

# CORPORATE GOVERNANCE

## INTRODUCTION

Good corporate governance ensures shareholder interests are protected and enhances corporate performance and accountability. SingTel aspires to the highest standards of corporate governance and, to this end, has put in place a set of well-defined processes.

As SingTel shares are listed on the SGX and ASX, SingTel seeks to comply with two sets of listing rules and is guided in its corporate governance practices by the Singapore Code of Corporate Governance 2005 ("2005 Code") as well as the revised ASX Corporate Governance Principles and Recommendations released on 2 August 2007 ("Revised ASX Code"). Where one exchange has more stringent requirements, SingTel will strive to observe the more stringent requirements.

In line with corporate governance best practices, certain changes to the Group's corporate governance regime have been made, including:

- The appointment of a Lead Independent Director. More details are set out in the 'Lead Independent Director' section on page 60.
- A simplified procedure for Directors to retire by rotation. More details are set out in the 'Board Membership' section on pages 60 to 61.

The Board is also proposing the following changes at the forthcoming AGM to be held on 24 July 2009 to provide shareholders with enhanced protection against dilution:

- Reduction of the limit for *non-pro rata* share issues from 10.0 per cent of the total number of issued shares in the capital of SingTel to 5.0 per cent of the total number of issued shares in the capital of SingTel.
- Introduction of an annual limit of 1.0 per cent of the total number of issued shares in the capital of SingTel on the number of new shares under awards to be granted pursuant to the SingTel Performance Share Plan.

Details on the above proposals are set out in the Notice of AGM dated 25 June 2009.

This report sets out SingTel's main corporate governance practices with reference to the 2005 Code and the Revised ASX Code. Unless otherwise stated, these practices were in place for the entire financial year.

The Board of Directors is responsible for SingTel's corporate governance standards and policies, and stresses their importance across the Group. SingTel has received accolades from the investment community for excellent corporate governance. More details are included in the 'Awards and Accolades' section on pages 18 to 19.

## BOARD MATTERS

### Board's Conduct of its Affairs

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 the policies and guidelines for Board and Senior Management remuneration, and approves the appointment of Directors. In line with best practices in corporate governance, the Board also oversees 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. Apart from matters that specifically require the Board's approval, such as the issue of shares, dividend distributions and other returns to shareholders, the Board approves transactions exceeding certain threshold limits, while delegating authority for transactions below those limits to Board Committees and the Management Committee so as to optimise operational efficiency.



## Directors' Attendance at Board Meetings during the Financial Year Ended 31 March 2009

Name of Director	Scheduled Board Meetings*		Ad Hoc Board Meetings*	
	Number of Meetings Held	Number of Meetings Attended	Number of Meetings Held	Number of Meetings Attended
Chumpol NaLamlieng	7	7	1	1
Graham John Bradley	7	7	1	1
Chua Sock Koong	7	7	1	1
Fang Ai Lian <sup>(1)</sup>	4	4	-	-
Heng Swee Keat	7	4	1	1
Dominic Chiu Fai Ho	7	7	1	1
Simon Israel	7	7	1	1
John Powell Morschel	7	7	1	1
Kaikhushru Shiavax Nargolwala	7	7	1	1
Ong Peng Tsin <sup>(2)</sup>	-	-	-	-
Deepak S Parekh	7	5	1	-
Nicky Tan Ng Kuang	7	6	1	-
Professor Tommy Koh <sup>(3)</sup>	3	3	-	-

\* Refers to meetings held/attended while each Director was in office

(1) Mrs Fang Ai Lian was appointed to the Board on 7 August 2008.

(2) Mr Ong Peng Tsin was appointed to the Board on 1 June 2009.

(3) Professor Tommy Koh retired following the conclusion of the AGM held on 25 July 2008.

The Board meets regularly, and sets aside time at each scheduled Board meeting to meet without the presence of Management. Board meetings are full-day affairs and include presentations by senior executives and external consultants/experts on strategic issues relating to specific business areas. Typically, at least one Board meeting a year is held overseas, in a country where the Group either has significant interests or has an interest in investing. In addition to at least seven scheduled meetings each year, the Board meets as and when warranted by particular circumstances. Eight Board meetings were held in the financial year ended 31 March 2009. Meetings via telephone or video conference are permitted by SingTel's Articles of Association.

A record of the Directors' attendance at Board meetings during the financial year ended 31 March 2009 is set out above.

Directors are required to act in good faith and in the interests of SingTel. All new Directors appointed to the Board are briefed on the Group's business activities, strategic direction and policies, and the regulatory environment in which the Group operates, as well as their statutory and other duties and responsibilities as Directors. In line with best practices in corporate governance, the 2005 Code and the Revised ASX Code, new Directors also receive a letter from the Company stating clearly the Board's role and the role of non-executive Directors, the time commitment that the Director would be expected to allocate and other relevant matters.

## CORPORATE GOVERNANCE

### Board Composition and Balance

The size and composition of the Board are reviewed from time to time by the Corporate Governance and Nominations Committee, which seeks to ensure that the size of the Board is conducive to effective discussion and decision-making, and that the Board has an appropriate number of independent Directors. The Committee also seeks to maintain an appropriate balance of expertise, skills and attributes among the Directors, including relevant core competencies in areas such as accounting and finance, business and management, industry knowledge, strategic planning, customer-based experience and knowledge, and regional business expertise. Any conflicts of interest are taken into consideration.

Reflecting the focus of the Group's business in the region, more than half of SingTel's 12 Directors are, or originate, from countries outside Singapore, namely, the Chairman, Mr Chumpol NaLamlieng, and non-executive Directors, Messrs Graham John Bradley, Dominic Chiu Fai Ho, Simon Israel, John Powell Morschel, Kaikhushru Shiavax Nargolwala and Deepak S Parekh.

The Corporate Governance and Nominations Committee assesses the independence of each Director, taking into account the SGX and ASX corporate governance guidance for assessing independence. On this basis, Ms Chua Sock Koong, SingTel's Group CEO, and Mr Simon Israel, an Executive Director of Temasek Holdings (Private) Limited, are the only non-independent Directors.

A Director who has no relationship with the Group or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of his independent business judgement in the best interests of SingTel, is considered to be independent. The Chairman and all other members of the Board, except those identified above as being non-independent, are considered to be independent Directors.

In assessing the independence of the Directors, the Corporate Governance and Nominations Committee has examined the different relationships identified by the 2005 Code and the Revised ASX Code that might impair the Directors' independence and objectivity, and is satisfied that the Directors are able to act with independent judgement.

The profile of each Director and other relevant information are set out under 'Board of Directors' from pages 12 to 15.

### Chairman and CEO

There is a clear separation of the roles and responsibilities of the Chairman and the Group CEO. The Chairman, who is an independent Director, leads the Board and is responsible for the Board's workings and proceedings, while the Group CEO is responsible for implementing the Group's strategies and policies, and for conducting the Group's business.

### Lead Independent Director

In line with corporate governance best practices, Mr Kaikhushru Shiavax Nargolwala was appointed as the Lead Independent Director of the Board in May 2009. Mr Nargolwala has been an independent Director on the Board since 29 September 2006.

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, and to assist the Chairman and the Board to assure effective corporate governance in managing the affairs of the Board and the Company.

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

### Board Membership

SingTel's Corporate Governance and Nominations Committee 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 Corporate Governance and Nominations Committee reviews the range of expertise, skills and attributes on the Board and the composition of the Board. The Committee then identifies SingTel's needs and prepares a shortlist of candidates with the appropriate profile for nomination or re-nomination. Where necessary, the Committee may seek advice from external search consultants.

The Corporate Governance and Nominations Committee takes factors such as attendance, preparedness, participation and candour into consideration when evaluating the past performance and contributions of a Director for recommendation 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 Committee may have to consider the need to position and shape the Board in line with the evolving needs of SingTel and the business.

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 Corporate Governance and Nominations Committee decides whether or not a Director is able to do so and whether he/she has been adequately carrying out his/her duties as a Director of SingTel. The Committee 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.

At the Annual General Meeting ("AGM") held on 25 July 2008, the shareholders approved alterations to SingTel's Articles of Association (the "Articles") relating to the retirement and re-election of Directors. The effect of the alterations is to simplify the rotation procedure whilst at the same time ensuring that at least three Directors retire from office at each AGM. Under the alterations, 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/

she will be eligible for re-election by shareholders. If at any AGM, less 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 he/she may have entered into with the Company. Shareholders are provided with relevant information on the candidates for election or re-election.

### Board Performance

The Board and the Corporate Governance and Nominations Committee strive to ensure that Directors on the Board possess the experience, knowledge and skills critical to the Group's business so as to enable the Board to make sound and well-considered decisions.

Directors also participate in an annual offsite workshop with Senior Management to strategise and plan the Group's mid-term direction. Training and development programmes for Directors include talks and presentations by renowned experts and professionals in various fields, such as telecommunications, technology, regulatory matters and the economy/business environment in relevant markets. The Directors may also attend other appropriate courses, conferences and seminars.

Each year, the Corporate Governance and Nominations Committee undertakes a process to assess the effectiveness of the Board as a whole and the contributions by each Director. During the financial year, Directors were requested to complete appraisal forms to assess the overall effectiveness of the Board. The results of the appraisal exercise were considered by the Committee which then made recommendations to the Board, aimed at helping the Board to discharge its duties more effectively. The appraisal process focused on the evaluation of factors such as the size and composition of the Board, the Board's access to information, Board processes and accountability, Board performance in relation to its principal functions, communication with Senior Management and Directors' standards of conduct.

## CORPORATE GOVERNANCE

The Board is of the view that financial indicators are not appropriate criteria for assessing the Board's performance as the Board's role is seen to be more in formulating, rather than executing, strategy and policy.

The Directors were also requested to complete appraisal forms to assess each individual Director's contributions to the Board's effectiveness. Each Director was given the opportunity to meet with the Chairman and the chairman of the Corporate Governance and Nominations Committee to discuss the appraisal exercise and other Board matters. In addition, the contributions and performance of each Director were assessed by the Committee as part of its periodic reviews of the composition of the Board and the various Board Committees. In the process, the Committee was able to identify areas for improving the effectiveness of the Board and its Committees. In relation to the Board Committees, the chairman of each Committee prepared a report on the Committee's activities for the financial year, which was reported to the Board.

### Access to Information

Prior to each Board meeting, SingTel's Management provides the Board with information relevant to matters on the agenda for the Board meeting. The Board also receives regular reports pertaining to the operational and financial performance of the Group. In addition, Directors receive analysts' reports on SingTel and other telecommunications companies on a quarterly basis. Such reports enable the Directors to keep abreast of key issues and developments in the industry, as well as challenges and opportunities for the Group.

The Board has separate and independent access to the Senior Management and the Company Secretary at all times. The Company Secretary attends all Board meetings and is responsible for, among other things, ensuring that Board procedures are observed and that applicable rules and regulations are complied with. Procedures are in place for Directors and Board Committees, where necessary, to seek independent professional advice, paid for by SingTel.

### Board And Management Committees

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

- Finance, Investment and Risk Committee
- Audit Committee
- Compensation Committee
- Corporate Governance and Nominations Committee
- Optus Advisory Committee.

The chairman of each Board Committee is an independent Director. 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 to 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 2009 is set out on page 63.

### Finance, Investment and Risk Committee

The Finance, Investment and Risk Committee ("FIRC") comprises three Directors.

The main responsibilities of the FIRC are to consider and approve strategic and portfolio investments and divestments within certain prescribed thresholds, review the Group's investment and treasury policies, and manage the Group's assets and liabilities in accordance with the policies and directives of the Board. The FIRC also reviews the Group's risk profile and policies, examines the effectiveness of the Group's risk management system, guides the process to identify, evaluate and manage significant risks, and reports to the Board on material matters, findings and recommendations pertaining to risk management.

In addition, the FIRC approves any on-market share repurchase pursuant to SingTel's share purchase mandate.

# CORPORATE GOVERNANCE



## Directors' Board Committee Memberships and Attendance at Board Committee Meetings during the Financial Year Ended 31 March 2009

Name of Director	Finance, Investment and Risk Committee*		Audit Committee*		Compensation Committee*		Corporate Governance and Nominations Committee*		Optus Advisory 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
Chumpol NaLamlieng <sup>(1)</sup>	2	2			3	3	2	2		
Graham John Bradley			4	4					4	3
Chua Sock Koong <sup>(2)</sup>	5	5	4	4	3	3	2	2	4	4
Fang Ai Lian <sup>(3)</sup>			3	3						
Heng Swee Keat					3	2	2	1		
Dominic Chiu Fai Ho <sup>(4)</sup>			4	4	1	1				
Simon Israel	5	5							4	4
John Powell Morschel <sup>(5)</sup>	3	2			3	3			4	4
Kaikhushru Shiavax Nargolwala			4	4			2	2		
Ong Peng Tsin <sup>(6)</sup>										
Deepak S Parekh					3	2				
Nicky Tan Ng Kuang <sup>(7)</sup>	3	3	1	1					4	4
Professor Tommy Koh <sup>(8)</sup>										

\* Refers to meetings held/attended while each Director was in office

(1) Mr Chumpol NaLamlieng ceased to be a member of the Finance, Investment and Risk Committee, and was appointed to the Corporate Governance and Nominations Committee, on 7 August 2008.

(2) Ms Chua Sock Koong ceased to be a member of the Finance, Investment and Risk Committee on 7 August 2008. She is not a member of the committees other than the Optus Advisory Committee although she was in attendance at meetings of those committees as appropriate.

(3) Mrs Fang Ai Lian was appointed to the Audit Committee on 7 August 2008.

(4) Mr Dominic Chiu Fai Ho was appointed to and ceased to be a member of the Compensation Committee on 7 August 2008 and 13 May 2009 respectively. Mr Ho was appointed to the Corporate Governance and Nominations Committee on 13 May 2009.

(5) Mr John Powell Morschel was appointed to and ceased to be a member of the Finance, Investment and Risk Committee on 7 August 2008 and 1 June 2009 respectively.

(6) Mr Ong Peng Tsin was appointed to the Board and the Finance, Investment and Risk Committee on 1 June 2009.

(7) Mr Nicky Tan Ng Kuang ceased to be a member of the Audit Committee, and was appointed to the Finance, Investment and Risk Committee, on 7 August 2008.

(8) Professor Tommy Koh retired following the conclusion of the AGM held on 25 July 2008.

### Audit Committee

The Audit Committee must comprise at least three Directors, all of whom must be non-executive Directors and the majority of whom, including the chairman, must be independent Directors. At least two members of the Audit Committee must have accounting or related financial management expertise or experience. As required by the terms of reference of the Audit Committee, the chairman of the Audit Committee is a Director other than the Chairman of the Board.

The Audit Committee has explicit authority to investigate any matter within its terms of reference, and has the full cooperation of and access to Management. It has direct access to the internal and external auditors, and full discretion to invite any Director or executive officer to attend its meetings.

## CORPORATE GOVERNANCE

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

The Audit Committee reports to the Board on the audits undertaken by the internal and external auditors, the adequacy of disclosure of information, and the appropriateness and quality 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 Audit Committee is responsible for evaluating the cost-effectiveness of audits, the independence and objectivity of the external auditors, and the nature and extent of the non-audit services provided by the external auditors. It also makes recommendations to the Board on the appointment or re-appointment of the external auditors. In addition, the Audit Committee reviews and approves the SingTel Internal Audit Charter to ensure the adequacy of the internal audit function. At the same time, it ensures that the internal audit function is adequately resourced and has appropriate standing within SingTel.

During the financial year, the Audit Committee reviewed the Management and SingTel Internal Audit's assessment of fraud risk and held discussions with the external auditors, and was satisfied with the processes put in place to mitigate fraud risk exposure in the Group. The Audit Committee also reviewed and was satisfied with the whistle-blower arrangements instituted by the Group through which staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters.

The Audit Committee met four times during the financial year. At these meetings, the Group CEO, CEO (Singapore), CEO (International), CEO (Optus), Group CFO, Group Financial Controller, CFO (Singapore), CFO (Optus) and Vice President (Audit) were also in attendance. During the financial year, the Audit Committee reviewed and approved

the quarterly financial statements prior to recommending their release to the Board, as applicable. It reviewed the results of audits performed by SingTel Internal Audit based on the approved audit plan, significant litigation and fraud investigations, SingTel's register of interested person transactions and non-audit services rendered by the external auditors. The Audit Committee also met with the internal and external auditors, without the presence of Management, during the financial year.

### Compensation Committee

The Compensation Committee comprises four Directors, all of whom are non-executive and independent. The Committee may have access to expert advice inside and/or outside SingTel.

The main responsibilities of the Compensation Committee are to approve the Group's policies on employment terms, promotion, remuneration and benefits for employees of all grades, and to administer and review any performance share plan or other incentive schemes of SingTel.

The Compensation Committee is responsible for the appointment and promotion of Senior Management and Top Management who are direct reports to the Group CEO. It is also responsible for approving the remuneration of the Group CFO and Senior Management. For the Group CEO and CEO level, the Compensation Committee proposes the remuneration package for the Board's approval. Policies and guidelines for Directors' fees are also determined by the Compensation Committee for the Board's endorsement.

The Group CEO, who is not a member of the Compensation Committee, may attend meetings of the Committee 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 69 to 74.

### Corporate Governance and Nominations Committee

The Corporate Governance and Nominations Committee must comprise at least three Directors, the majority of whom, including the chairman, must be independent. In line with the 2005 Code, the chairman of the Committee,



Mr Kaikhushru Shiavax Nargolwala, is not a substantial shareholder of SingTel, nor is he directly associated with any substantial shareholder of SingTel.

The main functions of the Corporate Governance and Nominations Committee are outlined in the commentaries on 'Board Composition and Balance', 'Board Membership' and 'Board Performance' from pages 60 to 62. The Committee is also responsible for the development and review of SingTel's corporate governance principles and practices, taking into account relevant local and international developments in the area of corporate governance.

### Optus Advisory Committee

The Optus Advisory Committee comprises at least three Directors, the majority of whom, including the chairman, are independent. The Committee reviews strategic business issues relating to the Australian business.

### Management Committee

In addition to the five Board Committees, SingTel has a Management Committee that comprises the Group CEO, CEO (Singapore), CEO (International), CEO (Optus), Group CFO, Group Chief Information Officer, Group Chief Technology Officer and Group Director (Human Resource).

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

## 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 SingTel's Management. Such reports compare SingTel's actual performance against the budget, and highlight key business indicators and major issues that are relevant to SingTel's performance, position and prospects.

For the financial year ended 31 March 2009, SingTel's Group CEO and Group CFO have provided assurance to the Board on the integrity of SingTel's financial statements

and on SingTel's risk management, compliance and internal control systems. The certification covers SingTel and the subsidiaries that we control. The Board provides a negative assurance confirmation for interim financial statements, which is supported by a negative assurance statement from the Group CEO and Group CFO, in line with stock exchange requirements.

### Internal Audit

SingTel Internal Audit comprises a team of 49 staff members, including the Vice President (Audit) who reports to the Audit Committee functionally and to the Group CEO administratively. SingTel Internal Audit 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 Internal Audit continues to meet or exceed the IIA Standards in all key aspects.

SingTel Internal Audit adopts a risk-based approach in formulating the annual audit plan which aligns its activities to the key risks across the Group. This plan is reviewed and approved by the Audit Committee. The reviews performed by SingTel Internal Audit are aimed at assisting the Board in promoting sound risk management 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 Internal Audit'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 Internal Audit also works with the internal audit functions of SingTel's regional mobile associates to promote joint reviews and the sharing of knowledge and/or internal audit practices.

To ensure that the internal audits are performed effectively, SingTel Internal Audit recruits and employs suitably qualified professional staff with the requisite skillsets and experience. To ensure their technical knowledge remains current and relevant, SingTel Internal Audit provides training and development opportunities for its staff.

## CORPORATE GOVERNANCE

### External Auditors

The Board is responsible for the initial appointment of external auditors. Shareholders then approve the appointment at SingTel's AGM. The external auditors hold office until their removal or resignation. The Audit Committee assesses the external auditors based on factors such as the performance and quality of their audit and the independence of the auditors, and recommends their re-appointment to the Board. Pursuant to the requirements of the SGX, an audit partner may only be in charge of a maximum of five consecutive annual audits and may then return after two years. The current Deloitte & Touche LLP audit partner for SingTel was appointed with effect from the financial year ended 31 March 2007.

In order to maintain the independence of the external auditors, SingTel has developed policies regarding the type of non-audit services that the external auditors can provide to the SingTel Group and the related approval processes. The Audit Committee has also reviewed the non-audit services provided by the external auditors during the financial year and the fees paid for such services. The Audit Committee is satisfied that the independence of the external auditors has not been impaired by the provision of those services. The external auditors have also provided a confirmation of their independence to the Audit Committee.

### Risk Management

The identification and management of risk reduces the uncertainty associated with the execution of our business strategies and allows the Group to maximise opportunities that may arise.

Risk arises in many forms and can have positive or negative impacts on the Group's ability to achieve its stated objectives. Risk has the potential to impact the reputation, regulatory, operational, human resources and financial performance of the Group and thus our ability to meet our stated objectives.

The Group's philosophy and approach in effective risk management is underpinned by three key principles as follows:

- **Culture.** We seek to build a strong risk management and control culture by setting the appropriate tone at the top, promoting awareness, ownership and proactive management of key risks and promoting prudent risk taking. In short, we seek to promote a risk-smart workforce across the Group.
- **Structure.** We seek to put in place an appropriate organisational structure that promotes good corporate governance, provides for proper segregation of duties, defines clearly risk taking responsibility and authority, and promotes ownership and accountability for risk taking.
- **Process.** We seek to implement robust processes and systems for effective identification, quantification, monitoring and controls of risk. We seek to improve our risk management and internal control policies and procedures on an on-going basis to ensure that they remain sound and relevant by benchmarking against global best practices.

On the above principles, the Group undertakes a continuous process of risk identification, monitoring, management and reporting of risks throughout the organisation, to provide assurance to the Board and relevant stakeholders. The effectiveness of risk management policies and processes is reviewed on a regular basis and, where necessary, improved. Furthermore, the risk management processes facilitate alignment of the Group's strategy and annual operating plan with the management of key risks.

The Board has overall responsibility for the oversight of material risks in the Group's business. The FIRC assists the Board in the oversight of the Group's risk profile and policies, effectiveness of the Group's risk management system including the identification and management of significant risks and reports to the Board on material matters, findings and recommendations pertaining to risk management. The Audit Committee 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 25 categories of risks ranging from environmental, operational and management decision making risks. The Group adopts the Committee of Sponsoring Organisations of the Treadway Commission (COSO) Model and the Australia / New Zealand Risk Management Standard (AS/NZ 4360) as the best practice benchmarks for assessing the soundness of its financial reporting, and the efficiency and effectiveness of its risk management, internal control and compliance systems.

The identification and management of risk is delegated to management. Management is responsible for the effective implementation of risk management strategy, policies and processes to facilitate the achievement of business plans and goals. The Risk Management Committee, comprising relevant members from the Senior Management team, is responsible for setting the direction of corporate risk management and monitoring the implementation of risk management policies and procedures including the adequacy of the Group's insurance programme. The Risk Management Committee reports to the FIRC on a regular basis.

Risk assessment and mitigation strategy is an integral part of the Group's annual business planning and budgeting process. The key risk management activities also include scenario planning, business continuity / disaster recovery management and crisis planning and management. Close monitoring and control processes, including the establishment of appropriate key risk indicators and key performance indicators, are put in place to ensure that risk profiles managed are within policy limits. The Group has in place a formal programme of risk and control self assessment whereby line personnel are involved in the on-going assessment and improvement of risk management and controls in selected areas. Additionally, external consultants are engaged from time to time to review the Group's risk management framework and processes.

The Group's Internal Audit function carries out reviews and internal control advisory activities which are aligned to the key risks in the Group's business to provide independent assurance to the Audit Committee on the adequacy and effectiveness of the risk management, financial reporting processes and internal control and compliance systems.

In order to provide assurance to the Board, via the FIRC, the CEOs of the business groups submit to the FIRC on a semi-annual basis, a report on the key risks and mitigation strategies for their respective areas. On an annual basis, the Group CEO and Group CFO provide a written certification to the Board confirming the soundness of financial reporting, and the efficiency and effectiveness of the risk management, internal control and compliance systems.

The systems that are in place are intended to provide reasonable but not absolute assurance against material misstatements or loss, as well as to ensure the safeguarding of assets, the maintenance of proper accounting records, the reliability of financial information, compliance with applicable legislation, regulation and best practice, and the identification and management of business risk.

In the course of their statutory audit, SingTel's external auditors carry out a review of the Group's material internal controls to the extent of the scope as laid out in their audit plan. Any material non-compliance and internal control weaknesses, together with the external auditors' recommendations to address them, are reported to the Audit Committee. SingTel's Management, with the assistance of SingTel Internal Audit, follows up on the external auditors' recommendations as part of their role in reviewing the Group's system of internal controls.

Based on the work performed by SingTel Internal Audit during the financial year and the review undertaken by the external auditors, the Audit Committee is of the opinion that there are adequate internal controls in place within the Group.

### Communication with Shareholders

SingTel is committed to maintaining high standards of disclosure and corporate transparency. We adopt an open and non-discriminatory approach in our communication with shareholders and the investment community. We aim to provide relevant and timely information - regarding the Group's performance, progress and prospects - to assist shareholders and investors in their investment decisions.

## CORPORATE GOVERNANCE

Quarterly financial results are reported within six weeks after the end of each quarter. These results contain detailed financial disclosures and analyses of key value drivers and metrics for each business. In addition, comprehensive guidance for each business is provided at the start of each financial year, and, reflecting market conditions, is affirmed or updated at subsequent quarterly results. Audio webcasts of the Group CEO's presentations and conference calls are available on SingTel's website. To make it convenient for our shareholders and the investment community, transcripts of the conference calls and 5-year financial summaries are also posted.

The Investor Relations' website contains a wealth of investor-related information on SingTel which serves as an important resource for investors. Aside from housing the quarterly results materials, it is a one-stop source of investor presentations, stock exchange announcements, annual reports, events calendar, factsheets, financial summaries, AGM and dividend information. All new material information is posted on the website following its filing with the SGX and ASX, to ensure fair and equal dissemination of information.

SingTel believes in the importance of regular interaction with investors and shareholders. Senior Management actively participates in one-on-one meetings, roadshows, conferences and investor events organised by the Investor Relations Department. In the financial year ended 31 March 2009, SingTel met with more than 800 investors in over 300 meetings. Furthermore, more than 400 shareholders and their proxies had the opportunity to interact, question, clarify and relay their concerns and feedback, not only with the Senior Management, but with the Chairman and the Directors during the AGM.

SingTel fully supports and encourages shareholder participation at AGMs. SingTel sends out the notice of the meeting a month ahead, providing ample time for it to be received by shareholders. The AGM is held at a convenient central location with easy access to public transportation. A registered shareholder who is unable to attend may choose to appoint a proxy to attend and vote on his behalf.

At the AGM, the Group CEO delivers a presentation to update shareholders on the progress of the Company over the past year. The Directors and Senior Management are in attendance during the AGM to address queries and concerns about SingTel. The proxy voting results are presented to the audience during the voting process and are filed with the stock exchanges. Voting in absentia by mail, facsimile, or email is currently not permitted to ensure proper authentication of the identity of shareholders and their voting intent.

SingTel places great importance on communicating with and reaching out to our shareholders and the investment community. We are pleased that our proactive efforts have been acknowledged at the Singapore Corporate Awards and recognised by leading financial journals and organisations such as IR Magazine, Finance Asia and Thomson Reuters during the year.

### Securities Trading

SingTel's securities trading policy states that Directors and officers of the Group should not deal in SingTel shares 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 financial year, and ending on the date of the announcement of the relevant results. The policy also discourages trading on short-term considerations.

### Continuous Disclosure

There are formal policies and procedures to ensure that SingTel complies with its disclosure obligations under the listing rules of the SGX and ASX. 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. The Company Secretary manages the policy.

### Material Contracts

There are no material contracts entered into by SingTel or any of its subsidiaries that involve the interests of the Group CEO, any Director, or the controlling shareholder, Temasek Holdings (Private) Limited.



## Codes Of Conduct And Practice

SingTel has a code of internal corporate governance practices, policy statements and standards, as described in this report, and makes this code available to Board members as well as employees of the Group. The processes and standards in the 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 is reviewed from time to time and updated to reflect changes to the existing systems or the environment in which the Group operates.

SingTel also has a 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 of conduct covers areas such as conduct in the workplace, business conduct, protection of SingTel's assets, confidentiality, non-solicitation of customers and employees, conflicts of interest and corporate opportunities. The code is posted on SingTel's internal website. SingTel's staff manual maps out SingTel's policies and standards by which employees are expected to conduct themselves in the course of their employment with SingTel. The manual also contains procedures for the investigation of reports of misconduct or unethical practices and for taking appropriate remedial actions.

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 which have or are expected to have a significant impact, financial or otherwise, on the Group's business and operations.

## Whistle-Blower Policy

The Group is committed to a high standard of ethical conduct and adopts a zero tolerance approach to fraud. SingTel undertakes to investigate complaints of suspected fraud in an objective manner and has put in place a whistle-blower policy and procedures which provide employees with well-defined and accessible channels within the Group, including a direct channel

to SingTel Internal Audit and a whistle-blower hotline service independently managed by an external service provider, for reporting suspected fraud, corruption, dishonest practices or other similar matters. The policy aims to encourage the reporting of such matters in good faith, with the confidence that employees 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 as part of the Group's efforts to promote fraud control awareness.

## REMUNERATION

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

### Directors' Fees and Incentives

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

The fees for non-executive Directors for the financial year ended 31 March 2009 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 which did not coincide with Board meetings. The fees were benchmarked against fees paid by other comparable telecommunications companies. There are no retirement benefit schemes in place for non-executive Directors. The framework for determining non-executive Directors' fees is as follows:

### Basic Retainer Fee

Board chairman	S\$180,000 per annum
Director	S\$ 90,000 per annum

### Fee for Appointment to Audit Committee

Committee chairman	S\$50,000 per annum
Committee member	S\$35,000 per annum

## CORPORATE GOVERNANCE

### Fee for Appointment to Any Other Board Committee

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

### Travel Allowance for Board Meetings and Board Committee Meetings which do not coincide with Board Meetings (per day of travel required to attend meeting)

S\$3,000

### Attendance Fee per Ad Hoc Board Meeting

S\$2,000

### Directors' Remuneration for the Financial Year Ended 31 March 2009

Name of Director	Fixed Component <sup>(1)</sup> (S\$)	Variable Component <sup>(2)</sup> (S\$)	Provident Fund <sup>(3)</sup> (S\$)	Benefits <sup>(4)</sup> (S\$)	Directors' Fees <sup>(6)</sup> (S\$)	Total (S\$)
Chumpol NaLamlieng	-	-	-	-	279,000	279,000
Graham John Bradley	-	-	-	-	194,000	194,000
Chua Sock Koong <sup>(5)</sup>	1,350,000	1,950,000	8,038	71,262	-	3,379,300
Fang Ai Lian <sup>(7)</sup>	-	-	-	-	91,075	91,075
Heng Swee Keat <sup>(8)</sup>	-	-	-	-	142,000	142,000
Dominic Chiu Fai Ho	-	-	-	-	167,263	167,263
Simon Israel <sup>(9)</sup>	-	-	-	-	160,000	160,000
John Powell Morschel	-	-	-	-	212,769	212,769
Kaikhushru Shiavax Nargolwala	-	-	-	-	176,000	176,000
Deepak S Parekh	-	-	-	-	145,000	145,000
Nicky Tan Ng Kuang	-	-	-	-	182,736	182,736
Professor Tommy Koh <sup>(8)(10)</sup>	-	-	-	-	39,650	39,650

#### Notes:

- (1) Fixed Component refers to base salary and Annual Wage Supplement earned for the year ended 31 March 2009.
- (2) Variable Component refers to cash bonus awarded for performance for the year ended 31 March 2009.
- (3) Provident Fund represents payments in respect of company statutory contributions to the Singapore Central Provident Fund.
- (4) Benefits are stated on the basis of direct costs to the company, and include car benefits and other non-cash benefits such as medical cover and club membership.
- (5) In addition to the total remuneration above, long-term incentive in the form of performance share awards under the SingTel Performance Share Plan was granted to Ms Chua on 3 June 2009 for performance for the year ended 31 March 2009. She received the General Award ("GA") and the Senior Management Award ("SMA") based on fair values of S\$1.301 and S\$1.430 per share respectively. The fair values of performance share awards granted to her are S\$1,200,000 for GA and S\$900,000 for SMA. The vesting criteria for the performance share awards are detailed on page 72-73.
- (6) Directors' Fees are paid on a half-yearly basis in arrears.
- (7) Appointed to the Board on 7 August 2008.
- (8) Fees for public sector Directors are payable to government agencies.
- (9) Fees are payable to Mr Simon Israel's employer.
- (10) Retired as a Director following the conclusion of the AGM held on 25 July 2008.

No employee of the Group who is an immediate family member of a Director was paid remuneration that exceeded S\$150,000 during the financial year ended 31 March 2009.



The proposed framework for Directors' fees for the financial year ending 31 March 2010 is the same as that for the financial year ended 31 March 2009.

No Director decides his own fees. Directors' fees are recommended by the Compensation Committee and are submitted for endorsement by the Board. Directors' fees are subject to the approval of shareholders at the AGM.

Until the financial year ended 31 March 2007, the Company's practice was to seek shareholders' approval for the payment of Directors' fees at the AGM held after the end of the financial year. As a result, Directors were only paid for services rendered 17 months after the commencement of the relevant financial year. In order that the Company is able to attract the right calibre of directors to contribute effectively to the Board, in addition to the right level of remuneration, timely payment to directors is also necessary. Accordingly, commencing from the 2007 AGM, SingTel now seeks shareholders' approval for Directors' fees for the current financial year so that Directors' fees can be paid on a half-yearly basis in arrears for that year.

Directors are encouraged to acquire SingTel shares each year from the open market to the extent of one-third of their fees 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. Directors who were previously eligible for applicable share option schemes are encouraged to hold, beyond the vesting period, any shares acquired by the exercise of share options under those schemes.

### Remuneration for Executive Director and Senior Management

The Compensation Committee recognises that the Group operates in a regional environment. To remain competitive, the Compensation Committee has established the following objectives for its remuneration policy:

- To align the interests of Senior Management with those of shareholders;
- To attract, motivate and retain high-performing executives, which is necessary to sustain SingTel as a leading communications provider in Asia Pacific;
- To achieve Business and People targets; and
- To be locally focused and competitive in each of the relevant employment markets.

The Compensation Committee reviews remuneration through a process that considers Group, company, business unit and individual performance, relevant comparative remuneration in the market and, where required, feedback from independent external advisors on human resource management and reward and benefit policies. The performance evaluations for the executive Director and Senior Management have been conducted for the financial year in accordance with the above considerations.

### Remuneration Components

The remuneration structure for Senior Management comprises five components – fixed component, variable component, provident/superannuation fund, benefits and long-term incentives. The structure is designed such that the percentage of the variable component of Senior Management's remuneration increases as they move up the organisation. The variable component is also dependent on the actual achievement of corporate targets and individual performance objectives. The cost and value of the remuneration components are considered as a whole and are designed to strike a balance between linking rewards to short-term and long-term objectives, and maintaining competitiveness with market practice.

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

#### • *Fixed Component*

The base salary should fall within the mid-range of what is paid by comparable companies in relevant employment markets for similar jobs, but may vary with responsibilities, performance, skills and the experience that the individual brings to the role. For executives who exceed their performance objectives, the aggregate of base salary and variable bonus should fall within the upper range of what is paid by comparable companies. To ensure that the remuneration of Senior Management is consistent with these levels, the Compensation Committee benchmarks remuneration components against those of comparable companies.

## CORPORATE GOVERNANCE

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

- *Variable Component*

Variable bonus payouts are based on actual achievement against Group, company, business unit and individual performance objectives. Although the performance objectives are different for each executive, they are assessed on the same principles across two broad categories of targets: Business and People. Business targets comprise financials, strategy, customer and business processes. People targets comprise leadership competencies, core values, people development and staff engagement. In addition, the executives are assessed on teamwork and collaboration across the Group. The performance objectives are reviewed and adjusted at the commencement of each financial year to ensure that the objectives contribute to the overall financial and operational goals of the Group.

Individual bonus payouts are linked by way of performance indicators and scorecards to the areas mentioned above. The Compensation Committee assesses the extent to which the performance objectives have been achieved and approves the bonus pool for distribution to executives.

- *Provident/Superannuation Fund*

This component is made up of SingTel's contributions towards the Singapore Central Provident Fund or the Optus Superannuation Fund or any other chosen fund, as applicable.

- *Benefits*

SingTel provides benefits consistent with local market practice, such as in-company medical scheme, club membership, employee discounts and other benefits that may incur Australian Fringe Benefits Tax, where applicable. Participation in such 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.

- *Long-Term Incentives*

Long-term Incentives are provisionally allocated or granted to Senior Management for performance for the year ended 31 March 2009.

For long-term incentives granted under the SingTel Performance Share Plan ("Share Plan"), as in past years, two categories of awards are made at the discretion of the Compensation Committee – General Awards for eligible staff at Executive and higher grades, and Senior Management Awards for eligible Senior Management staff. They are made with reference to the desired total remuneration target benchmarked against comparable companies in the market. The number of performance shares awarded is determined using the valuation (of the shares) based on a Monte-Carlo simulation. The final number of performance shares vested to the recipient will depend on the level of achievement of targets set over a three-year period.

The vesting criteria for both the General Award and the Senior Management Award for 2009 are similar to the corresponding criteria adopted for awards made under the Share Plan since 2004. The vesting for half (50 per cent) of the General Award granted to an employee will be based on the Group's Total Shareholders' Return ("TSR") relative to the component stocks in the MSCI Asia Pacific Telecommunications Index (the "Index") over the three-year performance period from 1 April 2009 to 31 March 2012. No performance shares will vest if the TSR, as determined by the Compensation Committee at its sole discretion, is below the 50th percentile as measured against that of other component stocks in the Index. The number of performance shares to be vested will be determined in accordance with the table on page 73.

The remaining tranche (50 per cent) of the General Award will be subject to the TSR performance measured against the Index (as opposed to individual component stocks) over the performance period from 1 April 2009 to 31 March 2012. For the 2009 General Award going forward, a technical refinement has been made to the formula used to compute SingTel's TSR performance against the Index. This refinement allows better differentiation between various degrees of over-



## Total Shareholders' Return Percentile Ranking Criteria for 50 per cent of the 2009 General Award

TSR	Percentage of Performance Shares to be Vested
80th to 100th percentile	100%
70th to 79th percentile	90%
60th to 69th percentile	70%
50th to 59th percentile	50%
< 50th percentile	0%

and under- achievement. With this change in formula, a new vesting schedule has been developed to provide vesting level results similar to what would have been derived under the old formula and vesting schedule:

- If SingTel Group's TSR is at or exceeds 8 per cent that of the Index, 100 per cent of the shares under this tranche will vest.
- If SingTel Group's TSR is -2 per cent or more but less than 8 per cent that of the Index, the percentage of the shares under this tranche that will vest will vary accordingly.
- If SingTel Group's TSR is less than -2 per cent that of the Index, none of the shares under this tranche will vest.

For the 2009 Senior Management Award, vesting will take place if the following criteria are met:

- *Vesting of the General Award*  
There must be vesting of the 2009 General Award before the 2009 Senior Management Award can vest. This will strengthen the alignment of interests of Senior Management with those of other executives. This criterion was also adopted for the Senior Management Awards from 2004 to 2008.

- *Return on Invested Capital ("ROIC") Criterion*

As in the past year, ROIC improvements over the performance period must exceed a minimum threshold level for vesting of the Senior Management Award as follows:

- Where the ROIC improvement target is met or exceeded, subject to the vesting of the General Award, 100 per cent of the performance shares will vest.
- Where 75 per cent or more but less than 100 per cent of the ROIC improvement target is met, the performance shares will, subject to the vesting of the General Award, vest to the same extent in percentage terms as the percentage to which the target has been met.
- Where less than 75 per cent of the ROIC improvement target is met, no performance shares will vest.

Details of the performance shares granted under the Share Plan during the financial year are set out in the financial statements under the 'Directors' Report'.

SingTel employees are prohibited from entering into transactions in associated products which limit the economic risk of participating in unvested entitlements under SingTel's equity-based remuneration schemes.

## CORPORATE GOVERNANCE

### Remuneration of Senior Management

The aggregate compensation paid to or accrued to the five top-earning key executives for the financial year ended 31 March 2009 is set out in the table below:

Name of Senior Executive	Fixed Component <sup>(1)</sup> (S\$)	Variable Component <sup>(2)</sup> (S\$)	Provident/ Superannuation Fund <sup>(3)</sup> (S\$)	Benefits <sup>(4)</sup> (S\$)	Total <sup>(5)</sup> (S\$)
The following are in alphabetical order:					
Hui Weng Cheong <sup>(6)</sup> Deputy President Advanced Info Service	346,978	320,000	8,039	779,152	1,454,169
Allen Lew CEO (Singapore) SingTel	895,000	1,500,000	8,038	60,985	2,464,023
Lim Chuan Poh CEO (International) SingTel	765,000	1,000,000	8,038	58,364	1,831,402
Jeann Low <sup>(7)</sup> Group CFO SingTel	459,000	575,000	11,099	1,200,369	2,245,468
Paul O'Sullivan <sup>(8)</sup> CEO Optus	1,219,914	941,284	199,638	73,525	2,434,361

#### Notes:

- (1) Fixed Component refers to base salary and Annual Wage Supplement (if applicable) earned for the year ended 31 March 2009.
- (2) Variable Component refers to cash bonus awarded for performance for the year ended 31 March 2009.
- (3) Provident Fund in Singapore represents payments in respect of company statutory contributions to the Singapore Central Provident Fund. Superannuation Fund in Australia represents payments in respect of the superannuation guarantee levy and additional company contributions to the superannuation scheme. Any contributions made by an individual may be salary sacrificed, and are part of the fixed component.
- (4) Benefits are stated on the basis of direct costs to the company, and include overseas assignment benefits, tax equalisation, car benefits and other non-cash benefits such as medical cover, club membership and Australia Fringe Benefits Tax, where applicable.
- (5) In addition to the total remuneration above, long-term incentives are provisionally allocated or granted to Senior Management for performance for the year ended 31 March 2009.

The Senior Management who were granted long-term incentives in the form of performance share awards under the SingTel Performance Share Plan on 3 June 2009, received the General Award ("GA") and the Senior Management Award ("SMA") based on fair values of S\$1.301 and S\$1.430 per share respectively. The vesting criteria for the performance share awards are detailed on page 72-73. The fair values of performance share awards granted to the following Senior Management are:

- Hui Weng Cheong: GA of S\$200,000 and SMA of S\$150,000
- Allen Lew: GA of S\$971,429 and SMA of S\$728,571
- Lim Chuan Poh: GA of S\$628,571 and SMA of S\$471,429

Long-term incentives are provisionally allocated but not yet granted to the following Senior Management. The form and timing of the grant will be decided pending review of the long-term incentive plan in Australia:

- Paul O'Sullivan: up to S\$1,539,000
- Jeann Low: up to S\$650,000

- (6) Mr Hui Weng Cheong is based in Thailand. He is seconded to Advanced Info Service on expatriate terms including tax equalisation benefits.
- (7) Ms Jeann Low was based full-time in Australia till 31 August 2008. She was seconded to Optus on expatriate terms including tax equalisation benefits. An award of up to 360,577 performance shares (General Award) was given at the point she assumed the position of Group CFO.
- (8) Mr Paul O'Sullivan is based in Australia and he is remunerated in Australian dollars. The exchange rate used to convert his remuneration to Singapore dollars is S\$1.14 : A\$1.00