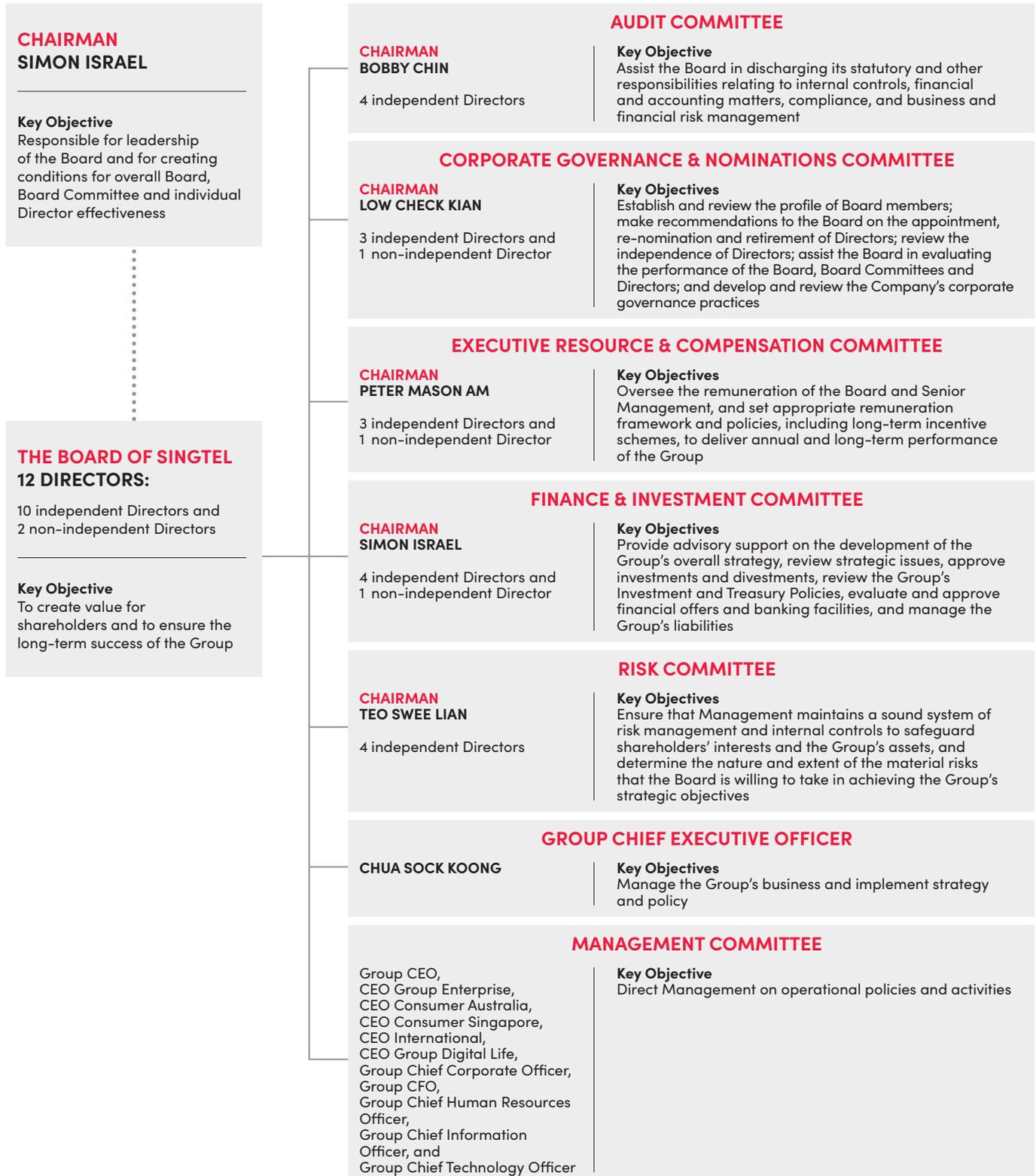


# Corporate Governance

## 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 and provisions in the Singapore Code of Corporate Governance 2018 (2018 Code). This report sets out Singtel's key corporate governance practices with reference to the 2018 Code. We provide a summary of our compliance with the express disclosure requirements in the 2018 Code on pages 84 to 86.

## RECOGNITION OF SINGTEL'S COMMITMENT TO BEST PRACTICES IN CORPORATE GOVERNANCE

 <p><b>ASEAN CORPORATE GOVERNANCE AWARDS 2018</b></p> <ul style="list-style-type: none"> <li>• ASEAN's Top 5 Publicly Listed Companies</li> <li>• ASEAN's Top 50 Publicly Listed Companies</li> <li>• Singapore's Top 3 Publicly Listed Companies</li> </ul>	 <p><b>GOVERNANCE AND TRANSPARENCY INDEX 2018</b></p> <ul style="list-style-type: none"> <li>• 1<sup>st</sup> in Singapore</li> </ul>	 <p><b>SINGAPORE CORPORATE AWARDS 2018</b></p> <ul style="list-style-type: none"> <li>• Best Chief Financial Officer (Companies with S\$1 billion and above in market capitalisation)</li> </ul>	 <p><b>SIAS INVESTORS' CHOICE AWARDS 2018</b></p> <ul style="list-style-type: none"> <li>• Singapore Corporate Governance Award (Big Cap)</li> <li>• Singapore Corporate Governance Award (Diversity)</li> <li>• Most Transparent Company Award (Overall)</li> <li>• Most Transparent Company Award (Telecommunications Services)</li> <li>• Shareholder Communications Excellence Award (Big Cap)</li> </ul>
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## DIRECTORS' ATTENDANCE AT BOARD/GENERAL MEETINGS DURING THE FINANCIAL YEAR ENDED 31 MARCH 2019<sup>(1)</sup>

Name of Director	Scheduled Board Meetings		Independent Directors' Meeting		Annual General Meeting
	Number of Meetings Held	Number of Meetings Attended	Number of Meetings Held	Number of Meetings Attended	
Simon Israel	6	6	–	–	✓
Chua Sock Koong	6	6	–	–	✓
Gautam Banerjee	6	6	1	1	✓
Dominic Barton <sup>(2)</sup>	1	–	–	–	–
Bobby Chin	6	6	1	1	✓
Venkataraman (Venky) Ganesan	6	5	1	1	✓
Bradley Horowitz <sup>(3)</sup>	2	2	–	–	–
Gail Kelly <sup>(4)</sup>	2	2	–	–	–
Low Check Kian	6	6	1	1	✓
Peter Mason AM <sup>(5)</sup>	6	6	1	1	✓
Christina Ong	6	6	1	1	✓
Teo Swee Lian	6	6	1	1	✓
Peter Ong <sup>(6)</sup>	1	1	–	–	✓

### Notes:

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

<sup>(2)</sup> Mr Dominic Barton was appointed to the Board on 25 March 2019.

<sup>(3)</sup> Mr Bradley Horowitz was appointed to the Board on 26 December 2018.

<sup>(4)</sup> Mrs Gail Kelly was appointed to the Board on 26 December 2018.

<sup>(5)</sup> Member of the Order of Australia.

<sup>(6)</sup> Mr Peter Ong stepped down from the Board following the conclusion of the AGM on 24 July 2018.

# 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.

### 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 Board also sets aside time for the non-executive Directors to meet without any executives present. The independent Directors meet at least once a year, at a meeting chaired by the Lead Independent Director. The Board holds approximately six scheduled meetings each year, and may also hold ad hoc meetings as and when warranted by particular circumstances. Six Board meetings were held in the financial year ended 31 March 2019.

### 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

Attendance at Board or Board Committee meetings via telephone or video conference is permitted by Singtel's Constitution.

Typically, one Board meeting a year is held in Australia, where one of Singtel's key subsidiaries, Optus, is located. In addition, the Board makes an overseas trip annually to 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.

A record of the Directors' attendance at Board meetings during the financial year ended 31 March 2019 is set out

on page 58. 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 issues relevant 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, 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.

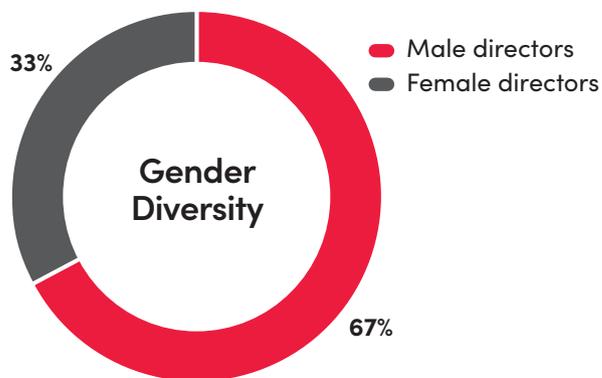
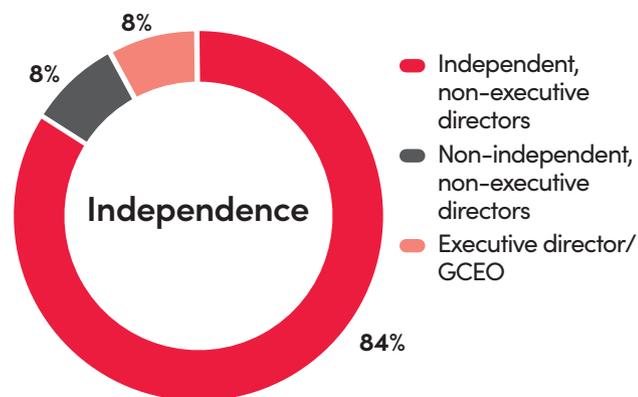
To ensure Directors can fulfil their obligations and to continually improve the performance of the Board,

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 2019, the development/training programmes for Directors included the following:

- The Directors participated in an annual offsite workshop 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.
- Directors were invited to meet with the Technology Advisory Panel, during which they were also updated by representatives from companies in the digital/technology space on emerging trends and technologies relevant to the Group’s business.
- The Board visited the Optus campus in Sydney, Australia, and met with business leaders and key customers there.
- Members of the Board attended forums and dialogues with experts and senior business leaders on issues facing boards and board practice.
- The Board was updated on changes to the Code of Corporate Governance and related regulations.

**BOARD COMPOSITION, DIVERSITY AND BALANCE**



# Corporate Governance

There are 12 Directors on the Board, comprising 10 non-executive independent Directors, one non-executive non-independent Director 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 63. The profiles of the Directors are set out on pages 15 to 20.

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 for 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 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, six of Singtel's 12 Directors are from, and have extensive experience in, jurisdictions outside Singapore, namely, the Chairman, Mr Simon Israel, and non-executive Directors, Messrs Dominic Barton, Venky Ganesan, Bradley Horowitz and Peter Mason AM, and Mrs Gail Kelly. In relation to gender diversity, 33% of the Singtel Board, or four out of the 12 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 2018 Code. A Director is considered independent if he has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of 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 listing rules of the Singapore Stock Exchange and related Practice Guidance, 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; a Director being on the Board for an aggregate period of more than nine years; a Director providing to or receiving from the Company or any of its subsidiaries significant payments or material 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 2019. 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 2018 Code, the Board has determined that Ms Chua Sock Koong, Singtel's Group CEO and Mr Simon Israel, Chairman of the Singtel Board, 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% as at 31 March 2019.

Mr Bobby Chin was appointed to the Singtel Board on 1 May 2012 as an independent Director and to the Board of Directors of Temasek on 10 June 2014. 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.

Mr Bobby Chin, Mrs Christina Ong, Mr Low Check Kian and Mr Gautam Banerjee are board members of organisations that purchase services and/or equipment from the Singtel Group in the ordinary course of business. The Directors' roles in those organisations are non-executive in nature and they are not involved in the day-to-day conduct of the business of those organisations. In addition, Mrs Ong is a partner of Allen & Gledhill LLP (A&G). A&G provides legal services to, and receives fees from, the Singtel Group. However, Mrs Ong has an interest of less than 5% in A&G. Mrs Ong is also on the board of Oversea-Chinese Banking Corporation Limited, which provides banking services in the ordinary

course of business to the Singtel Group. The Board is of the view that the abovementioned relationships do not interfere with the exercise of the Directors' independent business judgement in the best interests of Singtel.

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 abovementioned relationships do not interfere with the exercise of Mr Ganesan's independent business judgement in the best interests of Singtel.

#### Conflicts of Interest

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.

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# Corporate Governance

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.

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. 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 independent Directors at least annually. He provides feedback on the meeting(s) to the Board and/or the Chairman as 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 Annual General Meeting (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 (a) 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 involved, and (b) non-executive Directors should consult the Chairman or chairman of the CGNC before accepting any new appointments as Directors. There are no alternate Directors on the Board.

The Company's Constitution provides that a Director must retire from office at the third 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, the Board Committees and individual Directors. For the financial year ended 31 March 2019, as in previous years, an independent external consultant (2019: Aon Hewitt Singapore) was appointed to facilitate this process. The 2019 survey was designed to provide an evaluation of the effectiveness of the Board, Board Committees, Chairman and individual Directors, as well as provide insights on the Board culture. The Directors were requested to complete evaluation questionnaires on matters such as Board composition, Board processes, representation of shareholders and environmental, social and governance (ESG) issues, managing company performance, Board strategy and priorities, Board Committee effectiveness, CEO performance and succession planning, director development and management, and risk management. Senior management were also requested to complete questionnaires covering the development/monitoring of strategy, the relationship between the Board and management, risk management, representation of shareholders and ESG issues, and Board Committee effectiveness.

In addition to the appraisal exercise, the contributions and performance of each Director are 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 is able to identify areas for improving the effectiveness of the Board and Board Committees. The Board is 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

# Corporate Governance

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 the 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 advising the Board on corporate and administrative matters, as well as facilitating orientation and assisting with professional development as required. 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 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 2019 is set out on page 70.

## Audit Committee

### MEMBERSHIP

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

**Gautam Banerjee**, independent non-executive Director

**Gail Kelly**, independent non-executive Director (appointed on 15 May 2019)

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

### Note:

Peter Ong stepped down as a Director and AC member following the conclusion of the AGM on 24 July 2018.

### KEY OBJECTIVE

- Assist the Board objectively 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, 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 full cooperation 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,

and reasonable resources to enable it to discharge its functions. 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 objectively 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 external 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, remuneration and terms of engagement of the external auditors. In addition, the AC approves the Singtel Internal Audit Charter and reviews the internal audit function for independence and effectiveness, adequacy of resourcing, including staff qualifications and experience, and its 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. Based on this, the AC is satisfied that the internal audit function is independent, effective and adequately resourced.

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 can 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 2019. Refer to pages 131 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

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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 Independent Auditors' Report, was provided to the external auditors after the Independent Auditors' 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. 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).

## 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

**Teo Swee Lian**, 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 60 to 64.

The CGNC met three times during the financial year ended 31 March 2019, 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

**Gail Kelly**, independent non-executive Director (appointed on 26 December 2018)

**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.

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 76 to 83.

The ERCC met four times during the financial year ended 31 March 2019.

## Finance and Investment Committee

### MEMBERSHIP

**Simon Israel**, committee chairman and non-executive Chairman of the Singtel Board  
**Dominic Barton**, independent non-executive Director (appointed on 15 May 2019)  
**Venky Ganesan**, independent non-executive Director  
**Bradley Horowitz**, independent non-executive Director (appointed on 26 December 2018)  
**Low Check 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 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 six times during the financial year ended 31 March 2019.

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## Risk Committee

### MEMBERSHIP

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

**Gautam Banerjee**, independent non-executive Director

**Dominic Barton**, independent non-executive Director (appointed on 15 May 2019)

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

### Note:

Peter Ong stepped down as a Director and RC member following the conclusion of the AGM on 24 July 2018.

### 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

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 2019.

## 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, Mrs Gail Kelly, 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 Venky Ganesan. The other members of the Panel are Mr Manik Gupta, Mr Bradley Horowitz and Mr Koh Boon Hwee.

## 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.

## DIRECTORS' BOARD COMMITTEE MEMBERSHIPS AND ATTENDANCE AT BOARD COMMITTEE MEETINGS DURING THE FINANCIAL YEAR ENDED 31 MARCH 2019<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	4	4	6	6	–	–
Chua Sock Koong <sup>(2)</sup>	5	5	3	3	4	4	6	6	3	3
Gautam Banerjee	5	5	–	–	–	–	–	–	3	3
Dominic Barton <sup>(3)</sup>	–	–	–	–	–	–	–	–	–	–
Bobby Chin	5	5	–	–	–	–	–	–	3	3
Venky Ganesan	–	–	–	–	–	–	6	6	–	–
Bradley Horowitz <sup>(4)</sup>	–	–	–	–	–	–	1	1	–	–
Gail Kelly <sup>(5)</sup>	–	–	–	–	1	1	–	–	–	–
Low Check Kian	–	–	3	3	–	–	6	6	–	–
Peter Mason AM	–	–	–	–	4	4	–	–	–	–
Christina Ong	5	5	3	3	–	–	–	–	–	–
Teo Swee Lian	–	–	3	3	4	4	–	–	3	3
Peter Ong <sup>(6)</sup>	2	2	–	–	–	–	–	–	–	–

### 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 Dominic Barton was appointed a member of the Finance and Investment Committee and the Risk Committee on 15 May 2019.

<sup>(4)</sup> Mr Bradley Horowitz was appointed a member of the Finance and Investment Committee on 26 December 2018.

<sup>(5)</sup> Mrs Gail Kelly was appointed a member of the Executive Resource and Compensation Committee and the Audit Committee on 26 December 2018 and 15 May 2019 respectively.

<sup>(6)</sup> Mr Peter Ong stepped down from the Singtel Board following the conclusion of the AGM on 24 July 2018.

## 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 2019, 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, compliance and 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 63 staff members, including the Group Chief Internal Auditor. Singtel IA 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 has a Quality Assurance programme to ensure that its audit activities conform to the IIA Standards. As part of the programme, external Quality Assurance Reviews are carried out at least once every three years by qualified professionals from an external organisation. The external Quality Assurance Review was successfully completed in 2018 and continues to meet or exceed the IIA Standards in all key aspects.

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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 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 and objectivity of the auditor, and recommends its appointment to the Board.

During the year, in line with the Singtel Group policy on periodic review of the appointment of external auditors, the AC has recommended, and the Board has endorsed, the appointment of KPMG as the external auditor for Singtel Group for shareholders' approval at the 2018 AGM. In recommending the appointment, an audit tender

exercise was conducted and proposals were considered against specific evaluation criteria with assigned weights relevant to Singtel Group's requirements, taking into account relevant guidelines on evaluation of external auditors issued by the Singapore Accounting & Corporate Regulatory Authority (ACRA), Singapore Exchange (SGX) and the Audit Committee Guidance Committee (ACGC) Guidebook. Singtel has complied with Rule 712 and Rule 715 of the SGX Listing Manual in relation to the appointment of its external auditor.

In order to maintain the independence of the external auditor, Singtel has developed policies and approval processes regarding the types of non-audit services that the external auditor can provide to the Singtel Group. The AC reviewed the non-audit services provided by the external auditor during the financial year and the associated fees. The AC is satisfied that the independence and objectivity 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 KPMG services for the financial year ended 31 March 2019	(\$ Mil)
Audit services	4.9
Non-audit services (including audit-related services)	0.9

## 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 2019, 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 30 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 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 rest 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 ongoing basis.

The Risk Management Committee, including 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 within the Singtel Group, relating to financial, operational, compliance and information technology risks. Any material non-compliance or lapses in internal controls are reported to the AC, including the remedial measures recommended to address the risks identified. 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 and/or 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 information technology risk impact.

The Board has received assurance from the Group CEO and Group CFO that, as at 31 March 2019, the Group's financial records have been properly maintained, the financial statements give a true and fair view of the Group's financial position, operations and performance, and that they are prepared in accordance with accounting standards.

The Board has also received assurance from the Group CEO, Group CFO and Management Committee members that the Group's internal controls and risk management systems were adequate and effective as at 31 March 2019 to address financial, operational, compliance and information technology risks.

Based on the internal controls established and maintained by the Group, work performed by internal and external auditors, reviews performed by Management and the various Board Committees as well as assurances from members of the Management Committee, the Board, with the concurrence of the AC, is of the opinion that the Group's internal controls and risk management systems were adequate and effective as at 31 March 2019 to address financial, operational, compliance and information

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technology risks, which the Group considers relevant and material to its operations.

The systems of risk management and internal control 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 risk management and internal control 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 89 to 99.

## SHAREHOLDER RIGHTS AND ENGAGEMENT

### Communication with Shareholders

Singtel is 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 investors, academia and finance media for its strong emphasis on corporate governance and proactive approach to shareholder communication and engagement. It has also been rated highly on several indices and rankings for its sustainability practices.

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, dividend policy, bond programmes, credit ratings and investor factsheets. Contact details of the IR department are also listed on the website to facilitate dialogue and queries from shareholders.

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 affirms or updates the guidance to accurately reflect prevailing market conditions at the end of each quarter.

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 more than 200 meetings and conference calls in Singapore, London, Taiwan, 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.

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 about a month ahead, providing sufficient time for shareholders to review the 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 central locations in Singapore with convenient access to public transportation. Under Singtel's Constitution and pursuant to the Companies Act, the Central Provident Fund Board and relevant intermediaries (as defined in the Companies Act, Chapter 50) may appoint more than two proxies to attend and vote on their behalf. A registered shareholder who is not a relevant intermediary may appoint up to two proxies. There are separate resolutions at general meetings on each substantially separate issue. Singtel currently

does not implement voting in absentia by mail or electronic means as the authentication of shareholder identity and other related security and integrity issues remain a concern.

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 auditor's reports, as well as clarify any points of law, regulation or meeting procedure that may arise. Shareholders are informed of the voting procedures and rules governing the meeting. The minutes of all general meetings are posted on Singtel's IR 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.

### MANAGING STAKEHOLDER RELATIONSHIPS

Singtel undertakes a formal stakeholder engagement exercise, which is facilitated by a third party at least once every three years to determine the environmental, social and governance issues that are important to the stakeholders. These issues form the materiality matrix upon which targets, metrics, programmes and progress are reviewed by and approved by the Board, before they are published annually in Singtel's sustainability report. Singtel's executives are also involved in ongoing engagements with these same stakeholders through various other channels.

Singtel's approach to stakeholder engagement and materiality assessment can be found at page 5 of the Sustainability Report.

### OTHER MATTERS

#### 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

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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 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 2018, 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 2019, 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 250. Singtel Internal Audit regularly reviews the IPT entered into by the Singtel Group to verify the accuracy and completeness of the IPT disclosure and ensure compliance with the SGX reporting requirements under Chapter 9 of the SGX Listing Manual. 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 2019, 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. Singtel adopts a zero tolerance approach to bribery and corruption in any form and this is set out in the code as well as the Singtel Anti-Bribery and Corruption Policy (ABC Policy). The code and the ABC Policy are posted on Singtel's internal website and a summarised version of the code, as well as the ABC Policy, are 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**

Singtel undertakes to investigate all complaints of suspected fraud and corruption in an objective manner, and has 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 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 financial year ending 31 March 2020 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 2019**

For the financial year ended 31 March 2019, the Chairman received an all-inclusive fee of S\$960,000

# Corporate Governance

(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 2019 was the same as the framework for the previous financial year and is set out below:

<b>Basic Retainer Fee</b>	
Board Chairman	S\$960,000 per annum
Director	S\$110,000 per annum

<b>Fee for appointment to Audit Committee and Finance and Investment Committee</b>	
Committee chairman	S\$60,000 per annum
Committee member	S\$35,000 per annum

<b>Fee for appointment to Executive Resource and Compensation Committee</b>	
Committee chairman	S\$45,000 per annum
Committee member	S\$25,000 per annum

<b>Fee for appointment to any other Board Committee</b>	
Committee chairman	S\$35,000 per annum
Committee member	S\$25,000 per annum

<b>Attendance Fee per Ad Hoc Board meeting</b>	S\$2,000
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<b>Travel allowance for Board meetings and Board Committee meetings that do not coincide with Board meetings (per day of travel required to attend meeting)</b>	S\$3,000
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The aggregate Directors' fees paid to non-executive Directors for the financial year ended 31 March 2019 was S\$2,432,053 (details are set out in the table below).

<b>Name of Director</b>	<b>Director's Fees (\$)</b>
Simon Israel <sup>(1)</sup>	960,000
Gautam Banerjee	170,000
Dominic Barton <sup>(2)</sup>	2,070
Bobby Chin	195,000
Venky Ganesan <sup>(3)</sup>	193,000
Bradley Horowitz <sup>(4)</sup>	62,588
Gail Kelly <sup>(5)</sup>	47,927
Low Check Kian <sup>(6)</sup>	192,000
Peter Mason AM <sup>(7)</sup>	191,000
Christina Ong	170,000
Teo Swee Lian	195,000
Peter Ong <sup>(8)</sup>	53,468
<b>Total</b>	<b>2,432,053</b>

**Notes:**

- (1) In addition to the Director's fees set out above, Mr Simon Israel also received car-related benefits (S\$24,557).
- (2) Mr Dominic Barton was appointed as a Director on 25 March 2019.
- (3) In addition to the Director's fees set out above, Mr Venky Ganesan received fees of US\$75,000 for the financial year ended 31 March 2019 in his capacity as the Chairman of the Technology Advisory Panel.
- (4) Mr Bradley Horowitz was appointed as a Director and a member of the Finance and Investment Committee and the Technology Advisory Panel on 26 December 2018. In addition to the Director's fees set out above, Mr Bradley Horowitz received fees of US\$50,000 for the financial year ended 31 March 2019 in his capacity as a member of the Technology Advisory Panel.
- (5) Mrs Gail Kelly was appointed as a Director and a member of the Executive Resource and Compensation Committee on 26 December 2018. In addition to the Director's fees set out above, Mrs Gail Kelly received fees of S\$25,000 for the financial year ended 31 March 2019 in her capacity as a member of the Optus Advisory Committee.
- (6) In addition to the Director's fees set out above, Mr Low Check Kian received fees of S\$35,000 for the financial year ended 31 March 2019 in his capacity as a director of Singtel Innov8 Pte. Ltd.
- (7) In addition to the Director's fees set out above, Mr Peter Mason AM received fees of S\$35,000 for the financial year ended 31 March 2019 in his capacity as a member of the Optus Advisory Committee.
- (8) Mr Peter Ong stepped down as a Director and member of the Audit Committee and the Risk Committee following the conclusion of the AGM on 24 July 2018.

There is no employee of the Group who is an immediate family member of a Director or the GCEO, and whose remuneration exceeded S\$100,000 during the financial year ended 31 March 2019. No employee of the Group is a substantial shareholder of the Company.

**Financial Year Ending 31 March 2020**

For the financial year ending 31 March 2020, 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 2019. The proposed framework for Directors' fees for the financial year ending 31 March 2020 is the same as that for the financial year ended 31 March 2019.

## 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 of 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
- Allow for performance-related clawback if long-term sustained performance targets are not met
- Establish sound and structured funding to ensure affordability

### FAIR AND APPROPRIATE

- 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
- Structure a significant but appropriate proportion of remuneration to be at risk with symmetric upside and downside

### PAY-FOR-PERFORMANCE

- Measure performance based on a holistic balanced scorecard approach, comprising both financial and non-financial metrics
- Ensure targets are appropriately set for threshold, target, stretch and exceptional performance levels

### EFFECTIVE IMPLEMENTATION

- Ensure link between performance and remuneration is clear and the framework is simple for employees to understand
- 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 Willis Towers Watson (Singapore) to conduct Executive Remuneration Benchmarking for Senior Management. Aon Hewitt, Willis Towers Watson 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.

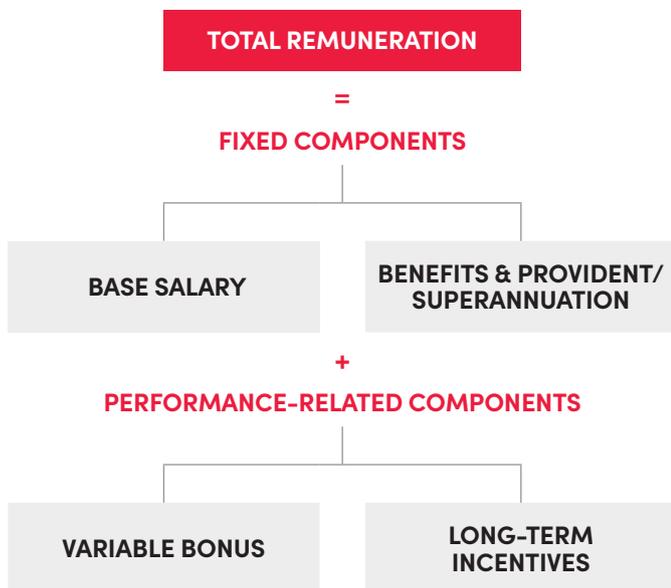
### Remuneration Structure

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.

# Corporate Governance

The key remuneration components for Senior Management are summarised below:



## 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, Operational and People 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.

## 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 four broad categories of targets: Financial, Strategy, Operational and People. Weightings are assigned to the targets to encourage a balanced performance and to avoid over-emphasis on any one measure. 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 2019.

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 shares awarded under RSA and PSA is determined using the valuation of the shares based on a Monte-Carlo simulation. The RSA share awards have a service condition, while the PSA share awards are conditional upon the achievement of predetermined performance targets over the performance period. The PSA 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.

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 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 2019 to 31 March 2021. 50% of the 2019 RSA will vest two years from grant date and 50% will vest three years from grant date, subject to the following conditions:

- Continued employment with the Singtel Group; and
- Maintaining a satisfactory performance rating for the financial year preceding each tranche of vesting.

### Performance Share Award (PSA)

The PSA has a three-year performance period from 1 April 2019 to 31 March 2022. Vesting of shares is dependent on the following performance conditions, subject to the approval of the ERCC:

- 40% based on Singtel Group’s Reported NPAT – Reported NPAT achieved against predetermined targets; and
- 60% based on Singtel Group’s Absolute Total Shareholder Return (Absolute TSR) – Absolute TSR achieved against predetermined targets.

The vesting schedule for PSA granted in June 2019 is shown in Figure A.

# Corporate Governance

Figure A: Performance Share Award (PSA) Vesting Schedule

Reported Group NPAT (40%)		Absolute TSR (60%)	
Performance	Vesting Level <sup>(1)</sup>	Performance	Vesting Level <sup>(1)</sup>
Exceptional	150%	Stretch	150%
Target	100%	Target	100%
Threshold	50%	Threshold	50%
Below Threshold	0%	Below Threshold	0%

**Note:**

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

## Remuneration of Key Management

For the financial year ended 31 March 2019, 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 2019:

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	1,803,014	9,180	78,011	3,537,301
	Paid out		3,215,059			4,949,346

Performance shares granted, vested and lapsed for Ms Chua as at 31 March 2019 are as follows:

	Restricted Share Award (RSA) <sup>(6)</sup>				
	Granted (no. of shares)	Vested (no. of shares)	Lapsed (no. of shares)	Date	Released (no. of shares)
2016 Awards	201,331	273,408	–	1-Jun-18	136,704
				3-Jun-19	136,704
2017 Awards <sup>(7)</sup>	382,987	444,648	–	3-Jun-19	222,324
				1-Jun-20	222,324
2018 Awards <sup>(8)</sup>	396,550			1-Jun-20	
				1-Jun-21	
2019 Awards <sup>(9)</sup>	202,475			1-Jun-21	
				1-Jun-22	

	Performance Share Award (PSA) <sup>(6)</sup>				
	Granted (no. of shares)	Vested (no. of shares)	Lapsed (no. of shares)	Date	Released (no. of shares)
2016 Awards	1,694,657	–	1,694,657	3-Jun-19	–
2017 Awards <sup>(8)</sup>	831,718			1-Jun-20	
2018 Awards <sup>(8)</sup>	633,618			1-Jun-21	
2019 Awards <sup>(9)</sup>	860,127			1-Jun-22	

**Notes:**

<sup>(1)</sup> Fixed Remuneration refers to base salary earned for the financial year ended 31 March 2019.

<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 pages 79 to 80. Variable Bonus Earned is the sum of PB and VSB awarded for the financial year ended 31 March 2019. Variable Bonus Paid Out is the sum of PB and VSB paid out in June 2019.

- <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 2019. 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 2019.
- <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 2017 RSA will be released in June 2020, 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 or vesting conditions over the respective performance period, which are a two-year period for RSA and a three-year period for PSA.
- <sup>(9)</sup> The 2019 grants of RSA and PSA were made in June 2019 for performance for the financial year ended 31 March 2019. The per unit fair values of the RSA and PSA are S\$2.644 and S\$1.556 respectively.

### Remuneration of Other Key Management

Summary compensation table for the other top five Key Management for the financial year ended 31 March 2019:

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		871,748			1,864,559		
	Paid Out	909,996	1,530,734	17,340	65,475	2,523,545	106,341	451,745
Hui Weng Cheong <sup>(7)</sup> COO, AIS	Earned		669,950			1,797,368		
	Paid Out	663,000	895,445	9,180	455,238	2,022,863	80,674	159,930
Allen Lew <sup>(8)</sup> CEO Consumer Australia	Earned		A\$1,447,543			A\$3,656,790		
	Paid Out	A\$1,562,369	A\$2,648,656	9,180	A\$637,591	A\$4,857,903	135,023	573,587
Jeann Low Group Chief Corporate Officer	Earned		471,748			1,459,092		
	Paid Out	909,996	1,126,000	13,260	64,088	2,113,344	106,341	451,745
Yuen Kuan Moon CEO Consumer Singapore	Earned		931,998			1,924,029		
	Paid Out	909,996	1,241,484	17,340	64,695	2,233,515	121,533	516,279
<b>Total</b>	<b>Earned</b>		<b>4,376,210</b>			<b>10,659,455</b>		
	<b>Paid Out</b>	<b>4,937,248</b>	<b>7,411,620</b>	<b>66,300</b>	<b>1,279,697</b>	<b>13,694,865</b>	<b>549,912</b>	<b>2,153,286</b>

# Corporate Governance

Performance shares granted, vested and lapsed for the above five executives as at 31 March 2019 are as follows:

	Restricted Share Award (RSA)				
	Granted (no. of shares)	Vested (no. of shares)	Lapsed (no. of shares)	Released	
				Date	(no. of shares)
2016 Awards	425,487	577,815	–	1-Jun-18	288,908
				3-Jun-19	288,907
2017 Awards <sup>(9)</sup>	882,644	1,024,753	–	3-Jun-19	512,379
				1-Jun-20	512,374
2018 Awards <sup>(10)</sup>	994,149	–	–	1-Jun-20	
				1-Jun-21	

	Performance Share Award (PSA)				
	Granted (no. of shares)	Vested (no. of shares)	Lapsed (no. of shares)	Released	
				Date	(no. of shares)
2016 Awards	3,032,763	–	3,032,763	3-Jun-19	–
2017 Awards <sup>(10)</sup>	1,700,195			1-Jun-20	
2018 Awards <sup>(10)</sup>	1,509,669			1-Jun-21	

**Notes:**

- <sup>(1)</sup> Fixed Remuneration refers to base salary earned for the financial year ended 31 March 2019.
- <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 pages 79 to 80. Variable Bonus Earned is the sum of PB and VSB awarded for the financial year ended 31 March 2019. Variable Bonus Paid Out is the sum of PB and VSB paid out in June 2019.
- <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 2019. 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 2019.
- <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 2019 for performance for the financial year ended 31 March 2019. The per unit fair values of the RSA and PSA are S\$2.644 and S\$1.556 respectively.
- <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 2017 RSA will be released in June 2020, 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 or vesting conditions over the respective performance period, which are a two-year period for RSA and a three-year period for PSA.

## Summary of Disclosures – Corporate Governance

Rule 710 of the SGX Listing Manual requires Singapore listed companies to describe their corporate governance practices with specific reference to the 2018 Code in their annual reports for financial years commencing on or after 1 January 2019. As we have elected to adopt Rule 710 of the SGX Listing Manual in advance, this summary of disclosures describes our corporate governance practices with specific reference to the express disclosure requirements in the principles and provisions of the 2018 Code. No references have been made to the Code of Corporate Governance 2012.

### Key information on each Director in this Annual Report:

- Pages 15 to 20 – Directors' independence status, appointment dates, length of directorship, academic and professional qualifications and present and past directorships details
- Pages 58 and 70 Directors' meeting attendance
- Pages 76 to 82 – Directors' remuneration
- Pages 251 to 260 – Additional Information on Directors seeking re-election at the Annual General Meeting to be held on 23 July 2019

Principles and provisions of the 2018 Code – Express disclosure requirements	Page reference in Singtel Annual Report 2019
<b>Provision 1.2</b> The induction, training and development provided to new and existing Directors.	Page 60
<b>Provision 1.3</b> Matters that require Board approval.	Page 59
<b>Provision 1.4</b> Names of the members of the Board Committees, the terms of reference of the Board Committees, any delegation of the Board's authority to make decisions, and a summary of each Board Committee's activities.	Pages 65 to 69
<b>Provision 1.5</b> The number of meetings of the Board and Board Committees held in the year, as well as the attendance of every Board member at these meetings.	Pages 58 and 70
<b>Provision 2.4</b> The board diversity and progress made towards implementing the board diversity policy, including objectives.	Page 61
<b>Provision 4.3</b> Process for the selection, appointment and re-appointment of Directors to the Board, including the criteria used to identify and evaluate potential new directors and channels used in searching for appropriate candidate.	Pages 63 to 64
<b>Provision 4.4</b> Where the Board considers a Director to be independent in spite of the existence of a relationship which may affect his or her independence, the nature of the Director's relationship and the reasons for considering him or her as independent should be disclosed.	Pages 61 to 62

# Corporate Governance

Principles and provisions of the 2018 Code – Express disclosure requirements	Page reference in Singtel Annual Report 2019
<p><b>Provision 4.5</b> The listed company directorships and principal commitments of each director, and where a director holds a significant number of such directorships and commitments, the NC's and Board's reasoned assessment of the ability of the director to diligently discharge his or her duties are disclosed.</p>	Pages 15 to 20 and Page 64
<p><b>Provision 5.2</b> How the assessments of the Board, its Board committees and each Director have been conducted, including the identity of any facilitator and its connection, if any, with the Company or any of its Directors.</p>	Page 64
<p><b>Provision 6.4</b> The Company discloses the engagement of any remuneration consultants and their independence.</p>	Page 78
<p><b>Principle 8</b> Clear disclosure of remuneration policies, level and mix of remuneration, and procedure for setting remuneration, and the relationship between remuneration, performance and value creation.</p>	Pages 78 to 80
<p><b>Provision 8.1</b> The Company discloses the policy and criteria for setting remuneration, as well as names, amounts and breakdown of remuneration of (a) each individual director and the CEO; and (b) at least the top five key management personnel (who are not Directors or the CEO) in bands no wider than S\$250,000 and in aggregate the total remuneration paid to these key management personnel.</p>	<p>For the CEO and management: Pages 78 to 83</p> <p>For non-executive Directors: Pages 76 to 77</p>
<p><b>Provision 8.2</b> Names and remuneration of employees who are substantial shareholders of the company, or are immediate family members of a Director, the CEO or a substantial shareholder of the company, and whose remuneration exceeds S\$100,000 during the year, in bands no wider than S\$100,000. The disclosure states clearly the employee's relationship with the relevant director or the CEO or substantial shareholder.</p>	Page 77
<p><b>Provision 8.3</b> The Company discloses all forms of remuneration and other payments and benefits, paid by the company and its subsidiaries to directors and key management personnel of the company, and also discloses details of employee share schemes.</p>	<p>For non-executive Directors: Page 77</p> <p>For key management personnel: Pages 81 to 83</p> <p>For employee share schemes: Pages 80 to 83</p>

<b>Principles and provisions of the 2018 Code – Express disclosure requirements</b>	<b>Page reference in Singtel Annual Report 2019</b>
<p><b>Provision 9.2</b> Whether the Board has received assurance from (a) the CEO and the CFO that the financial records have been properly maintained and the financial statements give true and fair view of the Company’s operations and finances; and (b) the CEO and the other key management personnel who are responsible, regarding the adequacy and effectiveness of the Company’s risk management and internal control systems.</p>	Page 72
<p><b>Provision 11.3</b> Directors’ attendance at general meetings of shareholders held during the financial year.</p>	Page 58
<p><b>Provision 12.1</b> The steps taken to solicit and understand the views of shareholders.</p>	Pages 73 to 74 and Pages 87 to 88
<p><b>Provision 13.2</b> The strategy and key areas of focus in relation to the management of stakeholder relationships during the reporting period.</p>	Page 74 and Pages 100 to 106