

# CORPORATE GOVERNANCE REPORT

## INTRODUCTION

Corporate governance remains a journey and a continual work in progress in SingPost as we strive to improve our corporate governance. The Company recognises that a good corporate governance framework is essential in protecting its shareholders' interests by delivering good corporate performance, underpinned by sustainable benefits for the economy, the environment and society. Both the Board and Management of the Company are committed to achieving the highest standards of corporate governance and promoting effective stewardship in its practices and governance oversight.

This report outlines the Company's corporate governance practices for the financial year ended 31 March 2024 with specific reference to the principles and provisions of the Code of Corporate Governance 2018 (2018 Code). For the financial year ended 31 March 2024, the Company has complied with all the principles of the 2018 Code and substantially all the provisions set out thereunder. Variations in practice from any provision of the 2018 Code are explained in this report. A summary of the Company's compliance with the 2018 Code is also provided on page 101.

## BOARD MATTERS

### Principle 1: The Board's Conduct of Affairs

#### Role of the Board

The principal role of the Board is to set the Company's vision and purpose, and to regularly review its strategic direction, which includes appropriate focus on value creation, innovation and sustainability. The Board's key functions include:

- ensuring the necessary resources are in place for the Company to meet its strategic objectives as well as overseeing the corporate governance of the Company and Management's control and accountability framework;
- setting the tone for the Company to ensure that its affairs are conducted with the highest standards of probity and in compliance with applicable laws and regulations;
- providing entrepreneurial leadership and guidance to Management on the Company's overall strategy, constructively challenging Management and reviewing Management's performance;
- overseeing the Company's overall performance objectives, key operational initiatives and corporate governance practices;
- approving financial plans, annual budgets, major funding proposals, and major investment and divestment proposals;
- establishing and maintaining a sound risk management framework to monitor and manage risks, and to achieve an appropriate balance between risks and the Company's performance;
- instilling an ethical corporate culture and ensuring that the Company's values, standards, policies and practices are consistent with its culture as well as to ensure transparency and accountability to key stakeholder groups;
- approving the financial results for release to the Singapore Exchange (SGX), the appointment of Directors and key Management personnel, and changes in the composition and terms of reference of Board Committees; and
- overseeing the Group's sustainability and climate-related strategies, including the Group's material environmental, social and governance (ESG) commitments.

In carrying out its duties, the Board is ultimately accountable to shareholders for the performance of the Company.

The role of the Board, as described above, is clearly defined in a document adopted by the Board titled Success Profiles and Role Profiles for an Effective Board.

This is complemented by the Schedule of Matters Reserved for the Board's Decision which sets out a comprehensive list of matters which require Board approval. Matters requiring Board approval are clearly communicated to Management in writing and include the following:

- setting and reviewing financial targets;
- entering new business sectors and geographies;
- annual business plan and budget;
- changes to share capital structure, corporate structure, operational structure;
- results, dividend policy and dividend payout;

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- significant change in accounting policies;
- major capital projects and contracts not in the ordinary course of business;
- SGXNet announcements;
- appointments to Board and Board Committees;
- approval of terms of reference of Board Committees and changes thereto;
- appointment, remuneration and removal of senior Management including the Group Chief Executive Officer (Group CEO);
- succession planning for the Board and Management;
- appointment and removal of the Company Secretary; and
- delegation of authority.

Additionally, to optimise operational efficiencies, financial authorisation and approval limits have been established and are reviewed periodically for operating and capital expenditure and the procurement of goods and services. The Board approves transactions exceeding certain threshold amounts while delegating authority to Management for transactions below those limits.

Under the Code of Business Conduct and Ethics, Directors must avoid any actual or potential conflicts of interest with the Company, including (as far as possible) situations which could result in an appearance of impropriety. Where a Director's personal or business interest or relationship interferes, or even appears to interfere, in any way with the interests of the Company, such Director must promptly disclose such interest at a meeting of the Directors or by sending a written notice to the Company Secretary containing details on the nature, character and extent of the conflict of the interest and recuse himself/herself from participating in any discussion and decision on the matter, at all levels within the Group including, but not limited to, the Company's subsidiaries and any committees and sub-committees that are involved in the proposed transaction in which the Director has an interest or in respect of which the Director is conflicted.

## Board Committees

The Board without abdication of responsibility has delegated authority to the following six Board Committees to assist the Board in discharging its responsibilities:

- Audit Committee (AC);
- Board Risk and Technology Committee (BRTC);
- Board Sustainability Committee (BSC);
- Compensation Committee (CC);
- Finance and Investment Committee (FIC); and
- Nominations and Corporate Governance Committee (NCGC).

Each Board Committee has written terms of reference which clearly set out the composition, authority and duties delegated by the Board to make decisions (including reporting back to the Board). The terms of reference are reviewed from time to time to ensure relevance. Any changes to the terms of reference for any Board Committee require Board approval. To ensure clarity of roles, the role of each Board Committee chairman is also documented in the Success Profiles and Role Profiles for an Effective Board.

The terms of reference of each Board Committee are available on the Company's corporate website at <https://www.singpost.com/about-us/corporate-information/corporate-governance>.

The appointment of Board Committee members is carried out carefully to ensure that the Board Committees comprise Directors with the appropriate qualifications and skills, to maximise the effectiveness of the relevant Board Committee. A Board Composition Matrix is used to assess whether the core competencies, skills and experiences of a potential candidate complements those of the existing Directors to ensure that as a group, the Board Committees will have the appropriate balance and diversity to support the long-term success of the Company. Board Committee appointments require the approval of the Board.

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## **Audit Committee**

The AC comprises four members, all of whom (including the chairman) are non-executive independent Directors. The members of the AC are Mrs Fang Ai Lian (chairman), Mr Bob Tan Beng Hai, Ms Chu Swee Yeok and Mr Gan Chee Yen<sup>(1)</sup>. All members of the AC have recent and relevant accounting or related financial management expertise or experience.

The AC assists the Board in fulfilling its oversight responsibilities on internal controls, financial reporting, compliance and risk management. During the financial year, the activities carried out by the AC included the following:

- (a) review and reporting to the Board on the adequacy and effectiveness of the Group's internal controls, including financial, operational, compliance and information technology (IT) controls, and risk management systems;
- (b) review of the assurance from the Group CEO and Group Chief Financial Officer (Group CFO) on the financial records and financial statements;
- (c) oversight and monitoring of whistleblowing, including review of the policies and arrangements by which staff and any other persons may, in confidence, raise concerns about possible improprieties in financial reporting or other matters, and for which such matters may be independently investigated and appropriately followed up on;
- (d) review of the half-year and annual financial statements, voluntary interim business updates for the first and third quarters of the financial year, announcements relating to the Group's financial performance, and the significant financial reporting issues and judgments to ensure the integrity of the financial statements;
- (e) review of the scope, plans and results of the internal auditors and considering the effectiveness of the responses and actions taken by Management on the auditor's recommendations and observations;
- (f) review of the adequacy, effectiveness and independence of the external audit and internal audit functions;
- (g) recommendation to the Board on the proposals to the shareholders on the re-appointment of the external auditor, and approval of the remuneration and terms of engagement of the external auditor, taking into consideration the performance of the external auditor against industry and regulatory standards, which included review of the following:
  - (i) the performance, objectivity and independence of the external auditor taking into consideration the Audit Quality Indicators Disclosure Framework published by the Accounting and Corporate Regulatory Authority (ACRA);
  - (ii) the scope of audit plans and areas of focus, including the effectiveness of the responses and actions taken by Management on the external auditor's recommendations and observations;
  - (iii) the nature and extent of the non-audit services provided by the external auditor; and
- (h) review of "interested persons transactions" as defined in Chapter 9 of the Listing Manual of the SGX and approval of those transactions requiring the AC's approval as specified in any Shareholders Mandate established for this purpose.

## **Board Risk and Technology Committee**

The BRTC comprises three members, all of whom (including the chairman) are non-executive independent Directors. The members of the BRTC are Ms Chu Swee Yeok (chairman), Mr Bob Tan Beng Hai and Mr Gan Chee Yen<sup>(2)</sup>.

The BRTC assists the Board in ensuring that Management maintains a sound system of risk management and material controls to safeguard shareholders' interest and the Group's assets, and determines the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives. It also provides oversight of the overall role of technology in driving the business strategies of the Group. During the financial year, the activities carried out by the BRTC included the following:

- (a) recommendation to the Board on the Group's levels of risk appetite and risk tolerance for different categories of risk;
- (b) review and recommendation to the Board for approval of the risk strategy and policies for the management of material risks over a longer time horizon;
- (c) review of the risks inherent in the Group's business model and strategy, including risks from external factors;

### **Note:**

(1) Mr Gan Chee Yen was appointed as a member of the AC with effect from 8 February 2024.

(2) Mr Gan Chee Yen was appointed as a member of the BRTC, in place of Ms Elizabeth Kong Sau Wai, with effect from 8 February 2024.

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- (d) monitoring of the Group's current material risk exposures against the risk tolerance levels approved by the Board;
- (e) review of the Group's overall risk assessment process that supports informed Board decision making;
- (f) overseeing of Management in the design, implementation and monitoring of the risk management system;
- (g) review of policies, Management's processes and reports concerning the adequacy and effectiveness of the Group's risk management framework including strategic, operational, compliance, IT and material ESG / sustainability risks (but excluding the review of financial risks and compliance risks with financial impact, and the adequacy and effectiveness of the Group's internal controls, which are under the oversight of the AC and the review of the Group's material ESG / sustainability implementation efforts, which are under the oversight of the BSC);
- (h) review of the Group's framework, processes and resources to identify and manage new and emerging risks as a result of changes in country, technology, social or business conditions;
- (i) monitoring of the implementation of the Group's risk mitigation plans;
- (j) review of the robustness of the business contingency planning process within the Group for material risks;
- (k) review of the adequacy of the insurance and other risk transfer arrangements;
- (l) review of reports on material risk events together with adequacy of actions taken by Management;
- (m) consideration of the adequacy, effectiveness and security of the technology infrastructure and data management framework to support the Group's vision and purpose;
- (n) advising on the Group's strategy for acquisitions, investments and capital expenditure in the area of technology and IT; and
- (o) review and recommendation to the Board of plans, policies and proposals relating to matters pertaining to technology and IT, progress of major technology and IT investments.

## **Board Sustainability Committee**

The BSC comprises three members, the majority of whom are independent Directors. The members of the BSC are Mr Simon Israel (chairman), Ms Elizabeth Kong Sau Wai and Ms Yasmin Binti Aladad Khan<sup>(3)</sup>.

Recognising the growing importance of ESG factors which are integral to the overall long-term viability of the Company, the Company seeks to incorporate ESG considerations into its strategies that provide long-term benefits to all stakeholders, including shareholders. Toward this end, the BSC, reporting to the Board of Directors, was established in February 2021 to oversee and provide guidance to Management in helping to accelerate the Company's ESG transformation and journey. The Board approves the overall direction for the Company's ESG strategy which is executed by the Group CEO, who is in turn supported by a dedicated Sustainability team responsible for recommending ESG initiatives, collecting data, reporting and communication. The ESG programme is embedded in the Group's business operations across various functions to form a holistic and integrated framework for the organisation.

The BSC assists the Board in the oversight of sustainability matters and the implementation of the SingPost Purpose Statement, which is approved by the Board and which serves to guide the Company's actions and behaviours towards the sustainability of the business. The BSC also assists the Board in providing counsel, guidance and governance of the Company's strategies, frameworks and initiatives related to ESG factors. It reports to the Board in respect of ESG material matters with a view towards integrating the opportunities that ESG factors present for business growth and managing the risk factors that may erode or challenge the sustainability of SingPost's business.

## **Compensation Committee**

The CC comprises four members, the majority of whom (including the chairman) are independent Directors. All members of the CC are non-executive Directors. The members of the CC are Mr Bob Tan Beng Hai (chairman), Mrs Fang Ai Lian, Mr Simon Israel and Ms Yasmin Binti Aladad Khan<sup>(4)</sup>.

### **Note:**

(3) Ms Yasmin Binti Aladad Khan was appointed as a member of the BSC, in place of Mrs Fang Ai Lian, with effect from 8 February 2024.

(4) Ms Yasmin Binti Aladad Khan was appointed as a member of the CC with effect from 8 February 2024.

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The CC assists the Board in fulfilling its responsibilities for developing an appropriate compensation and remuneration framework to attract, motivate and retain talent. The CC considers all aspects of remuneration, including termination provisions in service contracts, to ensure they are fair. During the financial year, key responsibilities of the CC included the following:

- (a) exercising supervisory oversight of the overall principles, parameters and governance of the Company's remuneration framework to ensure continued relevance, competitiveness, long-term success of the Company and alignment to shareholders' interests;
- (b) overseeing and recommending to the Board the remuneration of each non-executive Director and key Management personnel of the Company;
- (c) review of the Company's obligations arising in the event of termination of executive Directors' and key Management personnel's contracts of service;
- (d) approval of the design of long-term incentive (LTI) plans and providing broad oversight of the rules, regulations, eligibility, targets to be set, and terms and conditions relating to such plans and administration of LTI plans, taking into account ESG / sustainability metrics for long-term value creation; and
- (e) exercising oversight on management development and succession planning for key Management personnel (including the Group CEO), key senior executives as well as high potential talent of the Company.

## ***Finance and Investment Committee***

The FIC comprises four members, all of whom (including the chairman) are non-executive Directors. The composition of members of the AC and the FIC is mutually exclusive. The members of the FIC are Mr Simon Israel (chairman), Ms Elizabeth Kong Sau Wai, Ms Lim Cheng Cheng and Ms Yasmin Binti Aladad Khan<sup>(5)</sup>.

The FIC provides advisory support to the Board on the overall strategy of the Group's business, investments, divestments, liabilities and treasury policies. During the financial year, the FIC reviewed and provided advisory support to the Board on the following:

- (a) long-term strategic plan for the Group;
- (b) mergers, acquisitions and divestments;
- (c) investments;
- (d) financial offers, treasury and banking facilities; and
- (e) review of material litigation.

## ***Nominations and Corporate Governance Committee***

The NCGC comprises four members, the majority of whom (including the chairman) are independent Directors. The members of the NCGC are Mrs Fang Ai Lian (chairman), Mr Simon Israel, Ms Elizabeth Kong Sau Wai and Mr Gan Chee Yen<sup>(6)</sup>. Mrs Fang is also the Lead Independent Director.

The NCGC assists the Board in fulfilling its responsibilities on Board succession planning, Board evaluation, training and professional development programmes of Board members, and the selection, nomination, appointment and re-appointment of Directors to the Board. The NCGC also has the responsibility to recommend enhancements to the corporate governance principles applicable to the Company and to uphold the same. During the financial year, the activities carried out by the NCGC included the following:

- (a) review of the composition of the Board and Board Committees and recommendation of the retirement and re-election of Directors to the Board taking into consideration the benefits of all aspects of diversity, including diversity of skills, sectoral experience, age, gender and cultural ethnicity;
- (b) determination of the independence of Directors and providing its views to the Board;
- (c) discussion of the succession plans for Directors, in particular, the appointment and/or replacement of the Chairman and providing its views to the Board;

### **Notes:**

(5) Ms Yasmin Binti Aladad Khan was appointed as a member of the FIC with effect from 8 February 2024.

(6) Mr Gan Chee Yen was appointed as a member of the NCGC with effect from 8 February 2024.

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- (d) review and recommendation to the Board of the training and professional development programmes for Directors;
- (e) conduct the evaluation of the Board's and Board Committees' performance including the appraisal of the Chairman;
- (f) review of relevant policies of the Board covering the corporate governance principles applicable to the Board;
- (g) review of the New Director Critical Scorecard for the nomination and appointment of new Directors to the Board;
- (h) review and nomination of Management staff to the boards of significant entities within the Group;
- (i) review of the process for managing conflict of interests for directors on the boards of entities within the Group; and
- (j) establish a formal and transparent search and nomination process for the selection and appointment of two new Directors to the Board.

Under Provision 4.1(a) of the 2018 Code, one of the responsibilities of the NCGC is to make recommendations to the Board on relevant matters relating to the review of succession plans for Directors, including the Group CEO and other key Management personnel. Succession planning for the Group CEO is, however, under the purview of the CC (which also reviews succession plans for key Management personnel) instead of the NCGC. Such an arrangement allows the CC to consider succession planning holistically with other human resource related issues such as remuneration and talent retention and recruitment. The undertaking of the review of succession plans for the Group CEO and key Management personnel by the CC instead of the NCGC does not detract from the underlying principle that there should be a formal and transparent process for the appointment of the Group CEO and the key Management personnel, as both the NCGC and CC consist of a majority of independent Directors.

## Board and Board Committee Meetings

The Board meets regularly. Board and Board Committee meetings are scheduled well in advance of each year in consultation with the Directors to ensure optimal attendance rates. Ad hoc Board and Board Committee meetings are convened as and when warranted by particular circumstances between these scheduled meetings. The Board is invited to participate in strategy workshops with Management to plan the Group's long-term strategy. When exigencies prevent Directors from attending in person, Directors participate by telephone or video conference. Directors who are unable to attend a Board meeting can discuss related issues with the Chairman and the Group CEO and have the opportunity to provide their feedback on the materials and proposed resolutions. For the financial year ended 31 March 2024, eight Board meetings and a Board Strategy Workshop were held. The Board and Board Committee meetings were conducted in a hybrid manner, via in-person attendance and also via video conference and other audio-visual means.

The agenda of each Board and Board Committee meeting is set by the respective chairmen in consultation with the Group CEO. A specific amount of time is pre-allocated to each agenda item to ensure sufficient attention is given to every agenda item. The agenda of every Board meeting includes an update from the chairman of each Board Committee on significant matters relating to the scope of the respective Board Committees. Directors are provided with relevant information prior to each meeting by way of timely upload of the meeting materials via a secure portal accessible on tablet devices issued to every Director.

At every Board meeting, the Board sets aside time for discussion without the presence of Management (except the executive Director). Where necessary, the non-executive Directors also meet without any executives present, and the chairman of such meetings provides feedback to the Board and/or the Chairman as appropriate. For the financial year ended 31 March 2024, the non-executive Directors met five times, which included the Lead Independent Director meeting with the other independent directors. If there are situations of conflict of interest, the Director in question will recuse himself/herself from the discussion and abstain from participating in any Board decision. No materials involving the issues of conflict are provided to such Director.

Between Board meetings, Board approvals for matters in the ordinary course of business are obtained through the circulation of Directors' resolutions in writing. Management will, upon request by any of the Directors, schedule a meeting to discuss and provide further information to Directors either in a group or on a one-on-one basis concerning the matter. For parity of information, comments received from any of the Directors are shared with all the other Directors. Additionally, to avoid any wrongful perception of undue influence, the Chairman will not be the first to sign on any resolution.

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The attendance of each Director at Board and Board Committee meetings held during the financial year ended 31 March 2024, and the Annual General Meeting (AGM) held in respect of the financial year ended 31 March 2023 (2023 AGM), is as follows:

Name of Director	Board	Non-Executive Directors	Board Strategy Workshop	AGM	Board Committees					
					AC	BRTC	BSC	CC	FIC	NCGC
<b>Number of Meetings held</b>	<b>8</b>	<b>5</b>	<b>1</b>	<b>1</b>	<b>8</b>	<b>4</b>	<b>4</b>	<b>3</b>	<b>8</b>	<b>3</b>
<b>Directors in service as at 31 March 2024</b>										
Simon Israel	8/8	5/5	1/1	1/1	–	–	4/4	3/3	8/8	3/3
Phang Heng Wee, Vincent	7/8	–	1/1	1/1	–	–	–	–	–	–
Chu Swee Yeok	8/8	5/5	1/1	1/1	7/8	4/4	–	–	–	–
Fang Ai Lian <sup>(1)</sup>	8/8	5/5	1/1	1/1	8/8	–	2/2	3/3	–	3/3
Elizabeth Kong Sau Wai <sup>(2)</sup>	8/8	5/5	1/1	1/1	–	3/3	4/4	–	8/8	3/3
Lim Cheng Cheng	8/8	5/5	1/1	1/1	–	–	–	–	7/8	–
Bob Tan Beng Hai	8/8	5/5	1/1	1/1	8/8	4/4	–	3/3	–	–
Gan Chee Yen <sup>(3)</sup>	5/5	2/2	1/1	–	1/1	–	–	–	–	–
Yasmin Binti Aladad Khan <sup>(4)</sup>	3/3	2/2	1/1	–	–	–	1/1	–	1/1	–

#### Notes:

- (1) Mrs Fang Ai Lian was appointed as a member of the BSC with effect from 19 July 2023, and subsequently stepped down as a member of the BSC with effect from 8 February 2024.
- (2) Ms Elizabeth Kong Sau Wai was appointed as a member of the BRTC with effect from 19 July 2023, and subsequently stepped down as a member of the BRTC with effect from 8 February 2024.
- (3) Mr Gan Chee Yen was appointed as a non-executive independent Director of the Company with effect from 31 October 2023, and as a member of the AC, BRTC and NCGC with effect from 8 February 2024.
- (4) Ms Yasmin Binti Aladad Khan was appointed as a non-executive independent Director of the Company with effect from 1 January 2024, and as a member of the BSC, CC and FIC with effect from 8 February 2024.

## Access to Information

Board members require timely access to complete and adequate information to be effective. Meeting materials are provided to Directors via a secure portal accessible on tablet devices prior to each meeting. In general, the materials are provided a week in advance of meetings and the Directors can access Board and Board Committee papers prior to, at, and post meetings. Minutes of Board Committee meetings are also circulated to the Board to keep all Directors updated on the activities of each Board Committee.

Management attends Board and Board Committee meetings to respond to any queries that Directors may have. The Board is briefed and updated on the execution of the Company's strategic plan, performance of its investments, financing plan and variance in budgets, amongst other matters. Directors are encouraged to and do seek additional information from Management as and when needed to make informed decisions. Management responds to such requests in a timely manner. The Group CEO and Management provide the Board with updates on significant events relating to the Company, analyst reports on the Company and information concerning industry-related developments.

Directors have separate and independent access to Management and the Company Secretary. Procedures are in place for Directors and Board Committees to seek independent professional advice, if necessary, at the Company's expense.

## Role of the Company Secretary

The Company Secretary has a direct reporting line to the Chairman and serves as a focal point for communication with the Board, the Group CEO, Management and the Company's various stakeholders. The role of the Company Secretary is clearly defined in the Success Profiles and Role Profiles for an Effective Board.

The Company Secretary is the primary point of contact between the Company and the SGX. The Company Secretary is also responsible for ensuring the Company's compliance with its Constitution and applicable rules and requirements under the Companies Act 1967 and the SGX listing rules. The appointment and removal of the Company Secretary is a matter requiring the approval of the Board.

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The Board relies on the Company Secretary to advise them not only on Directors' statutory duties under the law, disclosure obligations and listing rules requirements, but also in respect of corporate governance requirements and practices and effective board processes. The chairmen of the various Board Committees and individual Directors look to the Company Secretary to provide specialist skills and technical knowledge in these areas. The specialised role of the Company Secretary has therefore become interwoven with the corporate governance landscape of the Company.

## Board Induction, Training and Development

The NCGC ensures that new Directors are made aware of their duties and obligations. All Directors receive a formal letter upon appointment informing them of their role and duties as Directors and advising on disclosure obligations under the Companies Act 1967 and the SGX listing rules. Together with the appointment letters, newly-appointed Directors also receive a manual containing, inter alia, the terms of references of the Board Committees, Code of Business Conduct and Ethics, Policies on Board Renewal and Tenure and Proper Handling of Disclosure of Directors' Interest, Company's Constitution, Success Profiles and Role Profiles for an Effective Board, Schedule of Matters Reserved for the Board's Decision, Market Disclosure Policy and Policy on Diversity and Inclusivity. These documents are uploaded to a tablet device issued to every Director for easy reference.

Newly-appointed Directors will undergo an in-house induction programme organised by Management. The programme familiarises incoming Directors with the Group's businesses and strategic objectives. The programme includes presentations on the Company's strategic plans and financial performance by the Group CEO and the Group CFO, and presentations by Management on their respective businesses, directions and corporate governance practices. If required, facility visits are arranged for Directors to better understand the Group's business operations. The induction programme not only serves its objective of thoroughly acquainting the incoming Directors with the nature and workings of the Group's business, but also serves as a platform for the new Directors to get to know members of Management and to ask questions.

The Board recognises the importance of ongoing professional development for the Directors, and has a Policy on Professional Development. The NCGC is tasked to review and decide on training and professional development programmes for the Board. Depending on the individual Director's background and development needs, Directors are provided with opportunities to attend relevant courses and seminars to develop and maintain their skills and knowledge at the Company's expense. If required, briefings by external consultants or counsels will be organised for the Board. Unless the NCGC is of the view that training is not required because he/she has other relevant experience, a new Director who has no prior experience as a director of an issuer listed on the SGX will be required to undergo training in his/her roles and responsibilities as prescribed by the SGX. A new Director will also be required to undergo training on sustainability matters as prescribed by the SGX unless the NCGC is of the view that he/she has the requisite expertise in sustainability matters.

During the financial year, the development/training programmes, courses and seminars attended by the Directors included the following:

- A look into SingPost CyberSecurity by Board Members by Group Chief Information Officer, SingPost;
- Enterprise Risk Management Trends and Leading Practices by Board Members by PricewaterhouseCoopers Risk Services Pte Ltd;
- Top Executive WSH Programme (TEWP – In-Person Training) by NTUC LearningHub Pte Ltd;
- Top Executive WSH Programme (TEWP – Asynchronous E-Learning) by NTUC LearningHub Pte Ltd;
- Listed Entity Director (LED) Programme (Core) by Singapore Institute of Directors (SID):
  - Listed Entity Director Essentials;
  - Board Dynamics;
  - Board Performance;
  - Stakeholder Engagement;
  - Environmental, Social and Governance Essentials;
- LED – Remuneration Committee Essentials by SID;
- Sustainability Training for Directors of a REIT Manager by REIT Association of Singapore;
- Cyber Security Governance Role and Awareness by Cyber Security Agency of Singapore;
- Data & Digital Economy Masterclass on Cybersecurity Risk & Corporate Governance for Listed Companies by Rajah & Tann Singapore LLP; and
- Inaugural Board Seminar 2024 by Public Service Division.



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## BOARD MATTERS

### Principle 2: Board Composition and Guidance

#### Board Composition

The Board consists of nine members who collectively have a wealth of experience and a broad range of expertise relevant to the Group's businesses and transformation strategy, including eCommerce, logistics, accounting, finance, legal, business and management, strategic planning and investments, digital and IT, and global business experience. All are non-executives except for the Group CEO. The Board believes that the present size and composition of the Board and Board Committees are appropriate for the foreseeable requirements of the Group's businesses.

#### Review of Directors' Independence

The Board, taking into account the views of the NCGC, determines the independence of each Director on an annual basis or as and when circumstances require, based on the requirements under the SGX listing rules and the 2018 Code. Each Director is required to complete an independence checklist and declare whether he/she considers himself/herself independent based on the criteria under the SGX listing rules and the 2018 Code. Such declarations are put before the NCGC which then determines the Directors' independence. Such great importance is placed on Directors' independence that it is also incorporated in the Board evaluation.

Based on the recommendations of the NCGC, the Board considers the Chairman Mr Simon Israel as non-independent and considers Ms Lim Cheng Cheng and Mr Phang Heng Wee, Vincent (who is the Group CEO) as non-independent. The other six Directors are considered independent and make up a majority of the Board. In accordance with the Board's Code of Business Conduct and Ethics, each member of the NCGC and of the Board recused himself/herself from the deliberations on his/her independence.

Mr Simon Israel is the former Chairman of the Board of Singapore Telecommunications Limited (Singtel), which is a substantial shareholder of the Company. Mr Simon Israel stepped down as the Chairman of Singtel in July 2020. Mr Simon Israel was not appointed as a nominee Director of Singtel to the SingPost Board. Mr Simon Israel was also not directly associated with Singtel in that he was not accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of Singtel in relation to the corporate affairs of the Company. Nevertheless, to provide added assurance to the Company's stakeholders, Mr Simon Israel is treated by the Company as a non-independent Director.

Ms Lim Cheng Cheng is the Group Chief Corporate Officer of Singtel. Prior to that, she was the Group Chief Financial Officer of Singtel till 31 March 2021. Ms Lim Cheng Cheng is a nominee of Singtel to the SingPost Board.

Mr Gan Chee Yen is a non-executive director of Heliconia Capital Management Pte. Ltd. (Heliconia) and Surbana Jurong Private Limited (Surbana Jurong), both of which are subsidiaries of Temasek Holdings (Private) Limited (Temasek), a substantial shareholder of the Company. Mr Gan Chee Yen's roles in Heliconia and Surbana Jurong are non-executive in nature and he is not involved in their day-to-day conduct of business. He is also not accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of Temasek in relation to the affairs of Heliconia, Surbana Jurong and/or the Company. The NCGC and the Board (with Mr Gan Chee Yen abstaining) are satisfied that the above relationships will not interfere with Mr Gan Chee Yen's independent judgement and ability to act in the interests of SingPost, and he is therefore considered to be an independent Director.

#### Board Renewal and Tenure

The Board Renewal and Tenure Policy provides that no Director should serve more than six years, though an additional term of up to a maximum of three years may be permitted to accommodate the transition or the retention of critical skill sets. The Board recognises that board renewal is a continuous process. None of the Directors on the Board has served for more than nine years as at 31 March 2024.

Save for the Group CEO who is an executive Director, the other eight members of the Board are non-executive Directors. The strong proportion of non-executive Directors avoids undue influence of Management over the Board and ensures that appropriate checks and balances are in place.

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Non-executive Directors are neither Management nor employees of the Company. Nevertheless, non-executive Directors are expected to be familiar with the Company's business and stay informed of its activities so that they may constructively challenge Management. They also review and assess Management's performance against pre-set goals as well as participate in deliberations relating to the appointment, reward and compensation of the Group CEO and key Management personnel.

In addition to the role and duties of the non-executive Directors, the independent Directors provide an independent and objective check on Management and, together with the rest of the Board, safeguard the interests of minority shareholders. In certain cases, the independent Directors are required to make certain decisions and determinations under the SGX listing rules. For the financial year ended 31 March 2024, six of the nine Directors of the Company are independent.

The independent Directors and their immediate family members have 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 the Director's independent business judgment with a view to the best interests of the Company.

## Board Diversity

The Board recognises the benefit of diversity in fostering robust discussions and guarding against groupthink which in turn leads to better decision-making. In this regard, the Company has put in place a Policy on Diversity and Inclusivity since May 2018 which commits to giving due consideration to the benefits of diversity when seeking to appoint candidates to the Board and to senior Management. The Policy defines "diversity" to refer not only to gender but also to skill sets, sectoral experience, cultural ethnicity, age, background and other relevant personal attributes important in providing a range of perspectives, insights and challenges needed to support good decision-making. The Policy also requires that any professional bodies engaged to assist with the search process will be required to be given explicit instructions of the Company's commitment to diversity to ensure the search for talent is conducted accordingly.

The Company's diversity targets for the Board and its plans and timelines for achieving the targets and progress towards achieving the targets are described below.

In terms of Gender diversity, the Board aims to maintain between 30% to 50% female representation on the Board, taking into account the skills, experience and other diversity requirements of the Board. The Board believes that by being deliberate in ensuring a balance of gender representation on the Board, it would benefit from having access to a broader talent pool as well as varied perspectives to facilitate strategic thinking and problem solving. The Board will also exercise best endeavours to appoint at least one female Director to each of its Board Committees to safeguard against gender bias and ensure that there is diversity of views expressed at its Board Committees. In particular, the Board has ensured that at least one female Director is represented on both the NCGC and CC to advance the interest of female employees and support mentoring and development opportunities for female executives, ensuring unbiased career progression and to foster an inclusive culture. Female representation on the Board (five out of nine Directors) is currently one of the highest on the boards of companies publicly listed on the SGX. The Board's gender diversity targets have also been cascaded down to the senior Management executive team, on which the 30% to 50% female representation will also be sought to be maintained.

Besides Gender diversity, the Board strives towards achieving diversity more broadly, including diversity in terms of its Skill Sets and Sectoral Experience, and where possible, Age diversity, within the Board to enhance effective stewardship and oversight of the Group. The current Board comprises individuals with an appropriate combination of qualifications and competencies, including experience and/or expertise in eCommerce, logistics, accounting, finance, legal, business and management, strategic planning and investments, digital and IT, and global business experience, being the skill sets identified by the Board as critical to provide effective stewardship and oversight of the Group, as well as individuals who collectively possess experience encompassing the majority of the sectoral areas identified as being relevant to the Group. Currently, the ages of the Board members range from 42 to 74 years.

The Board has maintained its targets for gender, skill sets, sectoral experience and age diversity for the year ended 31 March 2024, and will endeavour to maintain these diversity targets for the financial year ending 31 March 2025.

# CORPORATE GOVERNANCE REPORT

The Board, taking into account the views of the NCGC, considers that the current diversity of the Board contributes to the quality of its decision-making process and adequately serves the needs and plans of the Group. Please see pages 83 to 84 below under “Succession Planning and Nomination Process” for a description of how the appointment of Mr Gan Chee Yen and Ms Yasmin Binti Aladad Khan as Directors during the year ended 31 March 2024 reinforced diversity on the Board. Further details on all of the Directors can also be found on pages 20 to 23 of this Annual Report.

## **BOARD MATTERS**

### **Principle 3: Chairman and Chief Executive Officer**

#### **Separation of the Role of Chairman and Group CEO**

The Chairman and the Group CEO are separate persons. Mr Simon Israel’s appointment as Chairman is a non-executive appointment totally separate from the office of the Group CEO, which is held by Mr Phang Heng Wee, Vincent. The roles of Chairman and the Group CEO are deliberately kept distinct through a clear division of responsibilities to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making. There is no family relationship between the two.

The respective roles of the Chairman and the Group CEO are clearly defined in the Success Profiles and Role Profiles for an Effective Board.

The Board and Management are mindful of the division of responsibilities between leadership of the Board and the executives responsible for managing the Company’s business.

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

The Chairman leads the Board to ensure its effective and comprehensive deliberations on matters brought to the Board, including strategic issues, talent management and succession planning. The Chairman sets the agenda for Board meetings and ensures complete and accurate information is provided to the Board to facilitate good decision-making in particular on strategic issues. He ensures appropriate relations within the Board, between the Board and Management, as well as between the Board and the Group CEO. At meetings, he promotes a culture of open dialogue and debate, facilitating the effective contribution of all Directors and promotes high standards of corporate governance. The Chairman also monitors the translation of the Board’s decisions and directions into executive action, providing guidance on the transformation of the Group. The Chairman maintains effective communication with shareholders and fosters good relationships with stakeholders such as the staff union, SingPost staff, government, regulators, customers and other partners. At shareholder meetings, the Chairman ensures constructive dialogue between shareholders, Directors and Management.

The Chairman plays an important leadership role by providing clear oversight, advice and guidance to the Group CEO and Management and has a significant impact on Board performance. With such a broad range of responsibilities, a separate distinctive Chairman Skills Matrix has been developed to guide the succession planning of the role of the Chairman, taking into account the skills and experience of the Board as a whole.

#### **Role of the Group CEO**

The Group CEO, who is an executive Director, is responsible for making strategic proposals to the Board and implementing the Group’s strategies and policies as well as the Board’s decisions. He assumes the executive responsibility for the day-to-day management of the Group, with the support of Management. When working with the Board, the Group CEO is expected to forge a productive and synergistic relationship, where both the Board and the Group CEO work in partnership for the long-term success of the Company.

#### **Regulatory Approvals**

The appointments of the Chairman, the Directors and the Group CEO require the prior written approval of the Infocomm Media Development Authority (IMDA). The Company duly sought and obtained the approval of IMDA in respect of all new appointments effected during the financial year ended 31 March 2024.

# CORPORATE GOVERNANCE REPORT

## Role of the Lead Independent Director

As the Chairman, Mr Simon Israel, is a non-independent Director, Mrs Fang Ai Lian was elected by the independent Directors as the Lead Independent Director. The role of the Lead Independent Director is clearly defined in the Success Profiles and Role Profiles for an Effective Board. The responsibilities of the Lead Independent Director set out therein include carrying out the functions of the Chairman in relation to any matter where it would be inappropriate for the Chairman to serve in such capacity or if the Chairman is unable to do so, and playing an additional facilitative role within the Board. The Lead Independent Director ensures the affairs of the Board and the Company are managed in a manner that reflects effective corporate governance. The Lead Independent Director also meets with the non-executive Directors without the Chairman present at least annually and leads the appraisal on the Chairman's and the Group CEO's performance on such other occasions as are deemed appropriate, as well as helps the CC design and assess the Chairman's remuneration.

The Lead Independent Director serves on the NCGC, leading the independent Directors in meetings periodically without the presence of the other Directors, and provides feedback to the Chairman after such meetings. The Lead Independent Director is also available to the shareholders or other stakeholders of the Company to address any concerns relating to matters that would be inappropriate for the Chairman, the Group CEO or the Group CFO to resolve, or that such persons may not be able to resolve adequately. The Lead Independent Director also facilitates communication between the Board and shareholders or other stakeholders of the Company.

## BOARD MATTERS

### Principle 4: Board Membership

#### Succession Planning and Nomination Process

The NCGC has the responsibility of establishing a formal and transparent search and nomination process for the selection, appointment and re-appointment of Directors. The NCGC also evaluates and reviews the Board succession plans for Directors, in particular, the Chairman, to ensure progressive renewal of the Board. When tasked to search for a new Director, the NCGC will first review the Company's emerging strategic priorities, then review the experience and expertise of the current Board composition in order to identify critical competency gaps that need to be filled that are aligned to the emerging strategic priorities of the Company. Taking into account the commitment towards Board diversity, potential candidates are then identified through professional search agencies, and consultation with Directors and shareholders.

The NCGC also considers recommendations received from shareholders and members of the public. After a candidate has been identified by the NCGC, a Board Composition Matrix and New Director Critical Scorecard are used to assess whether the core competencies, skills and experiences of the candidate complements those of the existing Directors. The NCGC will also take into consideration whether a candidate had previously served on the boards of companies with adverse track records or a history of irregularities, and assess whether a candidate's resignation from the board of any such company would cast any doubt on his ability to act as a Director of the Company.

The NCGC will then make its recommendation to the Board and arrange to meet with the shortlisted candidates to (i) assess the suitability of each candidate; (ii) communicate to the candidates the level of commitment expected (including time commitment); and (iii) provide sufficient information for the candidates to make an informed decision on accepting the role. The Board will then deliberate on the recommendation of the NCGC. Upon the Board's approval, the Company will seek IMDA's approval, in accordance with the requirement set out in the Postal Services Act 1999.

To facilitate shareholders' and investors' understanding of its nomination process, the Company will also disclose the channels used in the search and nomination process for identifying appropriate candidates and the channel via which the eventual appointee was found, and the criteria used to identify and evaluate the candidates.

# CORPORATE GOVERNANCE REPORT

Mr Gan Chee Yen and Ms Yasmin Binti Aladad Khan were appointed as non-executive independent Directors with effect from 31 October 2023 and 1 January 2024, respectively. In assessing Mr Gan Chee Yen's and Ms Yasmin Binti Aladad Khan's suitability for appointment as Directors, the NCGC considered, *inter alia*, whether their competencies, skills and experiences would complement those of the existing Directors using the Board Composition Matrix and New Director Critical Scorecard, the diversity targets set under the Policy on Diversity and Inclusivity, and their independence from the Company, its related corporations, its substantial shareholder and its officers. The Company relied on the business networks of the Board and independent professional search agencies to identify potential candidates for appointment to the Board. Mr Gan Chee Yen and Ms Yasmin Binti Aladad Khan were identified through a professional search firm.

The Board does not encourage the appointment of alternate Directors. No alternate Director has been or is currently appointed to the Board.

The review of succession plans for key Management personnel falls under the roles and responsibilities in the CC's terms of reference. On an annual basis, the CC conducts a succession planning review of the Group CEO and key Management positions, taking into consideration the SingPost Purpose Statement and the values, strategic priorities and factors affecting the long-term success of SingPost. As part of the review, the CC will assess the readiness of potential successors, as well as their corresponding development plans, bearing in mind the Company's strategic priorities and the factors affecting the long-term success of the Company.

The Board recognises the importance of progressively renewing the Board to address the evolving needs of the Company and is committed to a process of orderly succession planning for Directors. Recognising that the Board needs change over time, the Board reviews and approves a Board Composition Matrix of skill sets and capabilities, taking into account the objective of building a board which embodies diversity and has an appropriate balance between functional skill sets, domain expertise, and specific skills and capabilities needed to support the Company's strategy and business.

At the end of each term, Directors who wish to seek reappointment for another term will be subject to a review by the NCGC. The review will take into account:

- the Director's fit with the Board Composition Matrix;
- the annual Board effectiveness review;
- the competencies, commitment, contribution and performance of the Director; and
- the Director's compliance with the Board's Code of Business Conduct and Ethics.

Where Directors step down from the Board, cessation announcements providing detailed reason(s) for the cessation are released on SGXNet in compliance with the requirements of the SGX listing rules.

## Directors' Time Commitment

The NCGC is tasked with ensuring and determining that Directors who have multiple board representations and other principal commitments, have given sufficient time and attention to the affairs of SingPost and to decide if a Director has been adequately carrying out, and is able to continue carrying out the duties of a Director of the Company. In doing so, the NCGC considers the other directorships held by the Directors and their principal commitments. The NCGC also takes into account both the results of the assessment of the effectiveness of the individual Directors and their actual conduct during Board and Board Committee meetings and ad hoc discussions when making this determination.

Accordingly, the Board has set, as a general guidance, that the maximum number of listed company board representation which any Director holds should not exceed five. The Board however recognises that depending on the Directors' other principal commitments, the capacity of each Director may differ greatly. Therefore, under the Code of Business Conduct and Ethics, Directors are also to consult the Chairman of the Board and the chairman of the NCGC prior to accepting any appointments to the boards of directors or advisory boards of any public or privately held company or any other principal commitments so that such appointments may be considered by the Board in accordance with corporate governance guidelines. For the financial year ended 31 March 2024, the NCGC has determined that all the Directors have devoted a satisfactory amount of time and attention to the Company and have discharged their duties adequately. Inclusive of their appointment to the SingPost Board, none of the Directors hold more than five appointments on the boards of listed companies as at 31 March 2024.

# CORPORATE GOVERNANCE REPORT

## Rotation and Re-election/Re-appointment of Directors

The Board subscribes to the principle that all Directors should stand for re-election at regular intervals and at least once every three years. The Company's Constitution requires new Directors to retire and stand for re-election at the AGM immediately following their appointment (new Director re-election rule). The Constitution also requires a Director to retire and stand for re-election at the AGM if, were he/she not to do so, he/she would at the next AGM have held office for more than three years (over three years re-election rule). Finally, the Constitution requires one-third of the remaining Directors starting from those with the longest term in office since their appointment or re-election to retire from office by rotation at each AGM (1/3 rotation rule). Retiring Directors are eligible for re-election.

The NCGC deliberates the suitability of the Directors for re-election and takes into consideration their competencies, past contribution and performance. The NCGC's recommendations will then be made to the Board for their approval. Shareholders are provided with relevant information on the Directors who will be standing for re-election at each AGM.

At the forthcoming AGM, Mr Gan Chee Yen and Ms Yasmin Binti Aladad Khan will retire pursuant to the new Director re-election rule. Ms Elizabeth Kong Sau Wai will retire pursuant to the over three years re-election rule, and Ms Lim Cheng Cheng and Mrs Fang Ai Lian will retire pursuant to the 1/3 rotation rule. All of them, being eligible for re-election, have offered themselves for re-election. The Board has endorsed the recommendations of the NCGC for their re-election.

Name of Director	Retiring and standing for re-election pursuant to:
Mr Gan Chee Yen (appointed on 31 October 2023)	new Director re-election rule (Article 104)
Ms Yasmin Binti Aladad Khan (appointed on 1 January 2024)	new Director re-election rule (Article 104)
Ms Elizabeth Kong Sau Wai (last re-elected on 15 July 2021)	over three years re-election rule (Article 98(a))
Ms Lim Cheng Cheng (last re-elected on 21 July 2022)	1/3 rotation rule (Article 98(b))
Mrs Fang Ai Lian (last re-elected on 21 July 2022)	1/3 rotation rule (Article 98(b))

The profiles of the Directors are set out on pages 20 to 23 of this Annual Report. In addition, the Notice of AGM sets out information on the Directors seeking re-election at the AGM. Detailed information on the Directors (including information as set out in Appendix 7.4.1 of the Listing Manual of the SGX) can be found in the "Additional Information on Directors Seeking Re-Election" section on pages 246 to 261 of this Annual Report.

# CORPORATE GOVERNANCE REPORT

## BOARD MATTERS

### Principle 5: Board Performance

#### Board Evaluation

The Board reviews its performance annually. Each year, a process is undertaken by the NCGC to evaluate the effectiveness of the Board as a whole and its Board Committees and the contribution by each individual Director to the effectiveness of the Board.

As in previous years, an external facilitator was appointed to carry out the evaluation for the financial year ended 31 March 2024. Other than its role as assessor on Board effectiveness, Aon Hewitt, an international consulting firm, is an independent service provider with no connection with the Company or with any of its Directors. As Aon Hewitt had conducted the Board evaluation previously, a factor in appointing Aon Hewitt was consistency in having the same external facilitator to evaluate the performance for year-on-year comparison.

The external facilitator proposed the approach and evaluation criteria which was endorsed by the NCGC and approved by the Board. The approved evaluation methodology covered the same measures that the Singapore Governance and Transparency Index is based on, namely board size, board independence, CEO-chairman separation, board competencies, board duties and responsibilities, board and committee meetings (e.g. frequency and attendance), selection of Directors (e.g. transparency of the process), succession planning process, appraisal of Directors, remuneration and shareholders/investor relations, communications and transparency.

The process involved Directors first completing a comprehensive online questionnaire covering various aspects of board processes and effectiveness encompassing, amongst others, board and committee evaluation, board strategy and priorities, Directors self/peer evaluation, Chairman evaluation, risk management, board composition, information management, managing Company's performance, CEO performance and succession planning, director development and management and representation of shareholders and corporate social responsibility. The responses from the Directors were then collated and a gap analysis was conducted by Aon Hewitt to confirm that the Board had met its performance objectives. The Chairman will act on the results of the evaluation in consultation with the NCGC.

## REMUNERATION MATTERS

### Principle 6: Procedures for Developing Remuneration Policies

### Principle 7: Level and Mix of Remuneration

### Principle 8: Disclosure on Remuneration

#### Remuneration Strategy, Principles and Framework

The objective of the Company's remuneration framework is to attract, reward, motivate and retain a talented and high performing workforce in order to achieve the Group's business objectives and to attract and motivate Directors to provide good stewardship of the Group.

The Group's remuneration framework is designed to incentivise the delivery of the Group's business priorities and shareholder value creation. It is structured to provide an appropriate balance between the fixed and performance related components.

A balanced scorecard approach is used to measure the Group's success in executing the long-term business strategy and the performance of the Management.

# CORPORATE GOVERNANCE REPORT

The following table sets out the guiding principles of the remuneration strategy and its implementation:

Guiding Principles	Details
<b>Alignment with Shareholders' Interest</b>	<ul style="list-style-type: none"> <li>Align interests between employees and shareholders</li> <li>Design incentive payout structure to align incentive payments with the long-term performance of the Group</li> </ul>
<b>Provide Market Competitive Pay</b>	<ul style="list-style-type: none"> <li>Offer competitive packages to attract and retain talented and experienced individuals</li> <li>Align total compensation with the market, subject to affordability</li> </ul>
<b>Pay-for-Performance</b>	<ul style="list-style-type: none"> <li>Instill and drive a pay-for-performance culture</li> <li>Measure performance against a balanced scorecard, comprising financial and non-financial metrics</li> </ul>

## Remuneration Governance

In performing the duties as required under its terms of reference, the CC ensures that the remuneration practices are in line with the Group's long-term strategy, performance and corporate values.

The CC is responsible for reviewing and recommending to the Board a general framework of remuneration (including termination terms) and the specific remuneration packages for each Director (including the Group CEO) and key Management personnel. No individual Director is involved in deciding his/her own fees. Each year, the CC also approves the annual increment pool and variable bonus pool for distribution to all eligible employees, and ensures that the level and structure of remuneration align with the long-term interests of shareholders and risk management strategies.

The CC has access to both internal and external expert advice on human resource matters whenever there is a need to consult. During the financial year ended 31 March 2024, Mercer (Singapore) Pte Ltd and Willis Towers Watson Consulting (Singapore) Pte Ltd were engaged as the Company's remuneration consultants to provide advice on market practices and benchmark data for differentiated requirements to meet the diverse needs of the Group. The Group does not have any relationship with the remuneration consultants which will affect their independence and objectivity.

The CC considers remuneration practices holistically with other human resource related issues such as succession planning, talent retention and recruitment. Succession planning and leadership development remain the key focus areas for the CC. On an annual basis, the CC conducts a succession planning review of the Group CEO and key management positions to assess readiness of potential successors, as well as their corresponding development plans with due consideration given to the Group's remuneration framework and practices.

## Level and Mix of Remuneration

The remuneration of non-executive Directors is benchmarked to the market and takes into account factors such as the effort and time spent, contributions and respective responsibilities of the Directors. The non-executive Directors receive a basic retainer fee, additional fees for appointment to Board Committees and attendance fees for attending Board and Board Committee meetings. The Directors' remuneration is reviewed annually against peer companies to ensure its competitiveness and the quantum of the fees will only be paid upon approval by the shareholders at the AGM.

The Group CEO, who is an executive Director, is not paid Directors' fees. The Group CEO's terms of employment and rewards, including long-term incentives in the form of SingPost shares, are reviewed by the CC and approved by the Board.

The level and structure of remuneration of the non-executive Directors, the Group CEO and key Management personnel are disclosed in the respective tables below. The Group exercises clawback of certain incentive components of remuneration from the Group CEO and key Management personnel in situations such as the inaccurate assessment of financial targets and performance attained or misconduct resulting in financial loss to the Group.



# CORPORATE GOVERNANCE REPORT

## Remuneration of Non-Executive Directors

The fees for non-executive Directors comprised a basic retainer fee, additional fees for appointment to Board Committees and attendance fees for attending Board and Board Committee meetings and the Board Strategy Workshop. The framework for determining non-executive Directors' fees for the financial year ended 31 March 2024 is the same as the previous financial year and is set out below:

	S\$ (per annum)
<b>Basic Retainer Fee</b>	
Chairman	165,000
Director	65,000
<b>Fee for appointment to Audit Committee and Finance and Investment Committee</b>	
Committee Chairman	40,000
Committee Member	25,000
<b>Fee for appointment to Board Risk and Technology Committee</b>	
Committee Chairman	30,000
Committee Member	20,000
<b>Fee for appointment to Nominations and Corporate Governance Committee, Compensation Committee and Board Sustainability Committee</b>	
Committee Chairman	20,000
Committee Member	15,000
Attendance fee for Board/Board Committee meeting (per meeting)	1,200
Attendance fee for Board Strategy Workshop	3,000

The aggregate fees payable to non-executive Directors for the financial year ended 31 March 2024 is S\$ 1,207,970. Details are set out in the table below:

Name of Directors	Directors' Fees (S\$'000) <sup>(1)</sup>
Simon Israel	289.2
Chu Swee Yeok	145.8
Fang Ai Lian	180.3 <sup>(2)</sup>
Elizabeth Kong Sau Wai	165.5 <sup>(3)</sup>
Lim Cheng Cheng	111.0 <sup>(4)</sup>
Bob Tan Beng Hai	160.6
Gan Chee Yen	46.0 <sup>(5)</sup>
Yasmin Binti Aladad Khan	33.1 <sup>(6)</sup>
Chen Jun	31.8 <sup>(7)</sup>
Steven Robert Leonard	44.7 <sup>(7)</sup>
<b>Total</b>	<b>1,208.0</b>

### Notes:

- (1) No base or fixed salary, variable or performance-related income or bonuses, benefits in kind, stock options, share-based incentives and awards or other long-term incentives were paid to the non-executive Directors.
- (2) Mrs Fang Ai Lian served as a member of the BSC from 19 July 2023 to 8 February 2024, and her fee for appointment to the BSC has been pro-rated accordingly.
- (3) Ms Elizabeth Kong Sau Wai served as a member of the BRTC from 19 July 2023 to 8 February 2024, and her fee for appointment to the BRTC has been pro-rated accordingly.
- (4) Director's fee payable to Ms Lim Cheng Cheng will be paid fully in cash to Singapore Telecommunications Limited.
- (5) Mr Gan Chee Yen was appointed as a Director with effect from 31 October 2023, and as a member of the AC, BRTC and NCGC with effect from 8 February 2024. His basic retainer fee and fees for appointment to the AC, BRTC and NCGC for the financial year ended 31 March 2024 have been pro-rated accordingly.
- (6) Ms Yasmin Binti Aladad Khan was appointed as a Director with effect from 1 January 2024, and as a member of the BSC, CC and FIC with effect from 8 February 2024. Her basic retainer fee and fees for appointment to the BSC, CC and FIC for the financial year ended 31 March 2024 have been pro-rated accordingly.
- (7) Mr Chen Jun and Mr Steven Robert Leonard retired as Directors at the conclusion of the 2023 AGM, and their basic retainer fee and fees for appointment to the Board Committees on which they served for the financial year ended 31 March 2024 have been pro-rated accordingly.

# CORPORATE GOVERNANCE REPORT

There is no employee of the Company or its subsidiaries who is a substantial shareholder of the Company, or is an immediate family member of a Director, the Group CEO or a substantial shareholder of the Company, and whose remuneration exceeded S\$100,000 during the financial year ended 31 March 2024.

## **Remuneration of Group CEO/Executive Director and Key Management Personnel**

The Group adopts a remuneration strategy that supports a pay-for-performance philosophy. Performance-related remuneration is aligned with the interests of shareholders and other stakeholders, and promotes the long-term success of the Company. The Company's executives participate in an annual performance review process that assesses the individual's performance against set performance targets. Performance against these targets which include both financial and non-financial measures is a key factor determining their remuneration.

The remuneration structure for the Group CEO and key Management personnel consists of the following components:

### ***Fixed Component***

Fixed pay comprises base salary, fixed allowances and annual wage supplement. Base salary is determined based on the individual's responsibilities, competencies and experience and is aligned to the median of the market. The CC proposes the compensation of the Group CEO and key Management personnel for the Board's approval on an annual basis.

### ***Variable Component***

Variable component refers to the performance bonus (PB) which links rewards to the achievement of organisational targets. The PB is structured to support the Group's business strategy and shareholder value creation through the delivery of corporate targets, namely, financial outcomes, strategic business imperatives, operational excellence and people. The overall PB pool is a function of the business units' relative performance against their respective balanced scorecard. Individual PB is determined based on a blended qualitative assessment of their performance which includes the demonstration of the SingPost values and competencies.

### ***Long-term Incentives***

Long-term incentives (LTI) are designed to reward, motivate and align employees' interests with that of shareholders. It is intended to retain key executives and employees, drive longer term business priorities and shareholder value creation. The long-term incentives are granted in the form of restricted shares with reference to the desired remuneration structure target and valued based on the Monte Carlo Model and Discounted Cash Flow Model. There are two types of LTI awards – the Restricted Share Award (RSA) and Performance Share Award (PSA). The RSA is granted to a broader group of executives and critical talents, whereas the PSA is granted to senior Management to reinforce the delivery of shareholder returns. A greater portion of the remuneration for the senior Management is delivered in long-term incentives to ensure alignment with shareholders' interests. Details of the LTI awards can be found in the "Directors' Statement" section of the Annual Report.

### ***Provident Fund***

This component refers to statutory contributions to the Singapore Central Provident Fund, in line with local legislative requirements. It is not directly linked to performance.

### ***Benefits***

The Company strives to provide benefits that are comparable with market practice and these may include medical, flexible benefits, car allowance or group insurances.

The employment contracts of the Group CEO and key Management personnel do not contain any special or exceptional clauses providing for additional compensation payments in the event of termination. For the financial year ended 31 March 2024, there were no termination, retirement and post-employment benefits granted to the Group CEO and key Management personnel.

# CORPORATE GOVERNANCE REPORT

## Remuneration of Executive Director / Group CEO

The following information relates to the remuneration of the Group CEO for the financial year ended 31 March 2024:

Name of Executive	Fixed Component <sup>(1)</sup> (S\$'000)	Variable Component <sup>(2)</sup> (S\$'000)	Provident Fund <sup>(3)</sup> (S\$'000)	Benefits <sup>(4)</sup> (S\$'000)	Total Compensation <sup>(5)</sup> (S\$'000)	SingPost Restricted Share Plan <sup>(6)</sup>	
						No. Awarded & Accepted ('000)	Value (S\$'000)
Phang Heng Wee, Vincent Group CEO	850.0	313.8	17.7	45.7	1,227.2	1,136.3	470.1

## Remuneration of Other Key Management Personnel

The following information relates to the remuneration of the Company's top five key Management positions (which are not Directors or the Group CEO) for the financial year ended 31 March 2024:

Name of Executive (In alphabetical order within each band)	Fixed Component <sup>(1)</sup> %	Variable Component <sup>(2)</sup> %	Provident Fund <sup>(3)</sup> %	Benefits <sup>(4)</sup> %	Total Compensation <sup>(5)</sup> %	SingPost Restricted Share Plan <sup>(6)</sup> FMH Group LTI Plan <sup>(7)</sup>		
						No. Awarded & Accepted ('000)	Value (S\$'000)	Value (S\$'000)
<b>S\$1,000,000 to below S\$1,250,000</b>								
Noel Harryono Singgih Group Chief Information Officer	46.0	48.4	1.8	3.8	100.0	699.2	294.9	–
<b>S\$750,000 to below S\$1,000,000</b>								
Li Yu CEO, International	60.3	34.2	1.6	3.9	100.0	446.0	184.6	–
Simon Slagter <sup>(8)</sup> Group CEO, Freight Management Holdings Group	63.0	30.7	2.7	3.6	100.0	–	–	1,275.9
<b>S\$500,000 to below S\$750,000</b>								
Neo Su Yin <sup>(9)</sup> CEO, Singapore	80.7	9.8	3.4	6.1	100.0	324.4	134.2	–
Yik Yen Shan, Vincent Group CFO	74.6	14.4	3.1	7.9	100.0	382.3	158.2	–

Aggregate compensation paid to the top five key Management positions as at 31 March 2024 (which includes fixed and variable pay, benefits, provident fund contribution and fair value of long-term incentive grants) is approximately S\$6.02 million.

### Notes:

- (1) Fixed Component refers to base salary, fixed allowances and annual wage supplement, if applicable, for the financial year ended 31 March 2024.
- (2) Variable Component refers to performance bonus paid in the financial year ended 31 March 2024.
- (3) Provident Fund represents payment in respect of the Company's statutory contributions to the Singapore Central Provident Fund or, as the case may be, Freight Management Holdings Pty Ltd's superannuation contributions in Australia.
- (4) Benefits are stated on the basis of direct costs to the Group. These include medical benefits, flexible benefits, other benefits in kind, car allowance, and long service awards, where applicable.
- (5) Total Compensation excludes the value of restricted shares under SingPost Restricted Share Plan and the value of Rights under FMH Group LTI Plan.
- (6) Restricted Share Awards granted in the financial year ended 31 March 2024. The restricted shares valuation adopted simulation methodologies consistent with assumptions that apply under the Discounted Cash Flow Model.
- (7) The long-term incentives granted under the FMH Group LTI Plan are awarded in the form of Rights, subject to performance conditions. The value reflected is based on share option expensing for the financial year ended 31 March 2024.
- (8) Mr Simon Slagter is the Group CEO of Freight Management Holdings Group. The amount disclosed above is in respect of his remuneration for the full financial year ended 31 March 2024, which is paid by Freight Management Holdings Pty Ltd.
- (9) Ms Neo Su Yin ceased to be the CEO, Singapore and left the Company on 1 May 2024.

# CORPORATE GOVERNANCE REPORT

## ACCOUNTABILITY AND AUDIT

### Principle 9: Risk Management and Internal Controls

The Board and Management ensure that the Group implements and maintains a sound system of risk management and internal controls. The Group's policy is to establish an organisational philosophy and culture that ensures that effective risk management is an integral part of its activities and a core management capability. The Board is responsible for the governance of risk across the Group. The BRTC assists the Board in the oversight of the Group's risk management framework and policies.

The Group adopts an Enterprise Risk Management (ERM) Framework which sets out the components for managing risks in an integrated, systematic and consistent manner. The ERM Framework and related policies are reviewed annually.

The BRTC has scheduled meetings which are attended by the Group CEO, Group CFO, CEO Singapore, CEO International, Group Chief Information Officer, as well as key Management, all of whom are responsible for directing and monitoring the development, implementation and supervision of ERM practices across the Group.

Key Management meetings were held on a fortnightly basis to discuss strategic, business, and operational matters. During these meetings, key projects and operational risks were identified and discussed, along with proposed mitigating measures to address these risks to ensure residual risks were mitigated to an acceptable level. Follow-ups were then performed in subsequent meetings to ensure mitigating actions were executed. Any significant issues identified from these meetings were brought to the attention of the BRTC.

The Group has in place a structured and systematic approach to risk management, and aims to mitigate the Group's risk exposures through appropriate risk management strategies and internal controls. Risk management in the Group is a continuous, iterative and integrated process which has been incorporated into various planning, approval, execution, monitoring, review and reporting systems. The Group adopts a top-down as well as bottom-up approach on risk management to ensure the strategic, business, operational, financial, compliance and IT risk exposures are identified, aligned to the Group's strategic and business objectives, and appropriately managed.

On a quarterly basis, the respective risk owners will review the adequacy and effectiveness of the mitigating controls for all risks within their respective divisions and the division-specific controls to mitigate such risks. Risk custodians, who are typically key Management, provide oversight and guidance for enterprise-wide risk mitigation strategies and plans, and will coordinate efforts to manage the risks on a group-wide basis.

It is the Board that sets the risk appetite of the Group and has oversight over the Group's top tier risks, which are refreshed on an annual basis and presented to the Board, together with updates on Group ERM initiatives, on a quarterly basis.

During the financial year ended 31 March 2024, the BRTC reviewed the ERM Framework to ensure it remains relevant to the Group's circumstances. The ERM framework consists of ERM Governance, ERM Process and ERM Monitoring. Both ERM process (risk reporting) and ERM monitoring (key risk indicators and incident reports circulated to BRTC) are performed on a quarterly basis. Critical technology matters such as IT (Cyber) security and risks associated with data strategy management are also discussed at length between the BRTC and Management, including the Group Chief Information Officer.

The BRTC also assists the Board in fulfilling its oversight responsibilities on risk management by reviewing:

- the overall risk management system and process and providing comments on changes as and when appropriate for Management's consideration having regard to costs and benefits;
- the Group's risk appetite statements, risk profiles, guidelines and limits; and
- the Group's material exposures and concurrence on Management's assessment on the adequacy and effectiveness of the mitigation measures implemented by risk owners.

# CORPORATE GOVERNANCE REPORT

The Group's risk appetite statement (RAS) reflects the nature and extent of risks the Group is willing to take in pursuing its strategic objectives and addresses the management of material risks faced by the Group. Alignment of the Group's risk profile to the Group's RAS is achieved through various communication and monitoring mechanisms (including key performance indicators set for Management) put in place across the Group. During the financial year ended 31 March 2024, the Board reviewed the Group's RAS regarding the Group's perspectives on the risks surrounding strategy, sustainability and growth, financial, people and culture.

The key internal controls of the Group include:

- establishment of risk management systems and policies;
- establishment of policies and approval limits for key financial and operational matters, and the rules relating to the delegation of authorities; documentation of key processes and procedures;
- segregation of incompatible functions which give rise to a risk of errors or irregularities not being promptly detected;
- safeguarding of assets;
- maintenance of proper accounting records;
- ensuring compliance with appropriate legislation and regulations; and
- having qualified and experienced persons to take charge of important functions.

The Company's approach to risk management is set out in the Enterprise Risk Management section of this Annual Report on pages 102 to 110.

The Board has received written assurance from the Group CEO and the Group CFO that, as at 31 March 2024, the Group's financial records have been properly maintained, and the financial statements give a true and fair view of the Group's operations and finances.

Written assurance has also been received by the Board from the Group CEO, the Group CFO and other relevant key Management personnel that the Group's internal controls (including financial, operational, compliance and IT controls) and risk management systems were adequate and effective as at 31 March 2024 to address the risks (including sanction-related risks) which the Group considers relevant and material to its operations and finances.

The Board, with the concurrence of the AC, is of the opinion that the Group's internal controls (including financial, operational, compliance and IT controls) and risk management systems were adequate and effective as at 31 March 2024 to address the risks (including sanctions-related risks) which the Group considers relevant and material to its operations and finances. This opinion is arrived at based on the framework established and maintained by the Group, the work performed by the internal and external auditors, reviews carried out by Management, various Board Committees and the Board, and assurances received from the Group CEO, the Group CFO and other relevant key Management personnel. As at 31 March 2024, there has been no material change to the Group's risk of being subject to any sanctions-related law or regulation.

The Board notes that the internal controls and risk management systems provide reasonable but not absolute assurance that the Group will not be adversely affected by any event that could be reasonably foreseen as it strives to achieve its business objectives.

In this regard, the Board also notes that no system can provide absolute assurance against the occurrence of material errors, poor judgement in decision-making, human errors, fraud or other irregularities.

The Board has overall responsibility to shareholders for ensuring that the Group is well managed and guided by its strategic objectives. In presenting the Group's periodic financial statements to shareholders, it is the aim of the Board to provide shareholders with a balanced and understandable assessment of the Group's performance, position and prospects.

# CORPORATE GOVERNANCE REPORT

## ACCOUNTABILITY AND AUDIT

### Principle 10: Audit Committee

The AC comprises four Directors, all of whom are non-executive independent Directors. All members of the AC, including the AC chairman, have recent and relevant accounting or related financial management expertise and experience. The AC does not comprise members who were partners or directors of the incumbent external auditor, Deloitte & Touche LLP, within the past two years. The AC also does not comprise any member who has any financial interest in Deloitte & Touche LLP. The AC's key responsibilities are outlined in the "Board Committees" section of this report.

The AC has explicit authority to investigate any matter within its terms of reference. It has full access to and the full cooperation of Management. It also has full discretion to invite any Director or executive officer to attend its meetings. In addition, the AC has direct access to the external auditor. If required, the AC has authority to seek external resources to enable it to discharge its functions properly, including obtaining legal and other professional advice and services.

The Group's Internal Audit Department (IAD) performs detailed work to assist the AC in the evaluation of material internal controls of the Group. The external auditor, in the course of conducting its normal audit procedures on the statutory financial statements of the Group, also reviews the Group's material internal controls to the extent of their scope as laid out in their audit plan. If any material internal control weaknesses are noted by the external auditor, these weaknesses and the external auditor's recommendations are reported to the AC.

The AC reviews the overall scope of both internal and external audits and the assistance given by the Group's officers to the auditors. It meets with the Group's internal and external auditors to discuss the results of their respective examinations and their evaluation of the Group's system of internal controls. The AC also meets with the internal and external auditors, without the presence of Management, at least annually.

The AC has reviewed the half-year and annual financial statements of SingPost and the Group, the voluntary interim business updates for the first and third quarters of the financial year, and the related SGXNet announcements for the financial year ended 31 March 2024, as well as the auditor's reports thereon. Interested person transactions of the Group in the financial year have been reviewed by the AC.

During the financial year, the AC has reviewed the performance of the external auditor using the Audit Quality Indicators Disclosure Framework published by ACRA as reference. The AC has also reviewed with Management all the non-audit services provided by the external auditor to SingPost and the Group in the financial year ended 31 March 2024. Based on the nature and extent of the services provided, the AC is of the opinion that the independence of the external auditor was not impaired by the provision of these non-audit services. The external auditor has also provided a confirmation of its independence to the AC. Accordingly, the AC has recommended the re-appointment of the external auditor at the forthcoming AGM.

The AC has reviewed with the Group CFO and the external auditor the changes to accounting standards and issues which are relevant to the Group and have a direct impact on the Group's financial statements.

The AC has also reviewed the statement of financial position and statement of changes in equity of the Company and the consolidated financial statements of the Group for the financial year ended 31 March 2024, as well as the Independent Auditor's Report thereon before submitting them to the Board for its approval. The AC has discussed with Management the accounting principles that were applied and also considered the appropriateness of the critical accounting estimates and judgments made in preparing the financial statements.

# CORPORATE GOVERNANCE REPORT

The following significant matters impacting the financial statements were discussed with Management and the external auditor and were reviewed by the AC:

Key Audit Matters	Review of Key Audit Matters by the Audit Committee
<p><b>Assessment of impairment of goodwill and other intangible assets</b></p>	<p>The Audit Committee considered the approach and methodology applied to the valuation models used in the goodwill impairment assessment as well as the assessment of indicators of impairment of intangible assets.</p> <p>The Audit Committee reviewed the recoverable amounts of the cash-generating units ("CGUs") which involves significant judgment about the future cash flow projections of the business, the appropriate terminal growth rates and discount rates applied to the future cash flow projections.</p> <p>The impairment review was also an area of focus for the external auditor. The external auditor has included this item as a key audit matter in its audit report for the financial year ended 31 March 2024. Refer to page 123 of the Annual Report.</p>
<p><b>Valuation of investment properties</b></p>	<p>The Audit Committee considered the approach and methodology applied to the valuation models used in assessing the valuation of investment properties.</p> <p>The Audit Committee reviewed the data, estimates and assumptions as well as the independence and competence of the valuer appointed to perform the valuations.</p> <p>The valuation of investment properties was also an area of focus for the external auditor. The external auditor has included this item as a key audit matter in its audit report for the financial year ended 31 March 2024. Refer to page 124 of the Annual Report.</p>
<p><b>Review of Interested Person Transactions</b></p>	

SingPost has established policies and procedures to govern and ensure that interested person transactions (IPTs) are entered into at arm's length, including comparisons against market rates and obtaining competitive quotes where applicable. The IAD regularly reviews the IPTs entered by the Group to verify the accuracy and completeness of the relevant IPT disclosures and ensures compliance with the requirements of Chapter 9 of the Listing Manual of the SGX, and the IAD's findings are reported to the AC for review. During the financial year under review, the AC, assisted by the IAD, reviewed the IPTs and is satisfied that the IPTs were made on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders.

# CORPORATE GOVERNANCE REPORT

## Whistleblowing Policy

The Group is committed to a high standard of ethical conduct and adopts a zero-tolerance approach to fraud, corruption and other forms of unethical behavior or conduct. The Group has put in place whistleblowing policies and arrangements by which staff and any other persons may, in confidence, raise concerns about possible improprieties including concerns about the Group's accounting, internal controls, auditing matters and the conduct of officers or staff including Management and Directors. The Group is also committed (and has disclosed its commitment under the SingPost Whistleblowing Policy published on its corporate intranet and corporate website) to ensure protection of the whistleblower against reprisal, or detrimental or unfair treatment where such reports are filed in good faith (even if the feedback is later found to be unsubstantiated after investigation). The IAD has been designated as the independent function to maintain the dedicated whistleblowing channels and investigate whistleblowing reports made in good faith. All whistleblowing reports received, including the identities of the whistleblowers and the persons implicated in the reports, are kept strictly confidential and only disclosed on a "need-to-know" basis. The AC is responsible for oversight and monitoring of whistleblowing and periodically reviews these policies and arrangements. All reportable incidents including allegations of fraudulent practices are brought to the attention of the chairman of the AC and the Chairman of the Board, and are investigated promptly, independently, professionally, fairly and honestly. Details of the whistleblowing policies, and arrangements and procedures for raising such concerns are posted on the Company's corporate intranet and corporate website for easy reference by staff and any other persons. New staff are also briefed on these policies during the staff orientation programme.

In respect of the Board, the Code of Business Conduct and Ethics requires Directors to communicate any suspected violations promptly to the Chairman of the Board and the chairman of the NCGC. If the suspected violations involve the Chairman of the Board or the chairman of the NCGC, communication should be made to the chairman of the AC whereupon suspected violations will be investigated by the Board or by a person or persons designated by the Board and appropriate action will be taken in the event it is determined that any violation has occurred.

In addition, the Group adopts a zero-tolerance approach to bribery and corruption and is committed to acting professionally, transparently and fairly with integrity in all of the Group's business dealings and relationships as well as implementing and enforcing effective systems to counter bribery and corruption. The Group's Anti-Bribery and Corruption Policy (ABC Policy) sets out guiding principles to conduct the businesses with honesty, fairness and high ethical standards. The ABC Policy applies to the Board members as well as employees of the Group. The Company also has a Code of Conduct that sets forth certain standards and rules of conduct that apply to all employees. The Code of Conduct describes the importance of protecting the interests of the Company, safeguarding sensitive and confidential information, preventing any conflict of interest, and not engaging in illegal, corrupt or fraudulent activities, as an employee of the Company. All employees are expected to strictly adhere to the rules of conduct contained in the staff manual including the code, as well as comply with Company policies, laws and regulations.

The Code of Business Conduct and Ethics and the ABC Policy are accessible from the Company's corporate website at <https://www.singpost.com/about-us/corporate-information/corporate-governance>.

## Internal Audit

The IAD covers the audits of the Company and its subsidiaries. The IAD's objectives, scope of authority and responsibilities are defined in the Group's Internal Audit Charter, which has been approved by the AC. The IAD is independent of the activities it audits, and does not undertake any operational responsibility or authority over any of the activities within its audit scope.

The IAD is staffed by suitably qualified and experienced executives. Its primary line of reporting is to the chairman of the AC, although it would also report administratively to the Group CEO. The AC approves the hiring, removal, evaluation and compensation of the head of the internal audit function.

Under the Group's Internal Audit Charter, the IAD has unfettered access to all of the Group's documents, records, properties and personnel, including direct access to the AC.



# CORPORATE GOVERNANCE REPORT

The Group's annual internal audit plan is formulated based on a risk-based approach to review the adequacy and effectiveness of the Group's system of internal controls, including financial, operational, compliance and IT controls, and risk management systems. The audit work is prioritised and scoped based on the assessment of current and emerging risks, including financial, operational, technology, cyber, compliance, sustainability and strategic risks. The annual internal audit plan also incorporates the periodic internal review of the Company's sustainability reporting process addressing sustainability risks. The Group's internal audit plan was reviewed and approved by the AC.

The AC reviews the adequacy and effectiveness of the internal audit function on an ongoing basis, and is of the view that the internal audit function is independent, effective and adequately resourced. The AC ensures that the IAD is adequately resourced, has appropriate standing within the Group and is able to perform its functions effectively and objectively.

The IAD adopts and complies with the International Standards for the Professional Practice of Internal Auditing issued by The Institute of Internal Auditors (IIA). The IAD has a Quality Assurance and Improvement Programme (QAIP) to ensure conformance to IIA Standards. As part of the QAIP, internal Quality Assurance Reviews (QAR) are conducted on an annual basis and external QAR are carried out once every 5 years by external qualified professionals. An external QAR was conducted by Ernst & Young Advisory Pte. Ltd. during the financial year ended 31 March 2024, and SingPost IAD received the highest rating of "Generally Conforms" and continues to meet or exceed IIA Standards and its Code of Ethics in all key aspects. Similarly, the internal QAR conducted during the year concluded that the internal audit scope of activities "Generally Conforms" with the IIA Standards.

Training and development opportunities are provided for IAD staff to ensure their technical knowledge and skill sets remain current and relevant. Support is also given to IAD staff to achieve and maintain their certification and relevant professional accreditations (e.g., Certified Internal Auditor, Certified Fraud Examiner, Certified Information Systems Auditor, Chartered Accountant, etc.). IAD staff also attend external trainings and seminars conducted by reputable public accounting and auditing firms, and professional associations such as IIA, Association of Certified Fraud Examiners, and Singapore Accountancy Commission.

## SHAREHOLDER RIGHTS AND ENGAGEMENT

### Principle 11: Shareholder Rights and Conduct of General Meetings

#### Principle 12: Engagement with Shareholders

The Company treats all shareholders fairly and equitably, and upholds a practice of transparent and timely disclosure of its financial performance and position as well as business outlook. All price-sensitive and trade-sensitive information is publicly released via SGXNet prior to any meetings with analysts or investors with the view to ensure parity of information. Such information is also posted on the Company's corporate website after each release.

#### Conduct of Shareholder Meetings

The Company's 2023 AGM was held in a hybrid format to facilitate shareholders' participation and engagement. Shareholders, duly appointed proxy(ies) and representatives, and CPF and SRS investors were able to attend the 2023 AGM in person or, alternatively, participate in the 2023 AGM using virtual meeting technology, which enabled them to submit questions to the Chairman of the Meeting and vote at the 2023 AGM "live" via the online platform for the AGM. Having regard to the size of the Company's shareholder base and feedback from shareholders, the Company's AGM in respect of the financial year ended 31 March 2024 (2024 AGM) will again be held in a hybrid format.

The Company encourages shareholder participation at general meetings, which serve as a platform for engagement with the Board and Management. The Company ensures that shareholders have the opportunity to participate effectively and vote at general meetings.

The Company disseminates information on its general meetings through notices sent to shareholders and published in the local press, the Company's corporate website and via SGXNet. Annual Reports and Letters/Circulars are normally sent to shareholders at their written request and are posted on the Company's corporate website. The meetings are usually held in a central location in Singapore to ensure convenient access for shareholders who prefer to attend the AGM in person.

# CORPORATE GOVERNANCE REPORT

Under the Company's Constitution and pursuant to the Companies Act 1967, the CPF Board and relevant intermediaries (as defined in Section 181 of the Companies Act 1967) may appoint more than two proxies to attend, speak and vote on their behalf. A registered shareholder who is unable to attend may appoint up to two proxies, who need not be shareholders of the Company, to attend and vote on his/her behalf.

Shareholders are informed of the rules, including the voting procedures that govern general meetings. The Company has implemented electronic polling and the voting procedures are carefully explained to the shareholders by the independent scrutineer at the start of the meeting together with a test run to ensure familiarity with the electronic polling device and procedure. All resolutions are put to vote by poll.

Board members and the respective chairman of all the Board Committees, together with Management, are present and available at general meetings to address shareholders' queries. The Company's external auditor is also present to address shareholders' queries relating to the conduct of audit and the preparation and content of the auditor's report. Shareholders also have the opportunity to communicate with the Directors and Management after the meeting.

At each AGM, Management presents an update to shareholders on the Company's progress, performance and prospects. Presentation materials are also released via SGXNet and posted on the Company's corporate website for the benefit of shareholders.

Separate resolutions are tabled on each substantially separate issue unless the issues are interdependent and linked so as to form one significant proposal. In the event that there are resolutions which are interdependent and linked, the Board will explain the reasons and material implications in the notice of the meeting. Shareholders present are given an opportunity to clarify or direct questions on issues pertaining to the proposed resolutions before the resolutions are voted on. In addition, shareholders will be given the opportunity to submit written questions prior to general meetings, and all substantial and relevant comments and queries will be responded to within a reasonable timeframe, either prior to the general meeting through publication on SGXNet and the Company's corporate website or at the general meeting itself.

To ensure transparency in the voting process, the detailed results of all resolutions put to vote, showing the number of votes cast for and against each resolution, and the respective percentages, are tallied and disclosed live on-screen to shareholders immediately after the vote has been cast. The results are also announced via SGXNet after the conclusion of the meeting.

Minutes of the general meetings are released via SGXNet and posted on the Company's corporate website as soon as practicable after such meetings. The minutes record substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting, and responses from the Chairman, Board members and Management.

Provision 11.4 of the 2018 Code provides that a company's constitution should allow for absentia voting at general meetings of shareholders. Presently, absentia voting (such as by mail, email or fax) is not permitted under the Company's Constitution. The Company does not intend to amend its Constitution to provide for absentia voting until security, integrity and other pertinent issues relating to absentia voting are satisfactorily resolved. Nevertheless, the Company is of the view that notwithstanding its deviation from Provision 11.4 of the 2018 Code, shareholders are treated fairly and equitably and have the opportunity to communicate their views on matters affecting the Company. For instance, shareholders may appoint proxies to attend, speak and vote, on their behalf, at general meetings if they are unable to attend.

# CORPORATE GOVERNANCE REPORT

## Dividend Policy

With the strategic review of the Group's portfolio of businesses undertaken during the financial year ended 31 March 2024<sup>1</sup>, the Board has reviewed and revised the Company's dividend policy. From the financial year commencing 1 April 2024, the Board will adopt a dividend policy of paying out between 30% and 50% of the Group's underlying net profit. The Board believes this is a balanced policy taking into consideration the capital needs of the enterprise and sustainable returns to shareholders.

The Company will continue to declare interim and final dividends following the end of the first half and full financial year results.

The dividend policy is published on the investor relations section of the Company's corporate website at <https://www.singpost.com/about-us/investor-relations/dividend-information>. Other than the dividend policy, the Company also discloses its dividend payment history on its corporate website.

For the financial year ended 31 March 2024, the Board has proposed a final dividend of 0.56 cents per ordinary share, subject to shareholders' approval at the 2024 AGM. Including the interim dividend of 0.18 cents per share paid out in November 2023, total dividends for the financial year ended 31 March 2024 would be 0.74 cents per share, or approximately 40% of the underlying net profit. This represents an increase of 28% year-on-year.

## Communication with Shareholders

The Company regularly engages the investment community comprising shareholders, current and prospective investors and analysts, and endeavors to ensure effective and fair communication with the stakeholders.

The Company's investor engagement activities and conduct are guided by the Investor Relations (IR) Policy, which sets out the principles and mechanisms for the Company to ensure regular and effective engagement and communication with the investment community. The IR policy is available on the Company's corporate website. The Company regularly reviews the framework it has put in place to ensure effective investor engagement.

The Company has a dedicated IR team which serves as the key interface for engagement with the investment community. Contact details of the IR team are published on the Company's corporate website, and the IR team will generally respond to investor queries via email within 3 working days. In addition, investors may sign up for an email alert service to be updated with the Company's announcements. The contact detail for the Lead Independent Director is also published on the Company's corporate website in case contact through the normal channels of communication with the Chairman or Management are inappropriate or inadequate.

The Company maintains regular dialogue with the investment community through investor events throughout the year to update on the Company's business strategy, operational and financial performance, sustainability initiatives and material corporate developments, as well as to solicit and understand the views and concerns of investors. These take the form of one-on-one and group meetings and calls, as well as participation in investor conferences and non-deal roadshows. Briefings for analysts are conducted for each financial results announcement and business update, as well as significant corporate developments. A live webcast and subsequent playback of briefings and transcripts are published under the IR section of the Company's corporate website as soon as practicable. The Board and Management also engage directly with shareholders at each shareholder meeting to understand their views and gather feedback, as well as to address any issues and concerns. In addition, the Company holds annual meetings for retail investors with the Securities Investors Association Singapore (SIAS).

During the financial year ended 31 March 2024, Management engaged with about 120 local and overseas institutional investors through face-to-face meetings and conference calls. The Company also participated in investor conferences such as the DBS Vickers Pulse of Asia Conference and SGX-Maybank Securities Singapore Corporate Day 2023, as well as webinars and forums for retail investors in Singapore and Malaysia hosted by CGS-CIMB, Maybank and Phillip Capital. In connection with the strategic review of the Group's portfolio of businesses undertaken in the financial year ended 31 March 2024<sup>1</sup>, the Company had also actively sought the views of shareholders on the strategic review through a dedicated email channel.

<sup>1</sup> See the Company's announcement dated 19 March 2024, available at <https://links.sgx.com/1.0.0/corporate-announcements/CR85V2HIKKI9DFS7/55f813b7d2b5ad20f08ba4a8f16a1b914618a1beeb1fce3576687d577d132e4eb>

# CORPORATE GOVERNANCE REPORT

The Company makes timely disclosures of material information to all shareholders on SGXNet in compliance with the requirements of the SGX listing rules. Where there is inadvertent disclosure made to a select group, the Company will make the same disclosure publicly to all others as promptly as possible via SGXNet. In addition to the mandatory half-year and full-year financial statements, the Company also provides shareholders with updates on the interim performance and outlook in its first quarter and third quarter business updates.

The IR section of the Company's corporate website is regularly updated and contains all SGXNet announcements, periodic financial statements, investor presentations and AGM and EGM-related materials, including minutes of the AGM/EGM and the voting results.

In recognition of the Company's corporate governance and sustainability efforts during the year, the Company continues to maintain its ranking among the top 10 in the Singapore Governance and Transparency Index 2023, ranking eighth in 2023. The Company has also been placed on the SGX Fast Track programme since 2021. The programme aims to affirm listed issuers that have been publicly recognised for high corporate governance standards and have maintained a good compliance track record.

## MANAGING STAKEHOLDERS RELATIONSHIPS

### Principle 13: Engagement with Stakeholders

The Company has put in place practices that enable regular communication and engagement with stakeholders, so as to understand and address their needs and interests. Platforms used to communicate and engage with stakeholders include a current website and other social media tools.

The Company has established dedicated functions and arrangements, including participation between business and support units to manage its relationships with such groups. Dedicated functions include Sustainability, Investor Relations, Treasury, Communications, Safety and Human Resources. For each stakeholder group, the Company considers the basis of engagement, key areas of interest, methods and frequency of engagement. Recognising a fast-evolving development on ESG focus globally and to build resilience having regard to the Group's operating environment, a formal stakeholder engagement exercise involving both internal and external stakeholders was carried out during the financial year ended 31 March 2022 to identify ESG topics that matter to them and the Group. The results from the materiality assessments and ongoing engagements continue to influence sustainability efforts in the Company and remain relevant.

The basis for and methods of engagement with stakeholders, along with the key areas of focus for each stakeholder group, can be found in the Company's Sustainability Report for the financial year ended 31 March 2024 (including the maintenance of a current corporate website). SingPost publishes an online Sustainability Report annually within four months of its financial year end.

## DEALINGS IN SECURITIES

In line with the SGX listing rules, the Company has adopted a Securities Trading Policy that sets forth standards and procedures for dealing in the Company's securities, and which has been disseminated to employees of the Group and directors of the companies within the Group.

The policy and guidelines applicable for the financial year ended 31 March 2024 provide that no dealings in the Company's securities by the Directors and officers of the Group can take place during the period of one month immediately preceding the announcement of the Company's half-year and full-year financial statements, and ending once the announcement of the relevant results (Closed Periods) is made. Further, if at any relevant time (including an "open" trading period), they are aware of or privy to any material undisclosed price-sensitive and/or trade-sensitive information which is the subject of an impending Company's announcement or potential media release, they should not trade in the Company's securities until the information is appropriately disseminated to the market.

# CORPORATE GOVERNANCE REPORT

During an open trading period, Directors shall provide prior notice to the Company and obtain pre-clearance from the Company's Chairman, Group CEO and Company Secretary prior to the execution of any such trade in the securities of the Company. For any persons other than Directors, pre-clearance should be obtained from the Group CEO and Company Secretary prior to the execution of any such trade in the securities of the Company.

The Company will also not purchase or acquire its securities during the Closed Periods and at any time after a price-sensitive or trade-sensitive development has occurred or has been the subject of a decision until the price-sensitive or trade-sensitive information has been publicly announced.

Directors and officers are also required to comply with insider trading laws at all times even when dealing in the Company's securities outside the prohibited trading period. The policy and guidelines also discourage trading on short-term considerations.

Directors are also prohibited from disposing the Company's securities, directly or indirectly held, within a period of twelve (12) months of their cessation as Directors of the Company.

The Company issues periodic reminders to its Directors, relevant officers and employees on the restrictions in dealings in the Company's securities.

Directors and senior Management are prohibited from entering into transactions in associated products which limit the economic risk of participating in unvested entitlements under its equity-based remuneration schemes. Such associated products include structured instruments, financial products, arrangements or derivatives involving SingPost securities or unvested entitlements.