions outside Singapore, namely, the Chairman, Mr Simon Israel, and non-executive Directors, Messrs Venky Ganesan and Peter Mason AM. In relation to gender diversity, approximately 33% of the Singtel Board, or three out of the nine Board members, are female. Other than the Group CEO, none of the Directors is a former or current employee of the Company or its subsidiaries.

## Independence

The Board, taking into account the views of the CGNC, assesses the independence of each Director annually in accordance with the guidance in the Singapore Code. A Director is considered independent if he has no relationship with the Group or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of his independent business judgement in the best interests of Singtel.

The Board takes into account the existence of relationships or circumstances, including those identified by the Singapore Code, that are relevant in its determination as to whether a Director is independent. Such relationships or circumstances include the employment of a Director by the Company or any of its related corporations during the financial year in question or in any of the previous three financial years; the acceptance by a Director of any significant compensation from the Company or any of its related corporations for the provision of services during the financial year in question or the previous financial year, other than compensation for board service; and a Director being related to any organisation to which the Company or any of its subsidiaries made, or from which the Company or any of its subsidiaries received, significant payments or material services during the financial year in question or the previous financial year.

The CGNC and the Board have assessed the independence of each of the Directors in 2017. A summary of the outcome of that assessment is set out below.

Based on the declarations of independence provided by the Directors and taking into account the guidance in the Singapore Code, the Board has determined that Ms Chua Sock Koong, Singtel's Group CEO, Mr Simon Israel, Chairman of the Singtel Board, and Mr Peter Ong are the only non-independent Directors. All other members of the Board are considered to be independent Directors. In line with the Board's Code of Conduct and Ethics, each member of the CGNC and the Board recused himself or herself from the CGNC's and the Board's deliberations respectively on his or her own independence.

Mr Simon Israel is considered non-independent as he had previously been deemed non-independent by virtue of his previous roles as a non-executive director, and

subsequently executive director, of Temasek Holdings (Private) Limited (Temasek). He stepped down from Temasek in June 2011. Temasek has an interest of approximately 52% in Singtel.

Mr Peter Ong is considered non-independent as he was the Permanent Secretary, Ministry of Finance until 30 April 2016. The Singapore Minister for Finance is the owner of Temasek.

Mr Bobby Chin is the chairman of the Housing and Development Board (HDB) and NTUC Fairprice Co-operative Limited (NTUC). HDB and NTUC purchase telecommunication and telecommunication-related services from the Singtel Group in the ordinary course of business. The Singtel Group also purchases services from NTUC in the ordinary course of business. Mr Chin's roles as chairman of HDB and NTUC are non-executive in nature and he is not involved in the day-to-day conduct of the business of those organisations. The services obtained from, and payments made by HDB and NTUC to, the Singtel Group are not material in the context of the Singtel Group, HDB or NTUC for the relevant period. The services obtained from, and payments made by the Singtel group to, NTUC are not material in the context of Singtel or NTUC for the relevant period.

The Board also noted that Mr Chin was appointed to the Board of Directors of Temasek on 10 June 2014 (note: Mr Chin was appointed to the Singtel Board on 1 May 2012). After due consideration, the Board continues to regard Mr Chin as independent as he does not represent Temasek on the Singtel Board and he is not accustomed or under an obligation whether formal or informal, to act in accordance with the directions, instructions or wishes of Temasek. As Mr Chin has demonstrated independence in character and judgement in the discharge of his responsibilities as a Director, the Board is satisfied that he will continue to exercise independent judgement and act in the best interests of Singtel and its security holders generally.

The Board noted that Mrs Christina Ong is a partner at Allen & Gledhill LLP (A&G) and a director of Eastern Development Private Limited (EDPL), which is wholly-owned by A&G. Although A&G provides legal services to, and receives fees from, the Singtel Group, and EDPL, in the ordinary course of its business, obtains telecommunication and telecommunication-related services from, and makes payments to, the Singtel Group, Mrs Ong has an interest of less than 10% in A&G. Mrs Ong is also a non-executive independent director of SIA Engineering Company Limited (SIAEC) (a subsidiary of Temasek), a member of the Singapore Tourism Board (STB) and a non-executive independent director of Oversea-Chinese Banking Corporation (OCBC). The SIAEC group, STB and the OCBC group purchase telecommunication and telecommunication-related services from the Singtel Group in the ordinary course of business. Mrs Ong's roles in SIAEC, STB and OCBC are non-executive in nature and she is not involved in the day-to-day conduct of the business of those organisations. The Board is of the view

that the above relationships do not impair Mrs Ong's ability to act with independent judgement in the discharge of her responsibilities as a Director.

The Board noted that Mr Venky Ganesan is a director of BitSight Technologies, Inc (BitSight). Singtel's subsidiary, Singtel Innov8 Pte Ltd has an interest of less than 2% in BitSight. The investment in BitSight by Singtel Innov8 Pte Ltd was made independent of Mr Ganesan's association with Singtel. The Board is of the view that the above relationship does not impair Mr Ganesan's ability to act with independent judgement in the discharge of his responsibilities as a Director.

Under the Board's Code of Conduct and Ethics, Directors must avoid situations in which their own personal or business interests directly or indirectly conflict, or appear to conflict, with the interests of Singtel. The Code of Conduct and Ethics provides that where a Director has a conflict of interest, or it appears that he might have a conflict of interest, in relation to any matter, he should immediately declare his interest at a meeting of the Directors or send a written notice to the Company containing details of his interest and the conflict, and recuse himself from participating in any discussion and decision on the matter. Where relevant, the Directors have complied with the provisions of the Code of Conduct and Ethics, and such compliance has been duly recorded in the minutes of meeting.

#### **The Chairman and the Group CEO**

The Chairman of the Board is a non-executive appointment and is separate from the office of the Group CEO. The Chairman leads the Board and is responsible for ensuring the effectiveness of the Board and its governance processes, while the Group CEO is responsible for implementing the Group's strategies and policies, and for conducting the Group's business. The Chairman and the Group CEO are not related.

#### **Role of the Chairman**

The Chairman is responsible for leadership of the Board and is pivotal in creating the conditions for overall Board, Board Committee and individual Director effectiveness, both inside and outside the boardroom. This includes setting the agenda of the Board in consultation with the Directors and the Group CEO, and promoting active engagement and an open dialogue among the Directors, as well as between the Board and the Group CEO.

The Chairman ensures that the performance of the Board is evaluated regularly, and guides the development needs of the Board. The Chairman leads the evaluation of the Group CEO's performance and works with the Group CEO in overseeing talent management to ensure that robust succession plans are in place for the senior leadership team.

The Chairman works with the Board, the relevant Board Committees and Management to establish the boundaries of risk undertaken by the Group and ensure that governance systems and processes are in place and regularly evaluated.

# Corporate Governance

The Chairman plays a significant leadership role by providing clear oversight, advice and guidance to the Group CEO and Management on strategy and the drive to transform Singtel's businesses. This involves developing a keen understanding of the Group's diverse and complex businesses, the industry, partners, regulators and competitors.

The Chairman provides support and advice to, and acts as a sounding board for, the Group CEO, while respecting executive responsibility. He engages with other members of the senior leadership regularly.

The Chairman also maintains effective communications with large shareholders and supports the Group CEO in engaging with a wide range of other stakeholders such as partners, governments and regulators where the Group operates. He travels overseas to visit the Group's key associates in the region and, in the process, fosters strong relationships with the Group's partners and gathers valuable feedback for Management to consider and follow up on.

The scope and extent of the Chairman's and the Board's responsibilities and obligations have been expanding due to the increased focus on corporate governance, risk management, regulation and compliance. Given the increased demands, the Chairman in particular spends more time on, and is more hands-on in, the affairs of the Group. The Board has agreed with the Chairman that he will commit a significant proportion of his time to his role and will manage his other time commitments accordingly.

## **Role of the Lead Independent Director**

The Lead Independent Director is appointed by the Board to serve in a lead capacity to coordinate the activities of the non-executive Directors in circumstances where it would be inappropriate for the Chairman to serve in such capacity. He also assists the Chairman and the Board to assure effective corporate governance in managing the affairs of the Board and the Company.

The Lead Independent Director serves as chairman of the CGNC. The role of the Lead Independent Director includes meeting with the non-executive Directors without the Chairman present at least annually to appraise the Chairman's performance and on such other occasions as are deemed appropriate. He will also be available to shareholders if they have concerns relating to matters that contact through the Chairman, Group CEO or Group CFO has failed to resolve, or where such contact is inappropriate.

## **Board Membership**

The CGNC establishes and reviews the profile required of Board members and makes recommendations to the Board on the appointment, re-nomination and retirement of Directors.

When an existing Director chooses to retire or is required to retire from office by rotation, or the need for a new Director arises, the CGNC reviews the range of expertise, skills and attributes of the Board and the composition of

the Board. The CGNC then identifies Singtel's needs and prepares a shortlist of candidates with the appropriate profile for nomination or re-nomination. The Board has an ongoing process facilitated by an independent consultant to map out these needs and to search for candidates to join the Board.

The CGNC takes factors such as attendance, preparedness, participation and candour into consideration when evaluating the past performance and contributions of a Director when making its recommendations to the Board. However, the re-nomination or replacement of a Director does not necessarily reflect the Director's performance or contributions to the Board. The CGNC may have to consider the need to position and shape the Board in line with the evolving needs of Singtel and the business.

When deciding on the appointment of new Directors to the Board, the CGNC and the Board consider a variety of factors, including the core competencies, skills and experience that are required on the Board and Board Committees, diversity, independence, conflicts of interest and time commitments.

In order to ensure Board renewal, the Board has in place guidelines on the tenure of the Chairman and Directors. The guidelines provide that Directors are appointed for an initial term of three years, and this may be extended to a second three-year term. As a general rule, a Director shall step down from the Board no later than at the AGM to be held in his sixth year of service. Where a Director is not appointed at an AGM, the Director's term will be deemed to have commenced on the date of the AGM immediately following the date on which the Director was appointed. The Committee may, in appropriate circumstances, recommend to the Board that a Director's term be extended beyond the second three-year term, for a period of up to three years. For Chairman, the same principles apply except that the term is determined from the point he became Chairman.

Directors must ensure that they are able to give sufficient time and attention to the affairs of Singtel and, as part of its review process, the CGNC decides whether or not a Director is able to do so and whether he has been adequately carrying duties as a Director of Singtel. The Board has also adopted an internal guideline that seeks to address the competing time commitments that may be faced when a Director holds multiple board appointments. The guideline provides that, as a general rule, each Director should hold no more than five directorships in public listed companies. However, the Board recognises that the individual circumstances and capacity of each Director are different and there may be circumstances in which a different limit on board appointments is appropriate. The guideline also provides that (i) in support of their candidature for directorship or re-election, Directors are to provide the CGNC with details of other commitments and an indication of the time involve, and (ii) non-executive Directors should consult the Chairman or chairman of the CGNC before accepting any new appointments as Directors.

The Company's Constitution provides that a Director must retire from office at the third Annual General Meeting (AGM) after the Director was elected or last re-elected.

A retiring Director is eligible for re-election by Singtel shareholders at the AGM. In addition, a Director appointed by the Board to fill a casual vacancy or appointed as an additional Director may only hold office until the next AGM, at which time he will be eligible for re-election by shareholders. If at any AGM, fewer than three Directors would retire pursuant to the requirements set out above, the additional Directors to retire at that AGM shall be those who have been longest in office since their last re-election or appointment. The Group CEO, as a Director, is subject to the same retirement by rotation, resignation and removal provisions as the other Directors, and such provisions will not be subject to any contractual terms that may have been entered into with the Company. Shareholders are provided with relevant information in the Annual Report on the candidates for election or re-election.

#### **Board Performance**

Each year, the CGNC undertakes a process to assess the effectiveness of the Board and Board Committees. For the financial year ended 31 March 2017, as in previous years, an independent external consultant was appointed to facilitate this process. The 2017 Board effectiveness survey was designed to provide an evaluation of current effectiveness of the Board and to support the Chairman and Board to proactively consider what can enhance the readiness of the Board to address emerging strategic priorities for the Singtel Group. The Directors and Senior Management were requested to complete an evaluation questionnaire focused on four key areas, namely (1) how the Board plays an effective role and adds value on critical issues, (2) how the Board operates to deliver impact and value, (3) Board chair effectiveness and (4) committee evaluation. In particular, the survey looked at the Board's performance in shaping and adapting strategy, risk and crisis management, overseeing the Group's performance, CEO performance and succession management, corporate social responsibility and stakeholder communications, as well as areas such as strategic alignment and prioritisation, Board composition and structure, Board dynamics and culture, the Board's partnership with management, efficiency of core Board processes, Board chair effectiveness, and Board Committee and committee chair effectiveness.

In addition to the appraisal exercise, the contributions and performance of each Director were assessed by the CGNC as part of its periodic reviews of the composition of the Board and the various Board Committees. In the process, the CGNC was able to identify areas for improving the effectiveness of the Board and Board Committees. The Board was also able to assess the Board Committees through their regular reports to the Board on their activities.

#### **Access to information**

Prior to each Board meeting, Singtel's Management

provides the Board with information relevant to matters on the agenda for the meeting. In general, such information is provided a week in advance of the Board meeting. The Board also receives regular reports pertaining to the operational and financial performance of the Group, as well as regular updates, which include information on the Group's competitors, and industry and technological developments. In addition, Directors receive analysts' reports on Singtel and other telecommunications and digital companies on a quarterly basis. Such reports enable the Directors to keep abreast of key issues and developments in the industry, as well as challenges and opportunities for the Group. In line with Singtel's commitment to conservation of the environment, as well as technology advancement, Singtel has done away with hard copy Board papers, and Directors are instead provided with tablet devices to enable them to access and read Board and Board Committee papers prior to and at meetings.

The Board has separate and independent access to the Senior Management and the Company Secretary at all times. Procedures are in place for Directors and Board Committees, where necessary, to seek independent professional advice, paid for by Singtel.

#### **Role of the Company Secretary**

The Company Secretary attends all Board meetings and is accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board, including compliance with the Company's Constitution, the Companies Act, the Securities and Futures Act and the SGX Listing Manual. She assists the Board in implementing and strengthening corporate governance policies and processes. The Company Secretary is the primary point of contact between the Company and the SGX. The Company Secretary is legally trained, with experience in legal matters and company secretarial practices. The appointment and removal of the Company Secretary is subject to the approval of the Board.

#### **Board and management committees**

The following Board Committees assist the Board in executing its duties:

- Audit Committee (AC)
- Corporate Governance and Nominations Committee (CGNC)
- Executive Resource and Compensation Committee (ERCC)
- Finance and Investment Committee (FIC)
- Risk Committee (RC)

Each Board Committee may make decisions on matters within its terms of reference and applicable limits of authority. The terms of reference of each committee are reviewed from time to time, as are the committee structure and membership.

The selection of Board Committee members requires careful management to ensure that each committee comprises Directors with appropriate qualifications and skills, and that there is an equitable distribution of responsibilities among Board members. The need to maximise the effectiveness of the Board, and encourage

# Corporate Governance

active participation and contribution from Board members, is also taken into consideration.

A record of each Director's Board Committee memberships and attendance at Board Committee meetings during the financial year ended 31 March 2017 is set out on page 74.

## Audit Committee

### MEMBERSHIP

**Bobby Chin**, committee chairman and independent non-executive Director

**Christina Ong**, independent non-executive Director

**Peter Ong**, non-executive Director

**Teo Swee Lian**, independent non-executive Director

### KEY OBJECTIVE

- Assist the Board in discharging its statutory and other responsibilities relating to internal controls, financial and accounting matters, compliance, and business and financial risk management

The terms of reference of the AC provide that the AC shall comprise at least three Directors, all of whom are non-executive Directors and the majority of whom, including the chairman, are independent Directors. At least two members of the AC, including the AC chairman, must have recent and relevant accounting or related financial management expertise or experience. The chairman of the AC is a Director other than the Chairman of the Singtel Board.

The AC has explicit authority to investigate any matter within its terms of reference, and has the full cooperation of and access to Management. It has direct access to the internal and external auditors, and full discretion to invite any Director or executive officer to attend its meetings. It also has the authority to review its terms of reference and its own effectiveness annually and recommend necessary changes to the Board.

The main responsibilities of the AC are to assist the Board in discharging its statutory and other responsibilities relating to internal controls, financial and accounting matters, compliance, and business and financial risk management.

The AC reports to the Board on the results of the audits undertaken by the internal and external auditors, the adequacy of disclosure of information, and the adequacy and effectiveness of the system of risk management and internal controls. It reviews the quarterly and annual financial statements with Management and the external auditors, reviews and approves the annual audit plans for the internal and external auditors, and reviews the internal and external auditors' evaluation of the Group's system of internal controls.

The AC is responsible for evaluating the cost effectiveness of audits, the independence and objectivity of the external auditors, and the nature and extent of the non-audit services provided by the external auditors to ensure that the independence of the external auditors is not compromised. It also makes recommendations to the Board on the appointment or re-appointment of the external auditors. In addition, the AC reviews and approves the Singtel Internal Audit Charter to ensure the independence and effectiveness of the internal audit function. At the same time, it ensures that the internal audit function is adequately resourced and has appropriate standing within Singtel. The AC also reviews the performance of Internal Audit, including approving decisions relating to appointment or removal of Group Chief Internal Auditor and approving the performance and compensation of the Group Chief Internal Auditor. A copy of the charter of the AC is available on the corporate governance page on the Company's website at [www.singtel.com/about-us/company/corporate-governance](http://www.singtel.com/about-us/company/corporate-governance).

During the financial year, the AC reviewed the Management's and Singtel Internal Audit's assessment of fraud risk and held discussions with the external auditors to obtain reasonable assurance that adequate measures were put in place to mitigate fraud risk exposure in the Group. The AC also reviewed the adequacy of the whistle-blower arrangements instituted by the Group through which staff and external parties may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters. All whistle-blower complaints were reviewed by the AC at its quarterly meetings to ensure independent and thorough investigation and adequate follow-up.

The AC met five times during the financial year. At these meetings, the Group CEO, Group Chief Corporate Officer, Group CFO, Vice President (Group Finance), Group Chief Internal Auditor and the respective CEOs of the businesses were also in attendance. During the financial year, the AC reviewed the results of audits performed by Internal Audit based on the approved audit plan, significant litigation and fraud investigations, register of interested person transactions and non-audit services rendered by the external auditors. The AC also met with the internal and external auditors, without the presence of Management, during the financial year.

The external auditors provided regular updates and periodic briefings to the AC on changes or amendments to accounting standards to enable the members of the AC to keep abreast of such changes and its corresponding impact on the financial statements, if any. Directors are also invited to attend relevant seminars on changes to accounting standards and issues by leading accounting firms.

### Financial matters

The AC reviewed the financial statements of the Group before the announcement of the Group's quarterly and full-year results. In the process, the AC reviewed the key areas of management's estimates and judgement applied for key financial issues including revenue recognition,

taxation, goodwill impairment, and the joint ventures' and associates' contingent liabilities, critical accounting policies and any other significant matters that might affect the integrity of the financial statements. The AC also considered the report from the external auditors, including their findings on the key areas of audit focus. Significant matters that were discussed with management, internal and external auditors have been included as key audit matters (KAMs) in the independent auditors' report for the financial year ended 31 March 2017. Refer to pages 132 to 136 of this Annual Report.

The AC took into consideration the approach and methodology applied in the valuation of acquired businesses, as well as the reasonableness of the estimates and key assumptions used. In addition to the views from the external auditors, subject matter experts including external tax specialists and legal experts, were consulted. The AC concluded that management's accounting treatment and estimates in each of the KAMs were appropriate.

The information included in the Annual Report, excluding the Financial Statements and auditor's report, was provided to the external auditors after the auditor's report date. The external auditors have provided a written confirmation to the AC that they have completed the work in accordance with SSA 720 (Revised) The Auditor's Responsibilities Relating to Other Information and they have noted no exception.

## Corporate Governance and Nominations Committee

### MEMBERSHIP

**Low Check Kian**, committee chairman and independent non-executive Director

**Simon Israel**, non-executive Chairman of the Singtel Board

**Christina Ong**, independent non-executive Director

### KEY OBJECTIVES

- Establish and review the profile of Board members
- Make recommendations to the Board on the appointment, re-nomination and retirement of Directors
- Review the independence of Directors
- Assist the Board in evaluating the performance of the Board, Board committees and Directors
- Develop and review the Company's corporate governance practices, taking into account relevant local and international developments in the area of corporate governance

The terms of reference of the CGNC provide that the CGNC shall comprise at least three Directors, the majority of whom, including the chairman, shall be independent. As part of its commitment to gender diversity, the Board will strive to appoint at least one female Director to the CGNC.

The main activities of the CGNC are outlined in the commentaries on "Board Composition, Diversity and Balance", "Board Membership" and "Board Performance" from pages 66 to 70.

The CGNC met three times during the financial year ended 31 March 2017, and also approved various matters by written resolution.

## Executive Resource and Compensation Committee

### MEMBERSHIP

**Peter Mason AM**, committee chairman and independent non-executive Director

**Simon Israel**, non-executive Chairman of the Singtel Board

**Teo Swee Lian**, independent non-executive Director

### KEY OBJECTIVES

- Oversee the remuneration of the Board and Senior Management
- Set appropriate remuneration framework and policies, including long-term incentive schemes, to deliver annual and long-term performance of the Group

The ERCC plays an important role in helping to ensure that the Group is able to attract, recruit, motivate and retain the best talents through competitive remuneration and progressive and robust policies so as to achieve the Group's goals and deliver sustainable shareholder value.

The terms of reference of the ERCC provide that the ERCC shall comprise at least three Directors, all of whom shall be non-executive and the majority of whom shall be independent. The ERCC is chaired by an independent non-executive Director.

The main responsibilities of the ERCC, as delegated by the Board, are to oversee the remuneration of the Board and Senior Management. It sets appropriate remuneration framework and policies, including long-term incentive schemes, to deliver annual and long-term performance of the Group.

The ERCC has been tasked by the Board to approve or recommend to the Board the appointment, promotion and remuneration of Senior Management. The ERCC also recommends the Directors' compensation for the Board's endorsement. Directors' compensation is subject to the approval of shareholders at the AGM. The ERCC's recommendations cover all aspects of remuneration for Directors and Senior Management, including but not limited to Director's fees, salaries, allowances, bonuses, options, share-based incentives, management awards, and benefits-in-kind.

# Corporate Governance

The ERCC seeks expert advice and views on remuneration and governance matters from both within and outside the Group as appropriate. The ERCC draws on a pool of independent consultants for diversified views and specific expertise. The ERCC will ensure that existing relationships, if any, between the Group and its appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants.

The ERCC approves or recommends termination payments, retirement payments, gratuities, ex-gratia payments, severance payments and other similar payments to Senior Management. The ERCC ensures that contracts of service for Senior Management contain fair and reasonable termination clauses that are not overly generous.

The ERCC also ensures that appropriate recruitment, development and succession planning programmes are in place for key executive roles, with the objective of building strong and sound leadership bench strength for long-term sustainability of the business. The ERCC conducts, on an annual basis, a succession planning review of Senior Management.

The Group CEO, who is not a member of the ERCC, may attend meetings of the ERCC but does not attend discussions relating to her own performance and remuneration. Singtel's remuneration policy and remuneration for Directors and Senior Management are discussed in this report from pages 79 to 84.

The ERCC met three times during the financial year ended 31 March 2017.

The terms of reference of the FIC provide that the FIC shall comprise at least three Directors, the majority of whom shall be independent Directors. Membership of the AC and the FIC is mutually exclusive.

The FIC met five times during the financial year ended 31 March 2017.

## Risk Committee

### MEMBERSHIP

**Teo Swee Lian**, committee chairman and independent non-executive Director

**Bobby Chin**, independent non-executive Director

**Peter Ong**, non-executive Director

### Notes:

Bobby Chin stepped down as Risk Committee chairman with effect from 1 April 2017. He remains a member of the Risk Committee.

Teo Swee Lian was appointed as Risk Committee chairman with effect from 1 April 2017.

### KEY OBJECTIVES

- Assist the Board in fulfilling its responsibilities in relation to governance of material risks in the Group's business, which include ensuring that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the Group's assets, and determining the nature and extent of the material risks that the Board is willing to take in achieving the Group's strategic objectives

## Finance and Investment Committee

### MEMBERSHIP

**Simon Israel**, committee chairman and non-executive Chairman of the Singtel Board

**Venky Ganesan**, independent non-executive Director

**Low Cheek Kian**, independent non-executive Director

### KEY OBJECTIVES

- Provide advisory support on the development of the Singtel Group's overall strategy and on strategic issues for the Singapore and international businesses
- Consider and approve investments and divestments
- Review and approve changes in the Singtel Group's investment and treasury policies
- Evaluate and approve any financing offers and banking facilities and manage the Singtel Group's liabilities in line with the Singtel Board's policies and directives
- Oversee any on-market share repurchases pursuant to Singtel's share purchase mandate

The terms of reference of the RC provide that the RC shall comprise at least three members, the majority of whom, including the chairman, shall be independent. Members of the RC are appointed by the Board, on the recommendation of the CGNC. There is at least one common member between the RC and the AC.

The RC reviews the Group's strategy, policies, framework, processes and procedures for the identification, measurement, reporting and mitigation of material risks in the Group's business and reports any significant matters, findings and recommendations in this regard to the Board.

The RC meets at least three times a year, with additional meetings to be convened as deemed necessary by the chairman of the RC. The RC met three times during the financial year ended 31 March 2017.

## DIRECTORS' BOARD COMMITTEE MEMBERSHIPS AND ATTENDANCE AT BOARD COMMITTEE MEETINGS DURING THE FINANCIAL YEAR ENDED 31 MARCH 2017 <sup>(1)</sup>

Name of Director	Audit Committee		Corporate Governance and Nominations Committee		Executive Resource and Compensation Committee		Finance and Investment Committee		Risk Committee	
	Number of Meetings Held	Number of Meetings Attended	Number of Meetings Held	Number of Meetings Attended	Number of Meetings Held	Number of Meetings Attended	Number of Meetings Held	Number of Meetings Attended	Number of Meetings Held	Number of Meetings Attended
Simon Israel	–	–	3	3	3	3	5	5	–	–
Chua Sock Koong <sup>(2)</sup>	5	5	3	3	3	3	5	4	3	3
Bobby Chin <sup>(3)</sup>	4	4	–	–	–	–	–	–	3	3
Venky Ganesan	–	–	–	–	–	–	5	5	–	–
Low Check Kian	–	–	3	3	–	–	5	5	–	–
Peter Mason AM	–	–	–	–	3	3	–	–	–	–
Christina Ong	5	5	3	3	–	–	–	–	–	–
Peter Ong <sup>(3)</sup>	4	4	–	–	–	–	–	–	3	3
Teo Swee Lian	5	5	–	–	3	3	–	–	3	3

### Notes:

<sup>(1)</sup> Refers to meetings held/attended while each Director was in office.

<sup>(2)</sup> Ms Chua Sock Koong is not a member of the Board committees, although she attended meetings of the committees as appropriate.

<sup>(3)</sup> Mr Bobby Chin and Mr Peter Ong recused themselves and did not participate at an Audit Committee meeting relating to a transaction in respect of which they were deemed to be not independent.

### Management Committee

In addition to the five Board Committees and the two advisory bodies, Singtel has a Management Committee that comprises the Group CEO, CEO Group Enterprise, CEO Consumer Australia, CEO Consumer Singapore, CEO International, CEO Group Digital Life, Group Chief Corporate Officer, Group CFO, Group Chief Human Resources Officer, Group Chief Information Officer and Group Chief Technology Officer.

The Management Committee meets every week to review and direct Management on operational policies and activities.

#### Note:

The composition of the Management Committee is as at 1 April 2017.

### Advisory Committee/Panel

Singtel has two advisory bodies, the Optus Advisory Committee (OAC) and the Technology Advisory Panel (TAP).

The OAC comprises both Board and non-Board members, namely Mr Peter Mason AM (committee chairman), Ms Chua Sock Koong, Mr David Gonski, Mr Simon Israel, Mr John Morschel and Mr Paul O'Sullivan. The OAC reviews strategic business issues relating to the Australian business.

The TAP advises the Board on developments, issues and emerging trends in the technology space. The TAP comprises distinguished international members and is chaired by Mr Koh Boon Hwee. The other members of the Panel are Messrs Venky Ganesan, Douglas Haynes, Lim Chuan Poh, Jonathan Miller and Erez Ofer.

#### Note:

The composition of the TAP is as at 31 March 2017.

## ACCOUNTABILITY AND AUDIT

### Accountability

Singtel recognises the importance of providing the Board with accurate and relevant information on a timely basis. Hence, Board members receive monthly financial and business reports from Management. Such reports compare Singtel's actual performance against the budget, and highlight key business drivers/indicators and any major issues that are relevant to Singtel's performance, position and prospects.

For the financial year ended 31 March 2017, Singtel's Group CEO and Group CFO have provided a written confirmation to the Board on the integrity of Singtel's financial statements and on the adequacy and effectiveness of Singtel's risk management and internal control systems, addressing financial, operational and compliance risks including information technology risks. This certification covers Singtel and the subsidiaries that are under Singtel's management control.

### Internal Audit (IA)

Singtel IA comprises a team of 55 staff members, including the Group Chief Internal Auditor, who reports to the AC functionally and to the Group CEO administratively. Singtel IA is a member of the Singapore chapter of the Institute of Internal Auditors (IIA) and adopts the International Standards for the Professional Practice of Internal Auditing (the IIA Standards) laid down in the International Professional Practices Framework issued by the IIA. Singtel IA successfully completed its external Quality Assurance Review in 2014 and continues to meet or exceed the IIA Standards in all key aspects.

Singtel IA adopts a risk-based approach in formulating the annual audit plan that aligns its activities to the key strategies and risks across the Group's business. This plan is reviewed and approved by the AC. The reviews performed by Singtel IA are aimed at assisting the Board

# Corporate Governance

in promoting sound risk management, robust internal controls and good corporate governance, through assessing the design and operating effectiveness of controls that govern key business processes and risks identified in the overall risk framework of the Group. Singtel IA's reviews also focus on compliance with Singtel's policies, procedures and regulatory responsibilities, performed in the context of financial and operational, revenue assurance and information systems reviews.

Singtel IA works closely with Management in its internal consulting and control advisory role to promote effective risk management, robust internal control and good governance practices in the development of new products/services, and implementation of new/enhanced systems and processes. Singtel IA also collaborates with the internal audit functions of Singtel's regional associates to promote joint reviews and the sharing of knowledge and/or best practices.

To ensure that the internal audits are performed effectively, Singtel IA recruits and employs suitably qualified professional staff with the requisite skill sets and experience. Singtel IA provides training and development opportunities for its staff to ensure their technical knowledge and skill sets remain current and relevant.

## External Auditor

The Board is responsible for the initial appointment of external auditor. Shareholders then approve the appointment at Singtel's AGM. The external auditor holds office until its removal or resignation. The AC assesses the external auditor based on factors such as the performance and quality of its audit and the independence of the auditor, and recommends its appointment to the Board. Pursuant to the requirements of the SGX, an audit partner may only be in charge of a maximum of five consecutive annual audits and may then return after two years. Deloitte & Touche LLP has met this requirement, and the current Deloitte & Touche LLP audit partner for Singtel took over from the previous audit partner with effect from 29 July 2016. Singtel has complied with Rules 712 and 715 of the Listing Manual issued by SGX in relation to the appointment of its auditor.

In order to maintain the independence of the external auditor, Singtel has developed policies regarding the types of non-audit services that the external auditor can provide to the Singtel Group and the related approval processes. The AC has also reviewed the non-audit services provided by the external auditor during the financial year and the fees paid for such services. The AC is satisfied that the independence of the external auditor has not been impaired by the provision of those services. The external auditor has also provided confirmation of its independence to the AC.

### Fees for Deloitte & Touche services for the financial year ended 31 March 2017

	(\$ Mil)
Audit services	4.4
Non-audit services (including audit-related services)	0.8

## Risk Management and Internal Control

The Board has overall responsibility for the governance of risk and exercises oversight of the material risks in the Group's business. During the financial year ended 31 March 2017, the Risk Committee (RC) assisted the Board in the oversight of the Group's risk profile and policies, adequacy and effectiveness of the Group's risk management system including the framework and process for the identification and management of significant risks, and reports to the Board on material matters, findings and recommendations pertaining to risk management. The AC provides oversight of the financial reporting risk and the adequacy and effectiveness of the Group's internal control and compliance systems.

The Board has approved a Group Risk Framework for the identification of key risks within the business. This Framework defines 28 categories of risks ranging from environmental to operational and management decision-making risks. The Group's risk management and internal control framework is aligned with the ISO 31000:2009 Risk Management framework and the Committee of Sponsoring Organisations of the Treadway Commission (COSO) Internal Controls Integrated Framework. Major incidents and violations, if any, are also reported to the Board to facilitate the Board's oversight of the effectiveness of crisis management and the adequacy of mitigating measures taken by Management to address the underlying risks.

The identification and day-to-day management of risks rests with Management. Management is 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 the Board. Key business risks are proactively identified, addressed and reviewed on an on-going basis.

The Risk Management Committee, comprising relevant members from the Senior Management team, is responsible for setting the direction of corporate risk management and monitoring the implementation of risk management policies and procedures including the adequacy of the Group's insurance programme. The Risk Management Committee reports to the RC on a regular basis.

The Board has established a Risk Appetite Statement and Risk Tolerance Framework to provide guidance to the Management on key risk parameters. The significant risks in the Group's business, including mitigating measures, were also reviewed by the RC on a regular basis and reported to the Board. Risk registers are maintained by the business and operational units which identify the key risks facing the Group's business and the internal controls in place to manage those risks. The RC had reviewed the Group's risk management framework during the reporting period and was satisfied that it continued to be sound.

Internal and external auditors conduct audits that involve testing the effectiveness of the material internal control systems in the Group addressing financial, operational

and compliance risks. Any material non-compliance or lapses in internal controls together with remedial measures recommended by internal and external auditors are reported to the AC. The AC also reviews the adequacy and timeliness of the actions taken by Management in response to the recommendations made by the internal and external auditors. Control self-assessments in key areas of the Group's operations are conducted by Management on a periodic basis to evaluate the adequacy and effectiveness of the risk management and internal control systems, including quarterly and annual certifications by Management to the AC and the Board respectively on the integrity of financial reporting and the adequacy and effectiveness of the risk management, internal control and compliance systems.

The Group has put in place a Board Escalation Process where major incidents and violations including major/material operational loss events and potential breaches of laws and regulations by the Company and/or its key officers, are required to be reported by Management/Internal Audit to the Board immediately to facilitate the Board's oversight of crisis management and adequacy and effectiveness of follow-up actions taken by Management. Through this process, the Board has been kept informed promptly of any incidents with potential material financial, operational, compliance and technology risk impact.

The Board has received assurance from the Group CEO and Group CFO on the effectiveness of the Group's risk management and internal control systems, and that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and financial position.

Based on the internal controls established and maintained by the Group, work performed by internal and external auditors, and reviews performed by Management and various Board Committees, the Board, with the concurrence of the AC, is of the opinion that the Group's internal controls and risk management framework and systems were adequate and effective as at 31 March 2017 to address financial, operational and compliance risks, including information technology risk, which the Group considers relevant and material to its operations.

The system of internal control and risk management established by Management provides reasonable, but not absolute, assurance that Singtel will not be adversely affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. However, the Board also notes that no system of internal controls and risk management can provide absolute assurance in this regard, or absolute assurance against poor judgement in decision-making, human error, losses, fraud or other irregularities.

Further details of the Group's Risk Management Philosophy and Approach can be found on pages 93 to 100.

## **SHAREHOLDER RIGHTS AND RESPONSIBILITIES**

### **Communication with Shareholders**

Singtel remains committed to delivering high standards of corporate disclosure and transparency in our

communications with shareholders, analysts and other stakeholders in the investment community. Singtel provides timely, regular and relevant information regarding the Group's strategy, performance and prospects to aid shareholders and investors in their investment decisions.

Over the years, Singtel has won recognition from leading finance publications, business schools and investor associations for its strong emphasis on corporate governance and proactive approach to shareholder communication and engagement.

The Singtel Investor Relations (IR) website is a key resource of information for the investment community. It contains a wealth of investor-related information on Singtel, including investor presentations, webcasts of earnings presentations, transcripts of earnings conference calls, annual reports, upcoming events, shares and dividend information and investor factsheets.

Singtel makes timely disclosures of any new material information to the SGX. These filings are also posted on the Singtel IR website, allowing investors to keep abreast of strategic and operational developments.

Singtel reports financial results on a quarterly basis: typically within 45 days from the end of each financial quarter. The quarterly financial results announcements contain detailed financial disclosures and in-depth analyses of key value-drivers and metrics for the Group's businesses.

Singtel also provides financial guidance for its businesses at the beginning of each financial year and may affirm or update the guidance every quarter to accurately reflect prevailing market conditions.

Singtel proactively engages shareholders and the investment community through group and one-on-one meetings, conference calls, email communications, investor conferences and roadshows. This year, Singtel engaged over 500 investors in 280 meetings and conference calls in Singapore, London, New York and other global financial centres. While these meetings are largely undertaken by Singtel's Senior Management, the Chairman and certain Board members also meet with investors every year.

To ensure a two-way flow of information, Singtel commissions an annual survey of investors' perceptions to solicit feedback from the investment community on a range of strategic and topical issues. The survey provides the Singtel Board and Management with invaluable insights into investors' views of the Group and helps Singtel identify areas for improvement in investor communication.

### **Shareholder Meetings**

Singtel strongly encourages and supports shareholder participation at general meetings. Singtel delivers the Notice of AGM and related information a month ahead, providing sufficient time for shareholders to review the

# Corporate Governance

Notice of AGM and appoint proxies to attend the AGM if they wish. The Notice of AGM is also advertised in The Straits Times for the benefit of shareholders. Singtel holds its general meetings at a central location in Singapore with convenient access to public transportation. A registered shareholder who is not a relevant intermediary (as defined in the Companies Act, Chapter 50) and who is unable to attend may choose to appoint up to two proxies to attend and vote on his behalf. Under Singtel's Constitution and pursuant to the Companies Act, the Central Provident Fund Board and relevant intermediaries may appoint more than two proxies.

At each AGM, the Group CEO delivers a presentation to update shareholders on Singtel's progress over the past year. Directors and Senior Management are in attendance to address queries and concerns about Singtel. Singtel's external auditor and counsel also attend to help address shareholders' queries relating to the conduct of the audit and the preparation and content of the auditor's reports, as well as clarify any points of law, regulation or meeting procedure that may arise. The minutes of all general meetings are posted on Singtel's website. The minutes disclose the names of the Directors, Senior Management and, where relevant, the external auditor and advisors who attended the meetings as well as details of the proceedings, including the questions raised by shareholders and the answers given by the Board/ Management.

## Electronic poll voting at Singtel general meetings

All resolutions at Singtel's general meetings are voted on by poll so as to better reflect shareholders' shareholding interests and ensure greater transparency. Singtel uses electronic poll voting devices to register the votes of shareholders who attend the general meetings.

Singtel appoints an independent external party as scrutineer for the electronic poll voting process. Prior to the general meeting, the scrutineer will review the proxies and the electronic poll voting system, and attends at the proxy verification process, to ensure that the proxy and poll voting information is compiled correctly. During the general meeting, the scrutineer attends to ensure that the polling process is properly carried out.

When voting on a resolution has closed, the poll voting results, including the number and percentage of votes cast for and against the resolution, are immediately presented to shareholders. The poll voting results are promptly filed with SGX on the same day as the meeting.

## Securities Transactions

Singtel has in place a Securities Transactions Policy, which provides that Directors and Top Management members and persons who are in attendance at Board and Top Management meetings (Key Officers) should not deal in Singtel securities during the period commencing two weeks before the announcement of Singtel's financial statements for each of the first three quarters of the financial year, and during the period commencing one month before the announcement of the financial statements for the full financial year and ending on the date of the announcement of the relevant results. In addition, employees who are involved in the preparation of the Group's financial statements should not deal in Singtel securities during the period commencing six weeks before the announcement of financial results each quarter. The policy also provides that any of the above persons who is privy to any material unpublished price-sensitive information relating to the Singtel Group should not trade in Singtel securities until the information is appropriately disseminated to the market, regardless of whether or not it is during the abovementioned "closed" periods for trading in Singtel securities. The Company Secretary sends quarterly reminders of the requirements under the policy and the relevant laws and regulations to the Directors and Management.

A Director is required to notify Singtel of his interest in Singtel securities within two business days after (a) the date on which he becomes a Director or (b) the date on which he acquires an interest in Singtel securities. A Director is also required to notify Singtel of any change in his interests in Singtel securities within two business days after he becomes aware of such change. Singtel will file such disclosure with SGX within one business day of receiving notification from the Director.

The Securities Transactions Policy also discourages trading on short-term considerations and reminds Directors and officers of their obligations under insider trading laws. Directors and officers of the Group wishing to deal in Singtel securities during a closed period must secure prior written approval of the Chairman (in the case of Directors of Singtel), the Lead Independent Director (in the case of the Chairman) or the Group CEO (in the case of directors of Singtel subsidiaries and Key Officers). Requests for written approval must contain a full explanation of the exceptional circumstances and proposed dealing. If approval is granted, trading must be undertaken in accordance with the limits set out in the written approval. Directors are to inform the Company Secretary before trading in Singtel securities. The Board is kept informed when a Director trades in Singtel securities. A summary of Singtel's Securities Transactions Policy is available in the Corporate Governance section of the Singtel corporate website.

Pursuant to recent changes to the SGX Listing Manual, the Singtel Group has put in place a policy relating to the maintenance of a list(s) of persons who are privy to price sensitive information relating to Singtel. Under the policy, persons who are to be included in the privy persons list

will be reminded not to trade in Singtel securities while in possession of unpublished price-sensitive information.

In relation to the shares of other companies, Directors are prohibited from trading in shares of Singtel's listed associates when in possession of material price-sensitive information relating to such associates. Directors are also to refrain from having any direct or indirect financial interest in Singtel's competitors that might or might appear to create a conflict of interest or affect the decisions Directors make on behalf of Singtel.

### **Continuous Disclosure**

There are formal policies and procedures to ensure that Singtel complies with its disclosure obligations under the listing rules of the SGX. A Market Disclosure Committee is responsible for Singtel's Market Disclosure Policy. The policy contains guidelines and procedures for internal reporting and decision-making with regard to the disclosure of material information.

### **No Material Contracts**

Since the end of the previous financial year ended 31 March 2016, no material contracts involving the interest of the Group CEO, any Director, or the controlling shareholder, Temasek Holdings (Private) Limited, has been entered into by Singtel or any of its subsidiaries, and no such contract subsisted as at 31 March 2017, save as may be disclosed on SGXNet or herein.

### **Interested Person Transactions**

As required by the SGX Listing Rules, details of interested person transactions (IPT) entered into by the Group are disclosed in this Annual Report on page 228. Singtel Internal Audit regularly reviews the IPT entered into by the Singtel Group to verify the accuracy and completeness of the IPT disclosure and to determine whether the IPT reporting requirements under the SGX listing rules have been adhered to. The report is submitted to the Audit Committee for review. Under the SGX listing rules, where any IPT requires shareholders' approval, the interested person will abstain from voting and the decision will be made by disinterested shareholders.

The Board has adopted a policy that there should be no loans to Directors, except for loans to fund expenditure to defend Directors in legal or regulatory proceedings, as permitted under the Companies Act. As at 31 March 2017, there were no loans granted to Directors.

### **Codes of Conduct and Practice**

The Board has adopted a Code of Conduct and Ethics as a means to guide the Directors on the areas of ethical risk, and help nurture an environment where integrity and accountability are key. The Code of Conduct and Ethics sets out the Board's principles on dealing with conflicts of interest, maintaining confidentiality, compliance with laws and regulations and fair dealing. The Board also has a Directors' Manual, which sets out specific Board governance policies and practices and the Directors' duties and responsibilities. In addition, Singtel has a

code of internal corporate governance practices, policy statements and standards (Singtel Code), and makes this code available to Board members as well as employees of the Group. The principles, policies, standards and practices in the Code of Conduct and Ethics, the Directors' Manual and the Singtel Code are intended to enhance investor confidence and rapport, and to ensure that decision-making is properly carried out in the best interests of the Group. The Code of Conduct and Ethics, the Directors' Manual and the Singtel Code are maintained by the Company Secretary and are provided to Directors when they are appointed to the Board.

Singtel also has a strict code of conduct that applies to all employees. The code sets out principles to guide employees in carrying out their duties and responsibilities to the highest standards of personal and corporate integrity when dealing with Singtel, its competitors, customers, suppliers and the community. The code covers areas such as equal opportunity employment practices, workplace health and safety, conduct in the workplace, business conduct, protection of Singtel's assets, proprietary information and intellectual property, data protection, confidentiality, conflict of interest, and non-solicitation of customers and employees. The code is posted on Singtel's internal website and a summarised version is accessible from the Singtel corporate website. Policies and standards are clearly stipulated to guide employees in carrying out their daily tasks.

Singtel has established an escalation process so that the Board of Directors, Senior Management, and internal and external auditors are kept informed of corporate crises in a timely manner, according to their severity. Such crises may include violations of the code of conduct and/or applicable laws and regulations, as well as loss events that have or are expected to have a significant impact, financial or otherwise, on the Group's business and operations.

### **Whistle-Blower Policy**

The Group is committed to a high standard of ethical conduct and adopts a zero tolerance approach to fraud and corruption.

Singtel undertakes to investigate all complaints of suspected fraud and corruption in an objective manner. To this end, it has put in place a whistle-blower policy and procedures that provide employees and external parties with well-defined and accessible channels within the Group. These include a direct channel to Singtel IA and whistle-blower hotline services independently managed by external service providers, for reporting suspected fraud, corruption, unethical practices or other similar matters which may cause financial loss to the Group or damage the Group's reputation. The policy is aimed at encouraging the reporting of such matters in good faith, with the confidence that employees and other persons making such reports will be treated fairly and, to the extent possible, protected from reprisal.

On an ongoing basis, the whistle-blower policy is covered during staff training and periodic communication to all

# Corporate Governance

staff as part of the Group's efforts to promote strong ethical values and fraud and control awareness. All whistle-blower complaints are investigated independently by Singtel IA or an independent investigation committee as appropriate, and the outcome of each investigation is reported to the AC.

## REMUNERATION

The broad principles that guide the ERCC in its administration of fees, benefits, remuneration and incentives for the Board of Directors and Senior Management are set out below.

### Remuneration of Non-Executive Directors

Singtel's Group CEO is an Executive Director and is, therefore, remunerated as part of Senior Management. She does not receive Directors' fees.

The ERCC recommends the non-executive Directors' fees for the Board's endorsement and approval by shareholders. As Singtel has diverse and complex operations and investments internationally and is not just a Singapore-based company, the fees are benchmarked against fees paid by other comparable companies in Singapore and Australia, as well as comparable companies in other countries.

Singtel seeks shareholders' approval at the AGM for Directors' fees for the current financial year so that Directors' fees can be paid on a half-yearly basis in arrears. No Director decides his own fees.

Save as mentioned below, there are no retirement benefit schemes or share-based compensation schemes in place for non-executive Directors.

To align Directors with shareholders' interests, Directors are encouraged to acquire Singtel shares each year from the open market until they hold the equivalent of one year's fees in shares, and to continue to hold the equivalent of one year's fees in shares while they remain on the Board.

### Financial Year Ended 31 March 2017

For the financial year ended 31 March 2017, the Chairman received an all-inclusive fee of S\$960,000 (excluding car-related benefits). The fee was paid approximately two-thirds in cash and approximately one-third in Singtel shares. No separate retainer fees, committee fees, attendance fees or travel allowance were paid to the Chairman.

The fees for non-executive Directors (other than the Chairman) comprised a basic retainer fee, additional fees for appointment to Board Committees, attendance fees for ad hoc Board meetings and a travel allowance for Directors who were required to travel out of their country or city of residence to attend Board meetings and Board Committee meetings that did not coincide with Board meetings. The framework for determining non-executive Directors' fees for the financial year ended 31 March 2017 was the same as the framework for the previous financial year and is set out below:

### Basic Retainer Fee

Board Chairman	S\$960,000 per annum
Director	S\$110,000 per annum

### Fee for appointment to Audit Committee and Finance and Investment Committee

Committee chairman	S\$60,000 per annum
Committee member	S\$35,000 per annum

### Fee for appointment to Executive Resource and Compensation Committee

Committee chairman	S\$45,000 per annum
Committee member	S\$25,000 per annum

### Fee for appointment to any other Board Committee

Committee chairman	S\$35,000 per annum
Committee member	S\$25,000 per annum

### Attendance Fee per Ad Hoc Board meeting

S\$2,000

### Travel allowance for Board meetings and Board Committee meetings that do not coincide with Board meetings (per day of travel required to attend meeting)

S\$3,000

The aggregate Directors' fees paid to non-executive Directors for the financial year ended 31 March 2017 was S\$2,398,000 (details are set out in the table below).

Name of Director	Director's Fees (\$\$)
Simon Israel <sup>(1)</sup>	960,000
Bobby Chin	225,000
Venky Ganesan <sup>(2)</sup>	195,000
Low Check Kian <sup>(3)</sup>	214,000
Peter Mason AM <sup>(4)</sup>	195,000
Christina Ong	204,000
Peter Ong <sup>(5)</sup>	188,000
Teo Swee Lian	217,000
<b>Total</b>	<b>2,398,000</b>

#### Notes:

<sup>(1)</sup> In addition to the Director's fees set out above, Mr Simon Israel also received car-related benefits (S\$21,611).

<sup>(2)</sup> In addition to the Director's fees set out above, Mr Venky Ganesan received fees of US\$50,000 for the financial year ended 31 March 2017 in his capacity as a member of the Technology Advisory Panel.

<sup>(3)</sup> In addition to the Director's fees set out above, Mr Low Check Kian

received aggregate fees of S\$35,000 for the financial year ended 31 March 2017 in his capacity as a director of Singtel Innov8 Pte. Ltd.

<sup>(4)</sup> In addition to the Director's fees set out above, Mr Peter Mason AM received fees of S\$35,000 in his capacity as a member of the Optus Advisory Committee for the financial year ended 31 March 2017.

<sup>(5)</sup> Fees for the Singapore public sector Director, Mr Peter Ong, are processed in accordance with the framework of the Singapore Directorship and Consultancy Appointments Council.

No employee of the Group who is an immediate family member of a Director was paid remuneration that exceeded S\$50,000 during the financial year ended 31 March 2017.

### Financial Year Ending 31 March 2018

For the financial year ending 31 March 2018, it is proposed that aggregate fees of up to S\$2,950,000 be paid to the Directors, which is the same as the amount approved by shareholders for the financial year ended 31 March 2017. The proposed framework for Directors' fees for the financial year ending 31 March 2018 is the same as that for the financial year ended 31 March 2017.

## Remuneration of Executive Director and Senior Management

The remuneration framework and policy is designed to support the implementation of the Group's strategy and to enhance shareholder value. The following are our guiding principles for remuneration to Senior Management:

### ALIGNMENT WITH SHAREHOLDERS' INTERESTS

- Align interests between management and shareholders
- Select appropriate performance metrics for annual and long-term incentive plans to support business strategies and ongoing enhancement of shareholder value
- Ensure targets are appropriately set for threshold, target, stretch and exceptional performance levels
- Establish sound and structured funding to ensure affordability

### COMPETITIVE REMUNERATION

- Offer competitive packages to attract and retain highly experienced and talented individuals
- Link a significant proportion of remuneration to performance, both on an annual and long-term basis

### PAY-FOR-PERFORMANCE

- Measure performance based on a holistic balanced scorecard approach, comprising both financial and non-financial metrics
- Structure a significant but appropriate proportion of remuneration to be at risk, taking into account the risk policies of the Group
- Build flexibility into the remuneration package to allow for performance-related clawback if long-term performance targets are not met

### EFFECTIVE IMPLEMENTATION

- Meet rigorous corporate governance requirements

The ERCC recognises that the Group operates in a multinational and multifaceted environment and reviews remuneration through a process that considers Group, business unit and individual performance as well as relevant comparative remuneration in the market. The performance evaluation for Senior Management has been conducted in accordance with the above considerations.

During the year, the ERCC engaged Aon Hewitt Singapore Pte Ltd (Aon Hewitt) to provide valuation and vesting computation for grants awarded under the Singtel Performance Share Plan 2012. The ERCC also engaged Mercer (Singapore) Pte Ltd (Mercer) to conduct Executive Remuneration Benchmarking for Senior Management, and review the overall remuneration framework and key elements of the performance-related remuneration components to ensure continued relevance to strategic business objectives and alignment with market practices. Aon Hewitt, Mercer and their consultants are independent and not related to the Group or any of its Directors.

Singtel may, under special circumstances, compensate Senior Management for their past contributions when their services are no longer needed, in line with market practice; for example, due to redundancies arising from reorganisation or restructuring of the Group.

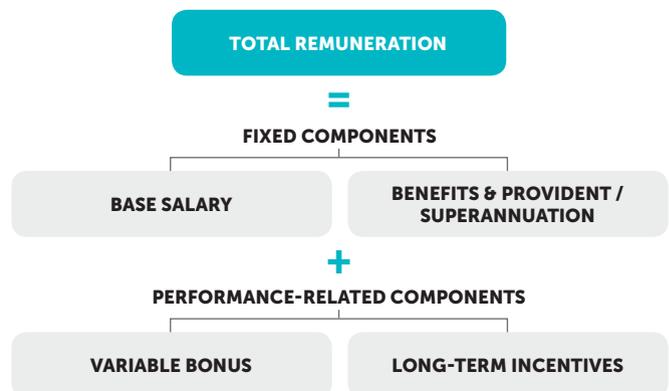
If an executive is involved in misconduct or fraud, resulting in financial loss to the company, the ERCC has the discretion not to award and to forfeit incentive components of the executive's remuneration, to the extent that such award or incentive has not been released or disbursed.

### Remuneration Structure

The remuneration structure is designed such that the percentage of the performance-related components of Senior Management's remuneration increases as they move up the organisation.

On an annual basis, the ERCC proposes the compensation of the Group CEO, CEOs, Group Chief Corporate Officer and Group CFO for the Board's approval and approves compensation for the other Senior Management.

The key remuneration components for Senior Management are summarised below:



# Corporate Governance

## Fixed Components

### BASE SALARY

The base salary reflects the market worth of the job but may vary with responsibilities, qualifications and the experience that the individual brings to the role.

### Policy

This is approved by the Board based on ERCC's recommendation and reviewed annually against:

- (i) peers of similar financial size and complexity to the Group;
- (ii) pay and conditions across the Group; and
- (iii) the executive's contribution and experience.

In Australia, consistent with local market practice, executives may opt for a portion of their salaries to be received in benefits-in-kind, such as superannuation contributions and motor vehicles, while maintaining the same overall cost to the company.

### Performance Linkage

The base salary is linked to each executive's sustained long-term performance.

## BENEFITS & PROVIDENT/SUPERANNUATION FUND

Benefits and Provident/Superannuation Fund provided are in line with local market practices and legislative requirements.

### Policy

Singtel contributes towards the Singapore Central Provident Fund or the Optus Superannuation Fund or any other chosen fund, as applicable. Singtel also provides in-company medical scheme, club membership, employee discounts and other benefits that may incur Australian Fringe Benefits Tax, where applicable.

Participation in benefits is dependent on the country in which the executive is located. For expatriates located away from home, additional benefits such as accommodation, children's education and tax equalisation may be provided.

### Performance Linkage

Benefits and Provident/Superannuation Fund are not directly linked to performance.

## Performance-related Components

### VARIABLE BONUS

Variable Bonus comprises the Performance Bonus and the Value Sharing Bonus. It provides a variable level of remuneration dependent on short-term performance against the annual plan, as well as relevant market remuneration benchmarks.

### Policy

#### Performance Bonus

Performance Bonus (PB) is designed to support the Group's business strategy and the ongoing enhancement of shareholder value through the delivery of annual financial strategy and operational objectives. On an individual level, the PB will vary according to the actual achievement against Group, business unit and individual performance objectives.

#### Value Sharing Bonus

A portion of Senior Management's annual remuneration is tied to the Economic Profit (EP) performance of the Group in the form of the Value Sharing Bonus (VSB). VSB is used to defer their bonuses over a time horizon to ensure alignment with sustainable value creation for the shareholders over the longer term. VSB is also extended to Top Management executives, who are senior executives below the Senior Management level, holding positions equivalent to Vice President in the organisation.

### Performance Linkage

#### Performance Bonus

The objectives are aligned to the Annual Operating Plan and are different for each executive. They are assessed on the same principles across two broad categories of

targets: Business and People. Business targets comprise financials, strategy, customer and business processes. People targets comprise leadership competencies, core values, people development and staff engagement. In addition, the executives are assessed on teamwork and collaboration across the Group.

### Value Sharing Bonus

A "VSB bank" is created for each executive to hold the VSB allocated to him or her in any year. One-third of the "bank" balance would be paid out in cash provided it is positive. The remaining balance will be carried forward and at risk as it is subject to performance-related clawback and could be reduced in the event of EP underperformance in the future years.

## LONG-TERM INCENTIVES

Long-term incentives reinforce the delivery of long-term growth and shareholder value to drive an ownership culture and retain key talent. These are equity awards provisionally granted to Senior Management based on performance for the year ended 31 March 2017.

The long-term incentives consist of two types of awards – the Restricted Share Award (RSA) and the Performance Share Award (PSA) – with grants made at the discretion of the ERCC. The RSA is granted to a broader group of executives while the PSA is granted to Senior and Top Management.

### Policy

The number of performance shares (RSA and PSA) awarded is determined using the valuation of the shares based on a Monte-Carlo simulation. The share awards are conditional upon the achievement of predetermined

performance targets over the performance period. The performance conditions were chosen as they are key drivers of shareholder value creation and aligned to the Group's business objectives. These performance conditions and targets are approved by the ERCC at the beginning of the performance period. The final number of performance shares vested to the recipient will depend on the level of achievement of these targets over the performance period, subject to the approval of the ERCC.

A significant portion of the remuneration package for our Senior Management is delivered in Singtel shares to ensure that their interests are aligned with shareholders. In particular, the long-term incentives mix is more heavily weighted toward PSA for more senior executives to increase focus on shareholder returns. This is further supported by significant shareholding requirements in which they are required to build up and retain at least the equivalent of one to two times their annual base salary in shares. Group CEO is expected to hold at least the equivalent of three times her annual base salary as shareholding.

Special provisions for vesting and lapsing of awards apply for events such as the termination of employment, misconduct, retirement and any other events approved by the ERCC. Upon occurrence of any of the events, the ERCC will consider, at its discretion, whether or not to release any award, and will take into account circumstances on a case-by-case basis, including (but not limited to) the contributions made by the employee. Singtel employees are prohibited from entering into

transactions in associated products which limit the economic risk of participating in unvested awards under Singtel's equity-based remuneration schemes.

#### Performance Linkage

##### Restricted Share Award (RSA)

The RSA has a two-year performance period from 1 April 2017 to 31 March 2019. Vesting of shares is dependent on the following performance conditions:

- 50% based on Singtel Group's Net Profit After Tax (NPAT) – Singtel Group NPAT achieved against predetermined targets; and
- 50% based on Singtel Group's Free Cash Flow (FCF) – Singtel Group FCF achieved against predetermined targets.

##### Performance Share Award (PSA)

The PSA has a three-year performance period from 1 April 2017 to 31 March 2020. Vesting of shares is dependent on the following performance conditions:

- 50% based on Singtel Group's Relative Total Shareholder Return (Relative TSR) – Percentile ranking against the component stocks of the MSCI Asia Pacific Telecommunications Index; and
- 50% based on Singtel Group's Absolute Total Shareholder Return (Absolute TSR) – Absolute TSR achieved against predetermined targets.

The details of the vesting schedule for RSA and PSA granted in June 2017 are shown in Figure A and Figure B respectively.

Figure A: Restricted Share Award (RSA) Vesting Schedule

Group NPAT (50%)		Group FCF (50%)	
Performance	Vesting Level <sup>(1)</sup>	Performance	Vesting Level <sup>(1)</sup>
Exceptional	150%	Exceptional	150%
Stretch	130%	Stretch	130%
Target	100%	Target	100%
Threshold	50%	Threshold	50%
Below Threshold	0%	Below Threshold	0%

Figure B: Performance Share Award (PSA) Vesting Schedule

Relative TSR (50%)		Absolute TSR (50%)	
Performance <sup>(2)</sup>	Vesting Level <sup>(1)</sup>	Performance	Vesting Level <sup>(1)</sup>
–	–	Stretch	200%
≥ 90 <sup>th</sup> percentile	100%	Target	100%
50 <sup>th</sup> – 59 <sup>th</sup> percentile	50%	Threshold	30%
< 50 <sup>th</sup> percentile	0%	Below Threshold	0%

#### Notes:

<sup>(1)</sup> For achievement between these performance levels, the percentage of shares that will vest under this tranche would vary accordingly.

<sup>(2)</sup> Percentile ranking performance against the component stocks of the MSCI Asia Pacific Telecommunications Index. The list of component stocks is available at [www.msci.com/constituents](http://www.msci.com/constituents).

# Corporate Governance

## Remuneration of Key Management

For the financial year ended 31 March 2017, there were no termination, retirement and post-employment benefits granted to Directors and Key Management.

## Remuneration of Executive Director

Summary compensation table for Group CEO (Chua Sock Koong) for the financial year ended 31 March 2017:

Name		Fixed Remuneration (\$\$) <sup>(1)</sup>	Variable Bonus (\$\$) <sup>(2)</sup>	Provident Fund (\$\$) <sup>(3)</sup>	Benefits (\$\$) <sup>(4)</sup>	Total Cash & Benefits (\$\$) <sup>(5)</sup>
Chua Sock Koong	Earned	1,647,096	4,822,082	13,260	77,217	6,559,655
	Paid out		4,151,877			5,889,450

Performance shares granted, vested and lapsed for Ms Chua as at 31 March 2017 are as follows:

	Restricted Share Award (RSA) <sup>(6)</sup>				
	Granted (no. of shares)	Vested (no. of shares)	Lapsed (no. of shares)	Released	
				Date	(no. of shares)
2014 Awards	102,097	132,727	–	1-Jun-16	66,364
				1-Jun-17	66,363
2015 Awards	84,060	109,278	–	1-Jun-17	54,639
				1-Jun-18	54,639 <sup>(7)</sup>
2016 Awards <sup>(8)</sup>	201,331			1-Jun-18	
				3-Jun-19	
2017 Awards <sup>(8) (9)</sup>	382,987			3-Jun-19	
				1-Jun-20	
	Performance Share Award (PSA) <sup>(6)</sup>				
	Granted (no. of shares)	Vested (no. of shares)	Lapsed (no. of shares)	Released	
				Date	(no. of shares)
2014 Awards	1,422,663	234,740	1,187,923	1-Jun-17	234,740
2015 Awards <sup>(8)</sup>	1,658,980			1-Jun-18	
2016 Awards <sup>(8)</sup>	1,694,657			3-Jun-19	
2017 Awards <sup>(8) (9)</sup>	831,718			1-Jun-20	

### Notes:

- <sup>(1)</sup> Fixed Remuneration refers to base salary earned for the financial year ended 31 March 2017.
- <sup>(2)</sup> Variable Bonus comprises Performance Bonus (PB) and Value Sharing Bonus (VSB). PB varies according to the actual achievement against Group, business unit and individual performance objectives for the year. VSB is awarded for individual performance and Group Economic Profit (EP) performance for the year. The allocated VSB will be credited into the VSB 'bank' and one-third of the 'bank' balance is paid out in cash each year provided it is positive. The remaining balance is carried forward to the next year and at risk as it is subject to a clawback feature. For more details, please refer to page 81. Variable Bonus Earned is the sum of PB and VSB awarded for the financial year ended 31 March 2017. Variable Bonus Paid Out is the sum of PB and VSB paid out in June 2017.
- <sup>(3)</sup> Provident Fund in Singapore represents payments in respect of company statutory contributions to the Singapore Central Provident Fund.
- <sup>(4)</sup> Benefits are stated on the basis of direct costs to the company and include car benefits, flexible benefits and other non-cash benefits such as medical cover and club membership.
- <sup>(5)</sup> Total Cash & Benefits Earned is the sum of Fixed Remuneration, Provident Fund, Benefits and Variable Bonus awarded for the financial year ended 31 March 2017. Total Cash & Benefits Paid Out is the sum of Fixed Remuneration, Provident Fund, Benefits and Variable Bonus paid out for the financial year ended 31 March 2017.
- <sup>(6)</sup> Long-term Incentives are awarded in the form of Restricted Share Award (RSA) and Performance Share Award (PSA) under the Singtel Performance Share Plan 2012.
- <sup>(7)</sup> The second tranche of the vested 2015 RSA will be released in June 2018, subject to continued service of the employee.
- <sup>(8)</sup> The vesting of the RSA and PSA are conditional upon the achievement of predetermined performance targets over the respective performance period, which are a two-year period for RSA and a three-year period for PSA.
- <sup>(9)</sup> The 2017 grants of RSA and PSA were made in June 2017 for performance for the financial year ended 31 March 2017. The per unit fair values of the RSA and PSA are S\$3.479 and S\$1.602 respectively. The performance conditions for the awards are detailed on page 82.

## Remuneration of Other Key Management

Summary compensation table for the other top five Key Management for the financial year ended 31 March 2017:

Name		Fixed Remuneration (\$S) <sup>(1)</sup>	Variable Bonus (\$S) <sup>(2)</sup>	Provident Fund (\$S) <sup>(3)</sup>	Benefits (\$S) <sup>(4)</sup>	Total Cash & Benefits (\$S) <sup>(5)</sup>	Restricted Share Award (RSA) <sup>(6)</sup> (no. of shares)	Performance Share Award (PSA) <sup>(6)</sup> (no. of shares)
The following are in alphabetical order:								
Bill Chang CEO Group Enterprise	Earned	909,996	2,350,000	17,340	66,278	3,343,614	201,208	436,954
	Paid Out		1,903,080			2,896,694		
Hui Weng Cheong <sup>(7)</sup> COO, AIS	Earned	663,000	1,208,625	9,180	373,264	2,254,069	144,007	208,490
	Paid Out		1,123,489			2,168,933		
Allen Lew <sup>(8)</sup> CEO Consumer Australia	Earned	A\$1,500,378	A\$3,010,068	9,108	A\$649,855	A\$5,169,304	220,574	479,011
	Paid Out		A\$3,156,003			A\$5,315,239		
Jeann Low Group Chief Corporate Officer	Earned	909,996	1,418,274	13,260	62,586	2,404,116	161,637	351,020
	Paid Out		1,357,898			2,343,740		
Yuen Kuan Moon CEO Consumer Singapore	Earned	720,000	1,500,000	17,340	59,939	2,297,279	155,218	224,720
	Paid Out		1,228,843			2,026,122		
<b>Total</b>	<b>Earned</b>	<b>4,721,003</b>	<b>9,522,341</b>	<b>66,228</b>	<b>1,219,560</b>	<b>15,529,132</b>	<b>882,644</b>	<b>1,700,195</b>
	<b>Paid Out</b>		<b>8,806,402</b>			<b>14,813,193</b>		

Performance shares granted, vested and lapsed for the above five executives as at 31 March 2017 are as follows:

	Restricted Share Award (RSA)					
	Granted (no. of shares)	Vested (no. of shares)	Lapsed (no. of shares)	Released		
				Date	(no. of shares)	
2014 Awards	228,654	297,253	-	1-Jun-16	148,628	
				1-Jun-17	148,625	
2015 Awards	188,260	244,741	-	1-Jun-17	122,373	
				1-Jun-18	122,368 <sup>(9)</sup>	
2016 Awards <sup>(10)</sup>	425,487			1-Jun-18		
				3-Jun-19		
	Performance Share Award (PSA)					
	Granted (no. of shares)	Vested (no. of shares)	Lapsed (no. of shares)	Released		
				Date	(no. of shares)	
2014 Awards	2,421,321	399,519	2,021,802	1-Jun-17	399,519	
2015 Awards <sup>(10)</sup>	2,823,526			1-Jun-18		
2016 Awards <sup>(10)</sup>	3,032,763			3-Jun-19		

### Notes:

<sup>(1)</sup> Fixed Remuneration refers to base salary earned for the financial year ended 31 March 2017.

<sup>(2)</sup> Variable Bonus comprises Performance Bonus (PB) and Value Sharing Bonus (VSB). PB varies according to the actual achievement against Group, business unit and individual performance objectives for the year. VSB is awarded for individual performance and Group Economic Profit (EP) performance for the year. The allocated VSB will be credited into the VSB 'bank' and one-third of the 'bank' balance is paid out in cash each year provided it is positive. The remaining balance is carried forward to the next year and at risk as it is subject to a clawback feature. For more details, please refer to page 81. Variable Bonus Earned is the sum of PB and VSB awarded for the financial year ended 31 March 2017. Variable Bonus Paid Out is the sum of PB and VSB paid out in June 2017.

<sup>(3)</sup> Provident Fund in Singapore represents payments in respect of company contributions to the Singapore Central Provident Fund.

<sup>(4)</sup> Benefits are stated on the basis of direct costs to the company and include overseas assignment benefits, tax equalisation, car benefits, flexible benefits and other non-cash benefits such as medical cover and club membership, where applicable.

<sup>(5)</sup> Total Cash & Benefits Earned is the sum of Fixed Remuneration, Provident Fund, Benefits and Variable Bonus awarded for the financial year ended 31 March 2017. Total Cash & Benefits Paid Out is the sum of Fixed Remuneration, Provident Fund, Benefits and Variable Bonus paid out for the financial year ended 31 March 2017.

<sup>(6)</sup> Long-term Incentives are awarded in the form of performance shares. Grants of the Restricted Share Award (RSA) and Performance Share Award (PSA) under the Singtel Performance Share Plan 2012 were made in June 2017 for performance for the financial year ended 31 March 2017. The per unit fair values of the RSA and PSA are S\$3.479 and S\$1.602 respectively. The performance conditions for the awards are detailed on page 82.

<sup>(7)</sup> Benefits for Mr Hui Weng Cheong include tax equalisation in relation to his assignment to AIS, Thailand.

<sup>(8)</sup> All remuneration items for Mr Allen Lew are denominated in Australian Dollar, except for his Provident Fund, which is denominated in Singapore Dollar.

<sup>(9)</sup> The second tranche of the vested 2015 RSA will be released in June 2018, subject to continued service of the employee.

<sup>(10)</sup> The vesting of the RSA and PSA are conditional upon the achievement of predetermined performance targets over the respective performance period, which are a two-year period for RSA and a three-year period for PSA.

# Corporate Governance

## Legend

Q: Questions

A: How has the Company complied?

## Code of Corporate Governance 2012

### GUIDELINES FOR DISCLOSURE

#### General

**Q:** (a) Has the Company complied with all the principles and guidelines of the Code?

If not, please state the specific deviations and the alternative corporate governance practices adopted by the Company in lieu of the recommendations in the Code.

**A:** Yes, the Company has complied in all material respects with the principles and guidelines of the Code of Corporate Governance 2012.

**Q:** (b) In what respect do these alternative corporate governance practices achieve the objectives of the principles and conform to the guidelines in the Code?

**A:** Not applicable.

#### Board Responsibility

##### Guideline 1.5

**Q:** What are the types of material transactions which require approval from the Board?

**A:** Material items that require Board approval include:

- The Group's strategic plans
- The Group's annual operating plan and budget
- Full-year, half-year and quarterly financial results
- Dividend policy and payout
- Issue of shares
- Board succession plans
- Succession plans for Senior Management, including appointment of, and compensation for, Group CEO, CEOs, Group Chief Corporate Officer and Group CFO
- Underlying principles of long-term incentive schemes for employees
- The Group's risk appetite and risk tolerance for different categories of risk, as well as risk strategy and the policies for management of material risks
- Acquisitions and disposals of investments exceeding certain material limits
- Capital expenditures exceeding certain material limits

#### Members of the Board

##### Guideline 2.6

**Q:** (a) What is the Board's policy with regard to diversity in identifying director nominees?

**A:** Singtel is committed to building a diverse, inclusive and collaborative culture. Singtel recognises and embraces the benefits of diversity on the Board, and views diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development.

The Board's Diversity Policy provides that, in reviewing Board composition and succession planning, the CGNC will consider the benefits of all aspects of diversity, including diversity of skills, experience, background, gender, age, ethnicity and other relevant factors. These differences will be considered in determining the optimum composition of the Board and when possible should be balanced appropriately. All Board appointments are made based on merit, in the context of the skills, experience, independence and knowledge which the Board as a whole requires to be effective. Diversity is a key criterion in the instructions to external search consultants.

The Board is of the view that gender is an important aspect of diversity and will strive to ensure that (a) any brief to external search consultants to search for candidates for appointment to the Board will include a requirement to present female candidates, (b) female candidates are included for consideration by the CGNC whenever it seeks to identify a new Director for appointment to the Board, (c) the Board appoints at least one female Director to the CGNC, and (d) there is significant and appropriate female representation on the Board, recognising that the Board's needs will change over time taking into account the skills and experience on the Board.

**Q:** (b) Please state whether the current composition of the Board provides diversity on each of the following – skills, experience, gender and knowledge of the Company, and elaborate with numerical data where appropriate.

**A:** Reflecting the focus of the Group's business in the region, three of Singtel's nine Directors are from, and have extensive experience in, jurisdictions outside Singapore, namely, the Chairman, Mr Simon Israel, and non-executive Directors, Messrs Venky Ganesan and Peter Mason AM. In relation to gender diversity, approximately 33% of the Singtel Board, or three out of the nine Board members, are female.

The individual profiles of the Directors, including details of their background and qualifications, are set out in the "Board of Directors" section of the Annual Report.

**Q:** (c) What steps has the Board taken to achieve the balance and diversity necessary to maximise its effectiveness?

**A:** In order to ensure that Singtel continues to be able to meet the challenges and demands of the markets in which Singtel operates, the Board is focused on enhancing the diversity of skills, expertise and perspectives on the Board in a structured way by proactively mapping out Singtel's Board composition needs over the short and medium term (Board Progression Planning). This is an ongoing process facilitated by an independent consultant and is informed by a series of detailed interviews between the consultant and each member of the Board as well as key management members.

---

#### Guideline 4.6

**Q:** Please describe the board nomination process for the Company in the last financial year for (i) selecting and appointing new directors and (ii) re-electing incumbent directors.

**A:** The CGNC establishes and reviews the profile required of Board members and makes recommendations to the Board on the appointment, re-nomination and retirement of Directors.

When an existing Director chooses to retire or is required to retire from office by rotation, or the need for a new Director arises, the CGNC reviews the range of expertise, skills and attributes of the Board and the composition of the Board. The CGNC then identifies Singtel's needs and prepares a shortlist of candidates with the appropriate profile for nomination or re-nomination. The Board has an ongoing process facilitated by an independent consultant to map out these needs and to search for candidates to join the Board.

The CGNC takes factors such as attendance, preparedness, participation and candour into consideration when evaluating the past performance and contributions of a Director when making its recommendations to the Board. However, the re-nomination or replacement of a Director does not necessarily reflect the Director's performance or contributions to the Board. The CGNC may have to consider the need to position and shape the Board in line with the evolving needs of Singtel and the business.

When deciding on the appointment of new Directors to the Board, the CGNC and the Board consider a variety of factors, including the core competencies, skills and experience that are required on the Board and Board Committees, diversity, independence, conflicts of interest and time commitments.

---

#### Guideline 1.6

**Q:** (a) Are new directors given formal training? If not, please explain why.

**A:** Yes, new directors are given formal training.

**Q:** (b) What are the types of information and training provided to (i) new directors and (ii) existing directors to keep them up to date?

**A:** All new Directors appointed to the Board are briefed by the Chairman, as well as the chairmen of the Board Committees on which they serve, on issues relating to the Board and Board Committees. They are also briefed by senior management on the Group's business activities, strategic direction and policies, key business risks, the regulatory environment in which the Group operates and governance practices, as well as their statutory and other duties and responsibilities as Directors.

Upon appointment to the Board, each Director receives a Directors' Manual, which sets out the Director's duties and responsibilities and the Board governance policies and practices. The Directors' Manual is maintained by the Company Secretary. In line with best practices in corporate governance and the Singapore Code, new Directors also sign a letter of appointment from the Company stating clearly the role of the Board and non-executive Directors, the time commitment that the Director would be expected to allocate, and other relevant matters.

To ensure Directors can fulfil their obligations and to continually improve the performance of the Board, all Directors are encouraged to undergo continual professional development during the term of their appointment. Professional development may relate to a particular subject area, committee membership, or key developments in Singtel's environment, market or operations. Directors are encouraged to consult the Chairman if they consider that they personally, or the Board as a whole, would benefit from specific education or training regarding matters that fall within the responsibility of the Board or relate to the business of Singtel.

During the financial year ended 31 March 2017, the development/training programmes for Directors included the following:

- The Directors participated in an annual offsite workshop in Silicon Valley with Senior Management to formulate and plan the Group's longer-term strategy, during which the Directors were briefed on developments in the markets in which the Group operates and were introduced to new technologies and advancements relevant to the Group. The

# Corporate Governance

Board also met with representatives from start-ups and tech companies there to keep updated on emerging trends and technologies relevant to the Group's business.

- The Board met with the management of Singtel's associate, Bharti Airtel, in India during which the Board was updated on Airtel's business and its operating environment.
- The Board visited the Optus campus in Sydney, Australia, and met with business leaders and key customers there. The Board also toured the Michael Crouch Innovation Centre at the University of New South Wales.
- The Board was updated on the Singapore Government's initiative on building a smart nation.
- Members of the Board attended forums and dialogues with experts and senior business leaders on issues facing boards and board practice.
- Briefings were provided by the Group's external auditors to Audit Committee members on new accounting standards.

The Board receives regular reports pertaining to the operational and financial performance of the Group, as well as regular updates, which include information on the Group's competitors, and industry and technological developments. In addition, Directors receive analysts' reports on Singtel and other telecommunications and digital companies on a quarterly basis. Such reports enable the Directors to keep abreast of key issues and developments in the industry, as well as challenges and opportunities for the Group.

---

## Guideline 4.4

**Q:** (a) What is the maximum number of listed company board representations that the Company has prescribed for its directors? What are the reasons for this number?

**A:** The Board has adopted an internal guideline that seeks to address the competing time commitments that may be faced when a Director holds multiple board appointments. The guideline provides that, as a general rule, each Director should hold no more than five directorships in public listed companies. However, the Board recognises that the individual circumstances and capacity of each Director are different and there may be circumstances in which a different limit on board appointments is appropriate.

**Q:** (b) If a maximum number has not been determined, what are the reasons?

**A:** Not applicable.

**Q:** (c) What are the specific considerations in deciding on the capacity of directors?

**A:** In support of their candidature for directorship or re-election, Directors are to provide the CGNC with details of their other commitments and an indication of the time involved. The CGNC and the Board take this into account in deciding on the capacity of Directors.

---

## Board Evaluation

### Guideline 5.1

**Q:** (a) What was the process upon which the Board reached the conclusion on its performance for the financial year?

**A:** Each year, the CGNC undertakes a process to assess the effectiveness of the Board and Board Committees. For the financial year ended 31 March 2017, as in previous years, an independent external consultant was appointed to facilitate this process. The 2017 Board effectiveness survey was designed to provide an evaluation of current effectiveness of the Board and to support the Chairman and Board to proactively consider what can enhance the readiness of the Board to address emerging strategic priorities for the Singtel Group. The Directors and Senior Management were requested to complete an evaluation questionnaire focused on four key areas, namely (1) how the Board plays an effective role and adds value on critical issues, (2) how the Board operates to deliver impact and value, (3) Board Chair effectiveness and (4) committee evaluation. In particular, the survey looked at the Board's performance in shaping and adapting strategy, risk and crisis management, overseeing the Group's performance, CEO performance and succession management, corporate social responsibility and stakeholder communications, as well as areas such as strategic alignment and prioritisation, Board composition and structure, Board dynamics and culture, the Board's partnership with management, efficiency of core Board processes, Board chair effectiveness, and Board Committee and committee chair effectiveness.

In addition to the appraisal exercise, the contributions and performance of each Director were assessed by the CGNC as part of its periodic reviews of the composition of the Board and the various Board Committees. In the process, the CGNC was able to identify areas for improving the effectiveness of the Board and Board Committees. The Board was also able to assess the Board Committees through their regular reports to the Board on their activities.

**Q:** (b) Has the Board met its performance objectives?

**A:** Yes.

---

---

## Independence of Directors

### Guideline 2.1

**Q:** Does the Company comply with the guideline on the proportion of independent directors on the Board?

If not, please state the reasons for the deviation and the remedial action taken by the Company.

**A:** Yes, six out of nine Directors are independent.

---

### Guideline 2.3

**Q:** (a) Is there any director who is deemed to be independent by the Board, notwithstanding the existence of a relationship as stated in the Code that would otherwise deem him not to be independent? If so, please identify the director and specify the nature of such relationship.

**A:** Please refer to the section "Board Composition, Diversity and Balance" in the Corporate Governance Report for details on Mrs Christina Ong, Mr Bobby Chin and Mr Venky Ganesan.

**Q:** (b) What are the Board's reasons for considering him independent? Please provide a detailed explanation.

**A:** Please refer to the section "Board Composition, Diversity and Balance" in the Corporate Governance Report for details on Mrs Christina Ong, Mr Bobby Chin and Mr Venky Ganesan.

---

### Guideline 2.4

**Q:** Has any independent director served on the Board for more than nine years from the date of his first appointment? If so, please identify the director and set out the Board's reasons for considering him independent.

**A:** No.

---

## Disclosure on Remuneration

### Guideline 9.2

**Q:** Has the Company disclosed each director's and the CEO's remuneration as well as a breakdown (in percentage or dollar terms) into base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?

**A:** Yes, the details of each Director's and the Group CEO's remuneration are fully disclosed.

---

### Guideline 9.3

**Q:** (a) Has the Company disclosed each key management personnel's remuneration, in bands of S\$250,000 or in more detail, as well as a breakdown (in percentage or dollar terms) into base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?

**A:** Yes, the details of each of the top five key management personnel's remuneration are fully disclosed.

**Q:** (b) Please disclose the aggregate remuneration paid to the top five key management personnel (who are not directors or the CEO).

**A:** The aggregate remuneration, comprising total cash and benefits, paid to the top five key management personnel for FY 2017 amounted to S\$14,813,193, as indicated on page 84.

---

### Guideline 9.4

**Q:** Is there any employee who is an immediate family member of a director or the CEO, and whose remuneration exceeds S\$50,000 during the year? If so, please identify the employee and specify the relationship with the relevant director or the CEO.

**A:** No.

---

### Guideline 9.6

**Q:** (a) Please describe how the remuneration received by executive directors and key management personnel has been determined by the performance criteria.

**A:** The ERCC reviews remuneration through a process that considers Group, business unit and individual performance as well as relevant comparative remuneration in the market.

Total remuneration for the Group CEO and key management personnel comprise fixed components and performance-related components. The performance-related components include Performance Bonus, Value Sharing Bonus and Long-term Incentives. Performance Bonus (PB) is designed to support the Group's business strategy and the ongoing enhancement of shareholder value through the delivery of annual financial strategy and operational objectives. Value Sharing Bonus (VSB) is used to defer bonuses over a time horizon to ensure alignment with sustainable value creation for shareholders over the longer term. Long-term Incentives refer to Restricted Share Award (RSA) and the Performance Share Award (PSA) with performance conditions that are tied to key drivers of shareholder value creation and aligned to the Group's business objectives.

# Corporate Governance

**Q:** (b) What were the performance conditions used to determine their entitlement under the short-term and long-term incentive schemes?

**A:** The PB will vary according to the actual achievement against Group, business unit and individual performance objectives, which can be grouped into two broad categories: Business and People. Business targets comprise financials, strategy, customer and business processes. People targets comprise leadership competencies, core values, people development and staff engagement. For VSB, Economic Profit performance of the Group is measured. For RSA, internal performance conditions such as the Group's Net Profit After Tax and Free Cash Flow are selected. For PSA, performance conditions aligned with shareholders' interests such as Absolute and Relative Total Shareholder Return are used.

**Q:** (c) Were all of those performance conditions met? If not, what were the reasons?

**A:** The performance conditions were generally met, except for total shareholder return conditions, which were impacted by adverse share price movements.

---

## Risk Management and Internal Controls

### Guideline 6.1

**Q:** What types of information does the Company provide to independent directors to enable them to understand its business, the business and financial environment as well as the risks faced by the Company? How frequently is the information provided?

**A:** Prior to each Board meeting, Singtel's Management provides the Board with information relevant to matters on the agenda for the meeting. In general, such information is provided a week in advance of the Board meeting. The Board also receives regular reports pertaining to the operational and financial performance of the Group, as well as regular updates, which include information on the Group's competitors, and industry and technological developments. In addition, Directors receive analysts' reports on Singtel and other telecommunications and digital companies on a quarterly basis. Such reports enable the Directors to keep abreast of key issues and developments in the industry, as well as challenges and opportunities for the Group.

The Board has separate and independent access to the Senior Management and the Company Secretary at all times. Procedures are in place for Directors and Board Committees, where necessary, to seek independent professional advice, paid for by Singtel.

---

---

### Guideline 13.1

**Q:** Does the Company have an internal audit function? If not, please explain why.

**A:** Yes, the Company has an internal audit function.

---

### Guideline 11.3

**Q:** (a) In relation to the major risks faced by the Company, including financial, operational, compliance, information technology and sustainability, please state the bases for the Board's view on the adequacy and effectiveness of the Company's internal controls and risk management system.

**A:** Based on the internal controls established and maintained by the Group, work performed by internal and external auditors, and reviews performed by Management and various Board Committees, the Board, with the concurrence of the AC, is of the opinion that the Group's internal controls and risk management framework and systems were adequate and effective as at 31 March 2017 to address financial, operational and compliance risks, including information technology risk, which the Group considers relevant and material to its operations.

Please refer to the section "Risk Management and Internal Controls" in the Corporate Governance Report for further details.

**Q:** (b) In respect of the past 12 months, has the Board received assurance from the CEO and the CFO as well as the internal auditor that:

(i) 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 (ii) the Company's risk management and internal control systems are effective? If not, how does the Board assure itself of points (i) and (ii) above?

**A:** Yes.

---

### Guideline 12.6

**Q:** (a) Please provide a breakdown of the fees paid in total to the external auditors for audit and non-audit services for the financial year.

**A:** Please refer to the section "External Auditor" in the Corporate Governance Report for the breakdown of fees. The Notes to the Financial Statements also include information on the fees paid to external auditors.

**Q:** (b) If the external auditors have supplied a substantial volume of non-audit services to the Company, please state the bases for the Audit Committee's view on the independence of the external auditors.

**A:** Not applicable.

---

Guideline 15.5

**Q:** If the Company is not paying any dividends for the financial year, please explain why.

**A:** Not applicable.

---

---

**Communication with Shareholders**

Guideline 15.4

**Q:** (a) Does the Company regularly communicate with shareholders and attend to their questions? How often does the Company meet with institutional and retail investors?

**A:** Yes, Singtel proactively engages shareholders and the investment community through group and one-on-one meetings, conference calls, email communications, investor conferences and roadshows. This year, Singtel engaged over 500 investors in 280 meetings and conference calls in Singapore, London, New York and other global financial centres. While these meetings are largely undertaken by Singtel's Senior Management, the Chairman and certain Board members also meet with investors every year.

Singtel strongly encourages and supports shareholder participation at general meetings. At each AGM, the Group CEO delivers a presentation to update shareholders on Singtel's progress over the past year. Directors and Senior Management are in attendance to address queries and concerns about Singtel. Singtel's external auditor and counsel also attend to help address shareholders' queries relating to the conduct of the audit and the preparation and content of the auditor's reports as well as clarify any points of law, regulation or meeting procedure that may arise.

**Q:** (b) Is this done by a dedicated investor relations team (or equivalent)? If not, who performs this role?

**A:** Singtel's Investor Relations department, has primary responsibility for engagement with the investment community.

**Q:** (c) How does the Company keep shareholders informed of corporate developments, apart from SGXNET announcements and the annual report?

**A:** The Singtel Investor Relations website is a key resource of information for the investment community. It contains a wealth of investor-related information on Singtel, including investor presentations, webcasts of earnings presentations, transcripts of earnings conference calls, annual reports, upcoming events, shares and dividend information and investor factsheets. It can be accessed via [www.singtel.com/about-us/investor-relations](http://www.singtel.com/about-us/investor-relations).