

CORPORATE GOVERNANCE

Transparency, accountability and integrity in StarHub's business practices and culture.

CORPORATE GOVERNANCE STATEMENT

StarHub continues to be committed to embrace good corporate governance practices that foster transparency, accountability and integrity. We see this as fundamental for the long-term sustainability of our business and value creation for our stakeholders.

CORPORATE GOVERNANCE REPORT 2015

This report describes our corporate governance framework, policies and practices for the financial year ended 31 December 2015 (FY2015). StarHub has complied, in all material aspects, with the principles and guidelines of the Code of Corporate Governance (Code) issued by the Monetary Authority of Singapore on 2 May 2012.

1. BOARD MATTERS THE BOARD'S CONDUCT OF AFFAIRS

The Board's Role

The Board has oversight of the business performance and affairs of the Group. The Board leads, directs and works closely with Management, with a view to the long-term success of the various businesses of the Group.

The Board takes on the following key roles and responsibilities:

- Provide entrepreneurial leadership and guidance to Management and steers the Group through its strategy and corporate plan;
- Ensure that the necessary financial and human resources are in place for the Group to meet its objectives;
- Establish a framework of prudent and effective controls which enables risks to be assessed and managed in order to safeguard shareholders' interests and StarHub's assets. This framework is supported by clear and robust procedures and delegated authorities;
- Regularly review the performance of Senior Management and the remuneration framework of the Board and Senior Management;
- Review and approve key operational and business initiatives, major funding and investments proposals, acquisitions and divestments;
- Recognise that the perceptions of key stakeholder groups affects StarHub's reputation, identify the key stakeholder groups (which include customers, suppliers, and business partners) and guide Management in StarHub's strategy and approach in addressing the concerns of these key stakeholder groups;
- Set StarHub's values and standards (including ethical standards), to ensure that the Group's obligations to shareholders and stakeholders are well understood and duly met;

- Provide guidance on the social, ethical and environmental impact of the Group's activities and monitor compliance with our sustainability policies and practices; and
- Ensure the Group's compliance with all relevant laws and regulations.

Directors, collectively and individually, are obliged to act in good faith and consider the best interests of StarHub and all its shareholders at all times.

The Board has established a framework on authorisation and approval limits for capital and operating expenditure, and specified transactions including acquisitions and disposals of investments, procurement of goods and services, bank facilities and cheque signatories. Within this framework, the Board has set relevant authority and approval sub-limits for delegation to various Management levels to optimise operational efficiency.

Board Committees

The Board has established the following Board committees (Board Committees) to facilitate the discharge of its functions:

- the Audit Committee (AC);
- the Nominating Committee (NC);
- the Executive Resource and Compensation Committee (ERCC);
- the Strategy Committee (SC); and
- the Risk Committee (RC).

The composition of the Board Committees and their specific responsibilities are set out in the later sections of this Report.

Additional Board committees may be formed to undertake specific duties, as necessitated by business imperatives.

The Board delegates specific areas of responsibilities to each Board Committee. Each Board Committee is required to operate and make decisions on matters within its terms of reference and applicable limits of authority.

The Board reviews the decisions made by each Board Committee regularly. The respective Chair of the Board Committees updates the Board at Board meetings, on key matters raised and/or decisions made at the last held Board Committee meeting. For any matter requiring the Board's approval, the Board Committees would recommend the course of action to the Board for its consideration and decision. Minutes of the meetings of the AC, the SC and the RC are also circulated to the Board for its information.

Board Meetings

For FY2015, the Board held a total of five meetings. In keeping with past practice, a full-day Board Strategy offsite was held to review in depth the Group's strategy going forward and to consider the Group's budget for the next financial year.

Throughout the financial year, as and when deemed necessary by the Board, additional Board meetings may be convened to consider urgent proposals or matters that require the Board's expeditious review and approval. StarHub's Constitution allows Board meetings to be held via audio and video conferencing to facilitate the Board's decision-making process.

Board meetings for the ensuing financial year are scheduled in

advance before the end of the current financial year so that the Directors are able to plan ahead and attend the next year's Board meetings in their respective meeting schedules.

The number of Board and Board Committee meetings held in FY2015 and the attendance of Directors at these meetings as well as the Annual General Meeting (AGM) and Extraordinary General Meeting (EGM) held in FY2015 are tabulated below:

Table 1

	Board Meetings		Board Committee Meetings				
		AC	NC	ERCC	SC	RC	AGM & EGM
No. of Meetings Held	5	4	3	4	4	2	1
Steven Terrell Clontz	5	-	-	-	4	-	1
Tan Tong Hai	5	-	-	-	-	2	1
Ma Kah Woh ⁽¹⁾	1 out of 1	1 out of 1	-	-	-	-	-
Peter Seah Lim Huat	5	-	3	4	-	-	1
Nihal Vijaya Devadas Kaviratne CBE	5	4	-	-	4	-	1
Teo Ek Tor ⁽²⁾	5	2 out of 2	3	4	-	1 out of 1	1
Sio Tat Hiang	5	-	3	4	-	2	1
Lim Ming Seong	5	4	-	4	4	-	1
Liu Chee Ming	5	-	-	-	4	-	1
Robert J. Sachs	4	-	-	-	4	-	-
Rachel Eng Yaag Ngee ⁽³⁾	4 out of 4	2 out of 2	-	-	-	-	-
Nasser Marafih	3	-	-	-	-	-	1
Takeshi Kazami	4	-	-	-	-	-	1

Note:

- (1) Mr Ma Kah Woh was appointed as a non-executive Director and the AC Chairman with effect from 23 September 2015. He attended the Board meeting and the AC meeting which were held after his appointment.
- (2) Mr Teo Ek Tor was appointed the RC Chairman and ceased to be an AC member with effect from 15 July 2015. He attended the RC meeting which was held after his appointment.
- (3) Ms Rachel Eng Yaag Ngee was appointed as a non-executive Director with effect from 4 May 2015 and an AC member with effect from 15 July 2015. She attended the Board meetings and the AC meetings which were held after her respective appointments.
- (4) Mr Nikhil O.J. Eapen was co-opted onto the SC as a member with effect from 5 August 2015, succeeding Mr Stephen Miller. Mr Eapen attended the SC meetings which were held after his appointment.

Board Orientation and Continual Training & Development

StarHub has a comprehensive induction programme for all newly-appointed Directors tailored specifically for the businesses of the Group. Management conducts briefings for new Directors to familiarise them with the Group's business activities, strategic directions, financials, policies and governance practices, as well as StarHub's corporate culture and the key developments in the Group and industry. The induction program includes meetings with the CEO and Senior Management.

To ensure that all Directors have relevant information and up-to-date working knowledge of the Group's business and operations, each Director is issued with a tablet which enables him or her to access the StarHub Board Portal. The StarHub Board Portal is bespoke to provide information in accordance with the guidelines and principles of the Code including:

- information on Directors' duties and how to discharge those duties;
- the contact details of the Board and Senior Management;
- the terms of reference of the respective Board Committees; and
- the insider trading policy of StarHub.

The Board encourages the Directors to continually develop and refresh their knowledge and skills, and keep themselves abreast with relevant developments in the Group's business and the regulatory and industry-specific environments in which the Group operates. The Company Secretary facilitates the arrangement of internal briefings as well as external seminars and trainings for the Directors (including those conducted by StarHub's panel law firms and the Singapore Institute of Directors in conjunction with SGX-ST). In addition, the Company Secretary also regularly

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provides updates to keep the Directors abreast with relevant developments, including:

- Updates on key legal, regulatory, industry and accounting changes which affect the Group, given during Board meetings or via email; and
- Articles and reports (including industry news and analyst reports) relevant to the Group's businesses, regularly circulated to the Directors and uploaded on the StarHub Board Portal for their reference.

In addition to the above, the Directors are free to conduct independent or collective discussions with Management and subject matter experts on any area of interest or concern. Where requested, visits to operations are organised to enable Directors to have a clear understanding of issues faced by the Group.

BOARD COMPOSITION AND GUIDANCE

As at 31 December 2015, the Board comprises 13 Directors. During FY2015, Mr Steven Terrell Clontz succeeded Mr Tan Guong Ching as the non-executive Chairman, following Mr Tan's resignation on 15 July 2015 after having served on the Board for 14 years. Mr Clontz is a non-executive Director. Mr Kua Hong Pak also stepped down as the non-executive AC Chairman, and Mr Ma Kah Woh was appointed to assume the role on 23 September 2015. The Board thanks Mr Tan and Mr Kua for their past service and contributions to the Group.

Mr Tan Tong Hai, the Group CEO, remains the sole executive Director on the Board.

The independent Directors on the Board are: Mr Ma Kah Woh, Mr Nihal Vijaya Devadas Kaviratne CBE, Mr Teo Ek Tor, Mr Liu Chee Ming, Mr Robert J. Sachs and Ms Rachel Eng Yaag Ngee, representing more than one third of the Board. The Chairman, Mr Steven Terrell Clontz, is not an independent Director within the meaning of the Code given his executive position at Singapore Technologies Telemedia Pte Ltd.

The individual profile of the Directors and all principal directorships and chairmanships in any listed companies held by the Directors currently and in the preceding three years, are found in the 'Board of Directors' and 'Directors' Particulars' sections of the Annual Report.

The NC rigorously reviews the independence of each non-executive Director annually, particularly those who have served more than nine years. As at 31 December 2015, four independent Directors of StarHub, namely Mr Nihal Vijaya Devadas Kaviratne CBE, Mr Teo Ek Tor, Mr Liu Chee Ming and Mr Robert J. Sachs have served on the Board for more than nine years. The NC recommends, and the Board takes the view that the key consideration in ascertaining the effectiveness

of a Director's independence is his ability to exercise independence of mind and judgement to act honestly and in the best interest of the Group. When assessing objectivity and independent judgement, the NC and the Board consider, *inter alia*, the approach, character and attitude of each non-executive Director, including whether such Director:

- is free from any interest and any business or other relationship which could, or could reasonably be perceived to, interfere with the exercise of the Director's independent business judgement with a view to the best interests of the Group; and
- has any material contractual relationship with the Group other than as a Director.

After careful rigorous review, the NC recommends, and the Board is of the firm view that Mr Nihal Vijaya Devadas Kaviratne CBE, Mr Teo Ek Tor, Mr Liu Chee Ming and Mr Robert J. Sachs have each demonstrated the essential independence of mind and objectivity of judgement to act in the best interests of StarHub in the discharge of their Directors' duties, and therefore considers them to be independent.

Any Director who has an interest or relationship which is likely to impact on his/her independence or conflict with a subject under discussion by the Board is required to immediately declare his/her interest or relationship to the Board, remove himself/herself from the information flow, and abstain from participating in any discussion or voting on the subject matter.

Interested person transactions (IPTs) entered into by any of the entities in the Group are governed by the Shareholders' Mandate for Interested Person Transactions as approved by shareholders each year at StarHub's EGM, as well as Chapter 9 of the SGX-ST Listing Manual. All IPTs are undertaken on an arm's length basis and on normal commercial terms. StarHub does not provide loans to Directors. No loans have been provided to the Directors by StarHub. In FY2015, there were no IPTs or related party transactions that can be classified as financial assistance to entities other than wholly-owned subsidiary companies.

The Board, through the NC, annually examines its size and composition to ensure its overall effectiveness. Given the scope and nature of the Group's operations, the Board is of the view that its current size of 13 is conducive and facilitates effective decision-making. In this regard, the Board has also taken into account the complexity and requirements of the business.

The Board consists of Directors who are business leaders and professionals of high calibre and integrity. They possess a broad range of core competencies and experience in banking, accounting and finance, legal, regulatory, technical, business and industry knowledge, management and strategic planning

experience, and customer-based experience and knowledge. The Board, as a group, constantly seeks to maintain an appropriate mix of expertise, experience (both local and international), knowledge, gender, culture and geography. It encourages robust and quality deliberations among the Directors, and mitigates 'group thinking' in decision making. The Board enjoys the unique contribution that each Director brings in the development of the overall strategy of the Group by way of alternative perspectives and fresh challenges at discussions. The immense network of contacts across the industry which the diversity provides has proven invaluable to StarHub.

The Chairman and Directors support the CEO in stakeholder engagements, such as with shareholders, business partners and regulators.

In furtherance of their duties, Directors are given access to independent professional advice at StarHub's expense should they deem such advice necessary. Non-executive Directors meet to discuss, *inter alia*, Management's performance, without the presence of Management at least once a year.

CHAIRMAN AND CEO

In StarHub, there is a clear division in responsibilities between the leadership of the Board and Management. The Chairman and the CEO of StarHub are separate persons, ensuring an appropriate balance of powers, increased accountability and greater capacity for the Board to make independent decisions. No one individual holds considerable concentration of power within the Group.

The Chairman is Mr Steven Terrell Clontz. He is a non-executive Director and is unrelated to the CEO. He:

- leads the Board to ensure its effectiveness on all aspects of its role;
- sets the agenda and ensures that adequate time is available for discussion of all agenda items, in particular strategic issues;
- promotes a culture of openness and debate at the Board;
- ensures that the Directors receive complete, adequate and timely information. He works with the CEO in relation to the Board's requirements for information to contribute effectively to the Board decision-making process;
- encourages effective communication with shareholders;
- encourages constructive relations within the Board and between the Board and Management. As the primary link between the Board and Management, he provides continuity between Board meetings and thereby oversees the effective implementation of the Board's decisions;
- facilitates the effective contribution of non-executive Directors; and
- promotes high standards of corporate governance.

The CEO is Mr Tan Tong Hai. He leads the Management, and is responsible for the day-to-day running of the Group's business

operations and the effective implementation of the Group's strategies and policies.

The Board does not have a lead independent Director. The NC and the Board are of the view that the appointment of a lead independent director is not necessary as the Board has sufficient independence given that: (a) the Chairman and the CEO are separate persons; (b) the Chairman and the CEO are not family members; (c) the Chairman is not part of the Management team; and (d) the Directors are able to exercise objective and independent judgement.

BOARD MEMBERSHIP

StarHub has instituted a formal and transparent process for the selection, appointment and re-appointment of Directors to the Board. To this end, the Board has established the NC to lead on this process with written terms of reference clearly setting out its authority and duties.

As at 31 December 2015, the NC comprises the following non-executive Directors, who are independent of Management:

- Mr Peter Seah Lim Huat (NC Chairman);
- Mr Teo Ek Tor (independent Director); and
- Mr Sio Tat Hiang.

During FY2015, the NC held three meetings.

The Board notes that the NC Chairman and Mr Sio Tat Hiang are not considered independent within the meaning of the Code given their directorships at STT Communications Limited. However, after due consideration, the Board and the NC are of the view that such appointments do not interfere with the exercise of independent judgement by the NC Chairman and Mr Sio on the Board or prevent them from acting objectively in the best interests of the Group in carrying out their duties. The Board and the NC further note that the NC Chairman and Mr Sio are not involved in the day-to-day running of the Group's business and operations, and are independent of Management, with a clear separation of role from Management in the deliberations of the NC.

In considering each candidate (whether new or for re-appointment), the NC considers several factors, including the composition, diversity and progressive renewal of the Board, each candidate's competencies, commitment, contribution and performance (including attendance, preparedness, participation and candour) and potential conflicts of interest. This is to ensure that an appropriate balance of skills, experience, expertise and diversity is maintained on the Board, enabling the Board to stay engaged and agile in meeting the needs of the Group. External consultants are engaged to assist with Board renewal and selection process as necessary. All new appointments to the Board are subject to the approval of StarHub's regulators, namely

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the Info-communications Development Authority of Singapore and the Media Development Authority of Singapore.

In accordance with StarHub's Constitution, all Directors who are appointed by the Board are subject to retirement at the first AGM of StarHub subsequent to their appointment. In compliance with the Code, all Directors retire from office at least once in every three years. The Directors retiring from office will be eligible for re-election by the shareholders.

The NC reviews and considers the independence of each Director on an annual basis. If the NC considers a Director to be independent, notwithstanding that he has one or more of the specific relationships mentioned in the Code, it provides its view to the Board for the Board's consideration. Conversely, the NC has the discretion to consider that a Director is not independent even if he or she does not fall within the circumstances set out in the Code, and similarly provides its views to the Board for the Board's consideration. The NC has considered and is of the view that all the independent Directors are sufficiently independent and are able to objectively exercise their judgement in the interest of StarHub.

Directors with multiple board representations and/or other principal commitments (as defined in the Code) must ensure that they are able to devote sufficient time and attention to the affairs of StarHub to adequately carry out their duties as Directors of StarHub. The NC has reviewed the individual performance of each Director and is satisfied that all Directors have dedicated adequate time to the affairs of StarHub and have properly discharged their duties for FY2015, and will continue to do so in the financial year ending 31 December 2016 (FY2016). Although no maximum limit has been formally set by the Board on the number of listed company board representations a Director with multiple board representations may hold, the NC is of the view that the duties of all Directors have been fully discharged based on the time and attention devoted by each Director, their individual abilities and their respective individual contribution of skills, knowledge and experience and their commitment to the affairs of StarHub.

The Board does not have any alternate Directors. All Directors dedicate their personal time and attention to the affairs of StarHub.

BOARD PERFORMANCE

StarHub believes that Board performance is ultimately reflected in the performance of the Group. The NC has the responsibility of assessing the effectiveness of the Board as a whole, and the contribution of the Board Committees and each Director to the effectiveness of the Board.

For FY2015, the Board engaged the assistance of Aon Hewitt Singapore Pte Ltd as independent external consultants to

facilitate the annual evaluation process on the effectiveness of the Board and the Board Committees. The evaluation included a review of detailed questionnaires completed by each Director, which invited feedback on key areas such as:

- the adequacy of the Board composition;
- the relationship between the Board and Management, including the level of engagement and flow of information;
- Board processes, including level and timeliness of information provided to the Board;
- managing the Company's performance;
- the effectiveness of Board Committees; and
- risk management.

The evaluation process also included individual interviews with each Director.

The results of the performance evaluation exercise are collected, analysed and presented to the NC, in consultation with the Chairman. The NC reviews and recommends to the Board the follow-up actions required to strengthen the Board's leadership so as to improve the effectiveness of the Board's oversight of StarHub. Where appropriate, Management may also be involved in the review process, and assist in implementing the measures needed.

The awards and accolades that StarHub has received from the investment community are testament to sound corporate governance. The significant awards received by StarHub in 2015, included the Silver – Best Managed Board in the Singapore Corporate Awards 2015 and the Most Transparent Company Award (*Services Category*) in the SIAS 16th Investors' Choice Award.

ACCESS TO INFORMATION

Management provides the Directors with timely information relevant to matters on the agenda for the meeting at least three (3) business days prior to each Board and Board Committee meeting, except for the sensitive matters which may be tabled at the meeting itself. All sensitive Board materials that are communicated electronically are password-protected to safeguard security. Throughout the financial year, the Board also receives monthly management and financial reports providing updates on key performance indicators and financial analysis on the Group, and regular analysts' reports and media articles on StarHub and the industry. Collectively, such reports enable the Directors to keep abreast at all times of key issues and developments in the industry, as well as challenges and opportunities for the Group and thereby make informed and sound decisions.

In addition to and independent of the information provided above, Management remains available at all times to answer any query raised by any Director. Frequent dialogue and interaction take place between Management and the Directors. The Directors

are able to access StarHub's operations and information at a deeper level, allowing them to better strategise and guide StarHub in their role as Directors.

Furthermore, the StarHub Board Portal allows Board members to securely access and read Board/Board Committee papers and materials electronically at any place and any time, using tablet devices provided by StarHub.

The Directors have separate and independent access to the Company Secretaries. The Company Secretaries are trained in legal and company secretarial practices. They attend all Board meetings and are responsible for ensuring that board procedures are followed and that applicable rules and regulations are complied with. Under the direction of the Chairman, they facilitate good information flows within the Board and its Board Committees, between the Board and Management, and advise the Board on all legal and governance matters. The Company Secretaries also facilitate the orientation of new Directors and assist in arranging professional development and training for Directors as required. The appointment and the removal of the Company Secretaries are subject to the Board's approval.

2. REMUNERATION MATTERS PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

The Board has instituted a formal and transparent procedure for developing policies on executive remuneration and for determining the remuneration packages of individual Directors. The Board has established the ERCC to ensure this is duly implemented.

The ERCC comprises the following non-executive Directors, who are independent of Management:

- Mr Peter Seah Lim Huat (ERCC Chairman);
- Mr Teo Ek Tor (independent Director).
- Mr Sio Tat Hiang; and
- Mr Lim Ming Seong.

During FY2015, the ERCC held four meetings.

The Board notes that the ERCC Chairman and Mr Sio Tat Hiang are not considered independent within the meaning of the Code given their directorships at STT Communications Limited. However, after due consideration, the Board and the NC are of the view that such appointments do not interfere with the exercise of independent judgement by the ERCC Chairman and Mr Sio on the Board or prevent them from acting objectively in the best interests of the Group in carrying out their duties. The Board and the NC further note that the ERCC Chairman and Mr Sio are not involved in the day-to-day running of the Group's

business and operations, and are independent of Management, with a clear separation of role from Management in the deliberations of the ERCC.

In overseeing StarHub's remuneration policies, the ERCC's key duties are to review and recommend to the Board for endorsement:

- the general remuneration framework and specific remuneration packages for key management personnel (as defined in the Code); and
- the remuneration framework (including Directors' fees, allowances and share-based awards) for each Director.

When reviewing and recommending the remuneration framework and packages, the ERCC covers all aspects of remuneration including but not limited to Director's fees, salaries, allowances, bonuses, options, share based incentives and awards, and benefits in kind. The framework and packages are linked to:

- the performance of StarHub, the Group and the individuals;
- industry practices and compensation norms; and
- the need to attract key management personnel to ensure continuing development of talent and renewal of strong leadership for StarHub.

With regards to the CEO and key management personnel, the ERCC ensures that remuneration paid to them is strongly linked to the achievement of business and individual performance targets. The performance targets are determined by the ERCC and are set at realistic yet stretched levels each year to motivate a high degree of business performance with emphasis on both short and long-term quantifiable objectives.

In addition, the ERCC oversees the following:

- succession planning for the CEO, the CFO and other key officers. Potential candidates for immediate, medium and long term needs are identified each year;
- assessing and approving performance share awards and restricted stock awards under StarHub's approved share plans, and recommending to the Board for approval the grant of share awards to Directors and key management personnel;
- assessing and approving candidates for key appointments; and
- overseeing the development of Management and reviewing succession plans for key positions in the Group.

All decisions by the ERCC are made by a majority of votes of the ERCC members present and voting.

No ERCC member or any Director is involved in deliberations in respect of any remuneration, compensation, share-based

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incentives or any form of benefits to be granted to him, or where there are conflicts of interests. The CEO is present at all ERCC discussions on the compensation and incentive policies, such as share awards, bonus framework, salary and other incentive schemes, of StarHub's key staff save for ERCC discussions which relate to his own compensation, terms and conditions of service or the review of his performance, for which he absents himself.

The ERCC has access to expert professional advice on remuneration of the Board and executives. The ERCC has appointed Carrots Consulting Pte Ltd (Carrots) as its remuneration consultant and is satisfied that the independence and objectivity of Carrots, is not affected by any relationship between StarHub and Carrots.

The ERCC reviews StarHub's obligations arising in the event of termination of the executive Director and/or any key management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses. The ERCC aims to be fair and avoid rewarding poor performance. Prior to any such termination, the ERCC's approval is required.

During FY2015, the ERCC engaged Carrots to conduct a Pay-for-Performance Alignment Study. The results showed Pay-for-Performance alignment for StarHub in both absolute and relative terms over the 3-year period from financial years 2012 to 2014. Carrots also conducted a Compensation Risk Assessment. ERCC reviewed the various compensation risks that may arise and introduced mitigating policies to better manage risk exposure identified. ERCC has been undertaking periodic reviews of the compensation-related risks.

LEVEL AND MIX OF REMUNERATION DISCLOSURE ON REMUNERATION

Non-Executive Directors' Remuneration

Non-executive Directors receive 70% of their directors' remuneration in cash and the remaining 30% in share awards granted pursuant to the StarHub Restricted Stock Plan. This

remuneration structure encourages non-executive Directors to hold shares in StarHub so as to better align the interests of the non-executive Directors with the interests of shareholders and the long-term interests of StarHub.

Cash Component

Each non-executive Director receives a basic retainer fee, attendance fee and travel allowance (for overseas Directors). Non-executive Directors who perform additional services in Board Committees receive additional fees. The Board Chairman and the Chairman of each Board Committee also receive a higher fee compared with the members of the Board and the respective Board Committees, in view of the greater responsibility carried by that office.

Share Component

The restricted share awards consist of the outright grant of fully paid shares, without any vesting conditions attached. However, in order to encourage alignment of the interests of the non-executive Directors with the interests of shareholders, non-executive Directors who receive the restricted share awards are required to hold shares in StarHub worth at least the prevailing annual basic retainer fee, or the aggregate of (a) the total number of shares awarded as part of their remuneration for the financial year ended 31 December 2011 and each subsequent financial year thereafter and (b) 50% of the total number of shares awarded from the financial year ended 31 December 2007 to 31 December 2010, whichever is lower. Non-executive Directors can only dispose of all their shares one year after ceasing to be a Director. The number of shares to be awarded to a participating non-executive Director will be determined by reference to the volume weighted average price of a share on the SGX-ST over the 14 trading days commencing on the ex-dividend date that immediately follows the forthcoming AGM. The number of shares to be awarded will be rounded down to the nearest hundred, with cash to be paid in lieu of the remaining shares arising.

The non-executive Directors' remuneration for FY2015 will be subject to shareholders' approval at the forthcoming AGM.

Table 2

Annual Fees for the Board

Board Chairman:	\$165,000
Non-Executive Director:	\$65,000

Additional Annual Fees for the Board Committees

Type of Committee	Chairman	Member
Audit Committee	\$43,000	\$25,000
Nominating Committee	\$24,000	\$15,000
Executive Resource and Compensation Committee	\$30,000	\$16,000
Strategy Committee	\$30,000	\$16,000
Risk Committee	\$30,000	\$16,000

Breakdown of Directors' Remuneration

The following shows the composition of Directors' remuneration for FY2015:

Executive Director's Remuneration					
Name of Executive Director	Fixed ⁽¹⁾ (\$)	Variable ⁽²⁾ (\$)	Benefits ⁽³⁾ (\$)	Share-based Compensation ⁽⁴⁾ (\$)	Total (\$)
Tan Tong Hai	979,875	897,664	79,862	1,364,588	3,321,989

Non-Executive Directors' Remuneration			
Name of Non-Executive Directors	Cash-based (\$)	Share-based (\$)	Total (\$)
Steven Terrell Clontz ^{(a)(e)}	138,950	59,550	198,500
Ma Kah Woh ^(b)	24,962	10,698	35,660
Peter Seah Lim Huat	108,850	46,650	155,500
Nihal Vijaya Devadas Kaviratne CBE	131,950	56,550	188,500
Teo Ek Tor ^(c)	116,095	49,755	165,850
Sio Tat Hiang ^(e)	106,750	45,750	152,500
Lim Ming Seong	117,950	50,550	168,500
Liu Chee Ming	88,550	37,950	126,500
Robert J. Sachs	74,550	31,950	106,500
Rachel Eng Yaag Ngee ^(d)	53,655	22,995	76,650
Nasser Marafih	49,700	21,300	71,000
Takeshi Kazami ^(e)	58,100	-(f)	58,100

Non-Executive Directors who resigned during FY2015			
Name	Cash-based (\$)	Share-based (\$)	Total (\$)
Tan Guong Ching ^(g)	88,781	38,049	126,830
Kua Hong Pak ^(h)	68,838	-(h)	68,838

(1) Fixed refers to base salary, Annual Wage Supplement and fixed allowances earned for FY2015.

(2) Variable refers to incentives paid and accrued for the year pursuant to StarHub's performance bonus scheme and Economic Value Added (EVA) scheme for FY2015. StarHub's performance bonus scheme is the "balanced scorecard" scheme used to determine the annual performance bonuses payable to StarHub's employees. The EVA scheme rewards for sustainable shareholder value creation over the medium term, with alignment to StarHub's strategic business objectives. Under this scheme, each of StarHub's employees is given clear objectives on his personal scorecard, which are aligned to StarHub's overall strategic objectives of growth and profitability, creating customer value, operational efficiency, excellence and optimal customer management, and developing a motivated and well trained workforce. Under the EVA scheme, a notional EVA bank account is set up for each senior executive, into which the annual EVA performance bonus earned by him each year is credited. One third of the total amount in his EVA bank account is payable annually at a later date in the following financial year, and the remaining balance in his EVA bank account is payable to him upon his resignation or termination of employment (other than for cause), subject to certain conditions being met. The balance in the EVA bank account will increase or decrease depending on StarHub's EVA performance in subsequent years.

(3) Benefits are stated on the basis of direct costs to StarHub, and include tax equalisation, housing and other non-cash benefits such as leave, medical scheme and club membership.

(4) Based on the fair values of the contingent shares granted pursuant to the StarHub Performance Share Plan and StarHub Restricted Stock Plan in 2015, using the Monte Carlo simulation model.

(a) Mr Steven Terrell Clontz was appointed as the Chairman of the Board on 15 July 2015.

(b) Mr Ma Kah Woh was appointed as a non-executive director and the AC Chairman on 23 September 2015.

(c) Mr Teo Ek Tor was appointed as the RC Chairman and resigned as an AC member on 15 July 2015.

(d) Ms Rachel Eng Yaag Ngee was appointed as a non-executive director on 4 May 2015 and an AC member on 15 July 2015.

(e) Fees are payable to Director's employer company.

(f) Mr Takeshi Kazami had declined the share award and will only receive the cash component of his remuneration. Mr Kazami holds no shares in StarHub.

(g) Mr Tan Guong Ching resigned as the Chairman of the Board and a non-executive Director on 15 July 2015. For Mr Tan's remuneration in respect of FY2015, he will receive \$88,781 in cash and \$38,049 in the form of share award granted pursuant to the StarHub Restricted Stock Plan.

(h) Mr Kua Hong Pak resigned as a non-executive Director and the AC Chairman on 23 September 2015. Mr Kua has declined the share award and will only receive the cash component of his remuneration in the amount of \$68,838 for FY2015. Mr Kua does not hold any shares in StarHub.

Details of the share awards granted by StarHub to the non-executive Directors under the StarHub Restricted Stock Plan can be found in the Directors' Statement.

CORPORATE GOVERNANCE

CEO/Executive Director and Key Management Personnel Remuneration

The ERCC seeks to ensure that the level and mix of remuneration of the CEO and key management personnel are competitive and relevant, aligned with shareholders' interest and promote long-term success of the Group.

Remuneration for the CEO¹ and key management personnel comprises a fixed component, variable cash component, share-based component and market-related benefits:

A. Fixed Component:

The fixed component comprises the base salary, Annual Wage Supplement and fixed allowances.

B. Variable Cash Component:

The variable cash component includes the Annual Variable Bonus and Economic Value Added (EVA) Incentive Plan.

Annual Variable Bonus (AVB)

The AVB is a cash-based incentive for CEO and key management personnel, which is linked to the achievement of annual performance targets.

Individual performance objectives are set at the beginning of each financial year. The objectives are aligned to the overall strategic, financial and operational goals of the Group, and are cascaded down to a select group of key management personnel using scorecards, creating alignment between the performance of the Group, the Company and the individual. While the performance objectives are different for each executive, they are assessed on the same principles across the following four broad categories of targets:

- Business
- Customer
- Process
- People

The target AVB for the CEO and key management personnel is pre-set at a fixed percentage of their annual base salary, and is adjusted based on the Group performance and the achievement of individual performance targets at the end of performance year. The final AVB payout can range from 0 to 1.5 times of the target payout.

EVA Incentive Plan (EIP)

The EIP rewards employees for sustainable shareholder value creation over the medium term achieved by growing profits, deploying capital efficiently and managing the risk profile and risk time horizon of the business. A portion of the annual performance-related bonus of the key management personnel is tied to the EVA achieved by the Group in the financial year.

Under the plan, one-third of the accumulated EVA-based bonus, comprising the EVA declared for the financial year and the balance of such bonus brought forward from preceding

financial years (which comprises multiple years of incentive dollars retained in the EVA bank), is paid out in cash each financial year. The remaining two-thirds are carried forward in the individual executive's EVA bank. Amounts in the EVA bank are at risk because negative EVA will result in a clawback of EVA accumulated in previous financial years. This mechanism encourages the CEO and key management personnel to work for sustainable EVA generation and to adopt strategies that are aligned with the long-term interests of the Group.

Based on the ERCC's assessment that the actual performance of the Group in FY2015 had partially met the pre-determined targets, the resulting annual payout under EVA was adjusted accordingly to reflect the performance level achieved.

C. Share-based Compensation: Performance Share Plan (PSP)

The PSP serves as a long-term incentive to motivate the key management personnel to strive for superior performance and to align their interests with that of shareholders.

Pursuant to the PSP, the ERCC has decided to grant contingent awards on an annual basis, conditional on meeting targets set for a three-year performance period. The performance measures used in PSP grants during FY2015 are:

- Relative TSR against the MSCI Asia Pacific Telecommunications Index (including Japan); and
- Absolute Total Shareholder Return (TSR) against Cost of Equity hurdles (i.e. measure of Wealth Added).

A minimum threshold performance is required for any performance shares to be released to the recipient at the end of the performance period. The actual number of performance shares released will depend on the achievement of set targets over the performance period. For the performance measure of Absolute TSR, the achievement factor ranges from 0 to 2.0 times of 65% of the conditional award. For the performance measure of Relative TSR, the achievement factor ranges from 0 to 1.5 times of 35% of the conditional award.

The final PSP award is conditional on the vesting of the shares under the Restricted Stock Plan (RSP) which have the same performance end period.

The Group has attained an achievement factor which is reflective of meeting the pre-determined target performance level for PSP awards granted based on the performance period from financial years 2013 to 2015.

Restricted Stock Plan (RSP)

The RSP is established with the objective of motivating managers and key talent to strive for sustained long-term growth and superior performance in the Group. It also aims to foster a share ownership culture among employees within the Group and to better align employees' incentives with shareholders' interest.

1. As executive Director, the CEO is remunerated as a key management personnel of StarHub. He does not receive Directors' fees for his Board directorship with StarHub.

Pursuant to the RSP, the ERCC has decided to grant contingent awards on an annual basis, conditional on targets set for a two-year performance period. The performance measures, set based on the Group corporate objectives, are:

- Return on Invested Capital (ROIC); and
- Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA)

A minimum threshold performance is required for any restricted shares to be released to the recipient at the end of the performance period. The actual number of shares released will depend on the achievement of set targets over the performance period, and will be determined by the ERCC at the end of the performance period, capped at 1.5 times of the conditional award. The shares will be released in equal tranches over two consecutive years.

The Group has attained an achievement factor which is reflective of meeting the pre-determined target performance level for RSP awards granted based on the performance period from financial year 2014 to 2015.

As at 31 December 2015, StarHub does not have any existing StarHub Share Option Plan.

D. Market-related Benefits:

The benefits provided are comparable with local market practices.

The details of the top five key management personnel remuneration in bands of \$250,000 and percentage terms for the services rendered by them to the Group for FY2015, are set out in Table 3 below.

Table 3

	Fixed ⁽¹⁾ (%)	Variable ⁽²⁾ (%)	Benefits ⁽³⁾ (%)	Share-based Compensation ⁽⁴⁾ (%)	Total (%)	Remuneration Bands ⁽⁵⁾ (%)
Dennis Chia	80	16	4	–	100	A ⁽⁶⁾
Kevin Lim	43	21	4	32	100	C
Howie Lau	59	14	5	22	100	A ⁽⁶⁾
Jeannie Ong	43	20	4	33	100	C
Mock Pak Lum	49	20	5	26	100	B
Total					\$4,388,148	

(1) Fixed refers to base salary, Annual Wage Supplement and fixed allowances earned for FY2015.

(2) Variable refers to incentives paid and accrued for the year pursuant to StarHub's performance bonus scheme and Economic Value Added (EVA) scheme for FY2015. StarHub's performance bonus scheme is the "balanced scorecard" scheme used to determine the annual performance bonuses payable to StarHub's employees. The EVA scheme rewards for sustainable shareholder value creation over the medium term, with alignment to StarHub's strategic business objectives. Under this scheme, each of StarHub's employees is given clear objectives on his personal scorecard, which are aligned to StarHub's overall strategic objectives of growth and profitability, creating customer value, operational efficiency, excellence and optimal customer management, and developing a motivated and well trained workforce. Under the EVA scheme, a notional EVA bank account is set up for each senior executive, into which the annual EVA performance bonus earned by him each year is credited. One third of the total amount in his EVA bank account is payable annually at a later date in the following financial year, and the remaining balance in his EVA bank account is payable to him upon his resignation or termination of employment (other than for cause), subject to certain conditions being met. The balance in the EVA bank account will increase or decrease depending on StarHub's EVA performance in subsequent years.

(3) Benefits are stated on the basis of direct costs to StarHub, and include tax equalisation, housing and other non-cash benefits such as leave, medical scheme and club membership.

(4) Based on the fair values of PSP and RSP contingent shares granted in 2015, using the Monte Carlo simulation model.

(5) Remuneration bands:

"A" refers to remuneration between \$500,001 and \$750,000 p.a.

"B" refers to remuneration between \$750,001 and \$1,000,000 p.a.

"C" refers to remuneration between \$1,000,001 and \$1,250,000 p.a.

(6) Mr Dennis Chia and Mr Howie Lau joined StarHub as CFO and CMO respectively with effect from 8 July 2015. Accordingly, the amount of actual compensation received was based on the period from 8 July 2015 to 31 December 2015. Their fixed pay includes sign-on bonus awarded to both Mr Dennis Chia and Mr Howie Lau upon joining StarHub and there was share-based compensation granted to Mr Howie Lau as a one-off time-based restricted award of 32,500 shares.

(7) Mr Nicholas Tan Kok Peng resigned as CFO of StarHub with effect from 1 May 2015. For his employment with StarHub, he received compensation (including benefits-in-kind and deferred compensation accrued for FY2015) from StarHub for services rendered in all capacities to the Group. Upon Mr Tan's departure, he was awarded a package of S\$383,040 in recognition of his contribution to StarHub. The outstanding conditional share awards granted to Mr Tan under the StarHub Performance Share Plan in 2014 lapsed on 1 May 2015 and the outstanding conditional share award granted under the StarHub Restricted Share Plan in 2014 was pro-rated and will continue to be vested to Mr Tan on the relevant vesting date. Mr Tan's earned EVA bank will be paid out to him in two equal tranches during the next two annual payout dates.

CORPORATE GOVERNANCE

If the executive Director or any key management personnel of StarHub is involved in fraud or misconduct, which results in re-statement of StarHub's financial results or financial loss to StarHub, the Board may reclaim the unvested components of remuneration from such executive Director or key management personnel from all incentive plans for the relevant period, to the extent such incentive has been earned but not yet released or disbursed. The Board, taking into account the ERCC's recommendation, may decide whether and to what extent, such recoupment of the incentive is appropriate, based on the specific facts and circumstances of the case.

During FY2015, no employee of the Group whose remuneration exceeded \$50,000 per annum was an immediate family member of any Director or the CEO.

3. STRATEGIC MATTERS

The SC supports, advises and provides direction to the Group on the formulation, review and execution of the Group's strategies. The mandate for the SC includes:

- identifying and assessing significant intermediate and long-term opportunities (in terms of new frontiers of organic and inorganic growth) and threats in the Group's business areas and operations (including technology, competition, regulatory and financial) and the industry; and
- providing constructive input and recommendations to the Board on any strategic matter reviewed by the SC which requires the Board's approval.

As at 31 December 2015, the SC comprises non-executive Directors and a co-opted member who are independent of Management. The members are:

- Mr Nihal Vijaya Devadas Kaviratne CBE (SC Chairman);
- Mr Steven Terrell Clontz;
- Mr Lim Ming Seong;
- Mr Liu Chee Ming;
- Mr Robert J. Sachs; and
- Mr Nikhil O. J. Eapen (co-opted).

During FY2015, the SC held four meetings.

4. ACCOUNTABILITY AND AUDIT ACCOUNTABILITY

The Board provides a balanced and informed assessment of the Group's performance, position and prospects to shareholders in the Group's quarterly and full-year operating performance and financial results which are released via SGXNET. Press releases and presentation slides on the financial results are also provided via SGXNET.

For the quarterly financial statements, the Board provides a negative assurance confirmation to shareholders, in line with the SGX-ST Listing Manual. For FY2015, the CEO and the CFO have provided assurance to the Board on the integrity of the financial statements for the Group. StarHub recognises that prompt and full compliance with statutory reporting requirements is imperative in maintaining shareholder confidence and trust.

Management updates the Board with monthly management and financial reports which explain StarHub's performance (in comparison with its forecasted performance and budget) and financial position on a timely basis. Other related business reports are also provided to the Board regularly and upon request by the Board from time to time.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board takes responsibility for the governance of risks and to this end, has established and maintains a sound system of risk management and internal controls to safeguard shareholders' interests and StarHub's assets.

The RC assists the Board in its discharge of this responsibility. As at 31 December 2015, the RC comprises the following Directors:

- Mr Teo Ek Tor (RC Chairman, independent Director);
- Mr Tan Tong Hai; and
- Mr Sio Tat Hiang.

During FY2015, the RC held two meetings.

The RC has the following mandate:

- To review and recommend to the Board the type and level of business risk that the Group undertakes in achieving its business strategy, and the appropriate risk management framework and policies for managing risks that are consistent with StarHub's risk appetite;
- To provide oversight in the design, implementation and monitoring of the risk management framework, and system of internal controls (including operational, compliance and information technology controls), and to ensure that Management puts in place action plans to mitigate the risks identified where possible;
- To review the adequacy and effectiveness of StarHub's internal controls and risk management systems, including operational, compliance and information technology controls;
- To review policies and procedures for timely risk identification and containment; and
- To set and instill in StarHub, an appropriate risk-aware culture for effective risk governance.

The Board, upon recommendation by the RC, approved a Risk Appetite Statement to provide guidance to the Management on

key risk parameters. StarHub is committed to upholding high standards of corporate governance and applying consistent and effective risk management to enhance shareholder value. The Group faces a variety of internal and external risks due to complex business operations and the dynamic and competitive market in which it operates. The Group recognises risk management as an optimisation of the risk-reward relationship, within known and agreed risk appetite levels. The Group will manage or avoid situations or actions that risk having a negative impact on its reputation and brand, network integrity and business continuity. StarHub seeks to treat its customers reasonably and fairly. StarHub requires its staff to uphold integrity. StarHub also seeks to meet applicable legal and regulatory requirements. The Group is prepared to take measured risks to seek new growth and pursue value-creation opportunities as they arise, while leveraging its current scale and core strengths.

The RC is assisted by the Management Risk Committee (MRC), comprising relevant members of Senior Management. The MRC oversees, co-ordinates and monitors the implementation of the enterprise-wide risk management policies and procedures across the Group, including the Group's insurance programme and the facilitation of self-assessment exercise required of significant business units on an annual basis. The MRC also proactively identifies existing and emerging significant risks, and manages them at the enterprise level within StarHub on an ongoing basis. The MRC reports to the RC on a regular basis.

The RC has authority to investigate any matter within its terms of reference, and has full access to and co-operation by Management. The RC will also have full discretion to invite any Director or executive officer to attend its meetings, and to require Management to provide it with such reasonable resources to enable it to discharge its functions properly.

In terms of internal controls, independent audits are conducted by the external and internal auditors on the effectiveness of the Group's key internal control systems. The AC is responsible for reviewing the audit reports and assessing the effectiveness of the actions taken by Management in resolving any lapses or weaknesses based on the recommendations made by the external and internal auditors, and taking into account Management's views.

For FY2015, the Board has received assurance from CEO and CFO that (a) the financial records of the Group have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and (b) the risk management and internal controls of the Group are adequate and effective to address the financial, operational, compliance and information technology risks which the Group considers relevant and material to its current business environment and scope of operations. In addition, Management has implemented

an enhanced process to sign off assurance to CEO and CFO, to enhance the current processes for supporting the Board's opinion on the adequacy and effectiveness of the risk management system and internal controls of the Group.

Based on the risk management system and internal controls established and maintained by the Group, the reviews performed by Management as supported by audit findings by external and internal auditors and the relevant assurance by CEO and CFO, the Board with the concurrence of the AC and the RC is of the opinion that the risk management system and internal controls of the Group, are adequate and effective to address the financial, operational, compliance and information technology risks which the Group considers relevant and material to its current business environment and scope of operations.

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

AUDIT COMMITTEE

As at 31 December 2015, the AC comprises the following non-executive Directors, with a majority (including the AC Chairman) being independent Directors:

- Mr Ma Kah Woh (AC Chairman, independent Director);
- Mr Nihal Vijaya Devadas Kaviratne CBE (independent Director);
- Mr Lim Ming Seong; and
- Ms Rachel Eng Yaag Ngee (independent Director).

During FY2015, the AC held four meetings and met with the external auditors without Management at least once.

The AC members are appropriately qualified to discharge their responsibility and collectively have strong accounting and related financial management expertise and experience. The AC's key responsibilities include:

- reviewing and approving quarterly and year-end financial results announcements and financial statements, before recommending to the Board for approval;
- monitoring compliance with relevant statutory and listing requirements to ensure the integrity of the Group's financial statements, including the relevance and consistency of the accounting principles adopted;
- reviewing and reporting to the Board at least annually the adequacy and effectiveness of StarHub's internal controls,

CORPORATE GOVERNANCE

- including financial, operational and compliance controls;
- reviewing the effectiveness of the Group's internal audit function;
- reviewing the scope and results of the external audit, and the independence and objectivity of the external auditors (with regard to the nature, extent and cost of non-audit services provided by the external auditors during the financial year);
- reviewing interested person transactions to ensure compliance with the SGX-ST Listing Manual and the Shareholders' Mandate that is renewable annually;
- making recommendations to the Board on the proposals to the shareholders on the appointment, re-appointment and removal of the external auditors, and approving the remuneration and terms of engagement of the external auditor;
- commissioning and reviewing findings of internal investigations into suspected fraud, irregularity or failure of internal controls or violation of any law that is likely to have a material impact on the Group's results; and
- reviewing StarHub's Whistle Blowing Policy and the arrangements therein by which employees of StarHub and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters, and such concerns will be independently investigated and appropriate follow-up action(s) will be taken.

The AC has explicit authority to investigate any matter within its terms of reference, with full access to and co-operation by Management. The AC also has full discretion to invite any Director or executive officer to attend its meetings, and to require Management to provide it with such reasonable resources to enable it to discharge its functions properly.

The AC has performed a review of the independence and objectivity of the external auditors, and also a review of the volume and type of non-audit services provided by the external auditors during FY2015. The aggregate amount of external auditors' fees for FY2015 and the breakdown for the audit and non-audit services are set out in Note 20.3 to the Financial Statements of the Annual Report.

Based on the information, the AC is satisfied that the independence of the external auditors has not been compromised by the provision of the non-audit services and that Rules 712 and 715 of the SGX-ST Listing Manual have been complied. Accordingly, the AC has recommended to the Board that KPMG LLP be nominated for re-appointment as the Group's external auditors at the 2016 AGM. To further maintain the independence of KPMG LLP, the AC ensures that the audit partner in-charge of the Group is rotated every five years. As the audit partner in-charge of the Group, Ms Ang Fung Fung has completed her five-year tenure as at 31 December 2015, a new

audit partner will be appointed for FY2016 at the 2016 AGM. Further, the Board ensures that a former audit partner will not be appointed as an AC member of StarHub within 12 months upon his or her cessation as KPMG LLP partner and for so long as he or she has any financial interest in KPMG LLP. None of the directors or senior management is or has in the past two years been a former employee or partner of the Group's external auditors.

INTERNAL AUDIT

The internal audit function of the Group is carried out by RSM Risk Advisory Pte. Ltd. (internal auditor), an independent firm. The internal auditor is guided by the Standards for the Professional Practice of Internal Auditing, prescribed by the Institute of Internal Auditors.

The internal auditor reports to the AC functionally, and to the CEO and CFO of StarHub administratively. The AC approves the appointment, removal, evaluation and compensation of the internal auditor. The internal auditor has unfettered access to all StarHub's documents, records, properties and personnel, including access to the AC.

The internal auditor adopts a risk-based auditing approach in developing the annual internal audit plan, which focuses on material internal controls, including financial, operational, compliance and information technology controls, across the Group's business. The internal audit plan is submitted to the AC for its review and approval at the start of each financial year. Periodic internal audit reports are submitted to the AC detailing the internal auditors' progress in executing the audit plan and any major findings and corrective actions taken by Management.

The AC conducts a review on the adequacy and effectiveness of the internal audit function annually, to ensure that StarHub maintains an effective internal audit function that is adequately staffed and independent of the activities it audits.

During FY2015, the AC met with the internal auditor at least once a year without the presence of Management.

5. SHAREHOLDER RIGHTS AND RESPONSIBILITIES

SHAREHOLDER RIGHTS

StarHub respects shareholders' rights and promotes the fair and equitable treatment of all shareholders. StarHub keeps all of its shareholders sufficiently informed of its corporate affairs and activities, including any changes in StarHub or its business which may materially affect the price or value of StarHub shares, on a timely basis.

All new material price-sensitive information is disclosed on an adequate, accurate and timely basis via the SGXNET. The

SGXNET announcements are also posted on StarHub's Investor Relations website. StarHub recognises that the release of timely and relevant information is central to good corporate governance and assists shareholders to make informed investment decisions.

All shareholders are entitled to attend and vote at general meetings and are afforded the opportunity to participate effectively in the general meetings. Shareholders are allowed to appoint up to two proxies to attend, speak and vote in their place at general meetings. In view of the Companies (Amendment) Act 2014, shareholders who are nominee companies, custodian banks or CPF agent banks (Relevant Intermediaries) may appoint more than two proxies to attend, speak and vote at the upcoming Eighteenth Annual General Meeting in 2016 and subsequent general meetings.

6. COMMUNICATION WITH SHAREHOLDERS

StarHub protects and facilitates the exercise of shareholder's rights. StarHub reaches out to its shareholders through regular, effective and non-discriminatory communication with shareholders.

StarHub provides regular and timely information to the investment community regarding the Group's performance, progress and prospects as well as major industry and corporate developments and other relevant information. StarHub solicits and considers the views of the shareholders via: (a) periodic analyst and media briefings throughout the year; (b) the CEO and Investor Relations team meeting with institutional investors regularly, through international road shows and conferences organised by major brokerage firms; and (c) via third-party perception studies on StarHub.

Apart from the SGXNET, the StarHub IR website at www.starhub.com/ir is the primary source of information for the investors. It houses all media releases, financial results, annual reports, SGXNET announcements, presentation materials, archived webcasts and conference calls, and other corporate information relating to the Group. The website is regularly updated. Investors may also elect to be notified of any new updates via an e-mail alert service. New material price-sensitive information such as financial results are however, released through SGXNET before any media or analyst conferences are conducted or posted on the StarHub IR website. This ensures fair and non-selective disclosure of information to all investors.

Shareholders may direct their queries and concerns to the StarHub IR team at the contact particulars given at the StarHub IR website. The StarHub IR team is also prompt in keeping Management fully apprised of shareholder views and sentiments.

StarHub declares dividend on a quarterly basis, and informs its shareholders of the dividend payments in the respective quarterly and full year financial results announcements via the SGXNET.

7. CONDUCT OF SHAREHOLDER MEETINGS

At general meetings, StarHub encourages shareholder participation through active discussion at the question and answer session.

Notices of the AGM, together with the annual reports are issued to all shareholders (including foreign shareholders) at least 21 days prior to the scheduled AGM. This provides ample time for shareholders to review the notice of AGM and annual reports before the AGM and if they wish, appoint their proxies to attend the AGM. As part of StarHub's commitment towards more environmentally-friendly and sustainable efforts, electronic copies of annual reports (in the form of a CD-ROM) are issued. Shareholders may elect to receive hardcopies of annual reports upon request.

All Directors (in particular the Chairman of the Board and the respective Chairman of the Board Committees) together with Senior Management attend all general meetings to address shareholders' queries. The external auditors are also present to address shareholders' queries about the conduct of audit and the preparation and content of the auditors' report. Registered shareholders are invited to attend and participate actively in such general meetings, including seeking clarification and/or querying the Group's strategic direction, business, operations, performance and proposed resolutions.

StarHub ensures that there will be separate resolutions at general meetings on each substantially separate issue. Voting is carried out systematically and all resolutions passed are properly recorded. To enhance transparency and efficiency in the voting process and results, electronic poll voting is conducted. The results showing the number of votes cast for and against each resolution and the respective percentages are announced via the SGXNET on the same day of the general meeting.

Minutes of general meetings are made available to shareholders upon their request.

CORPORATE GOVERNANCE

8. CONTINUAL COMMITMENT TO ENHANCE CORPORATE GOVERNANCE

Going beyond the requirements of the Code, the SGX-ST Listing Manual, the Companies Act and the Securities and Futures Act, StarHub has continued to implement additional measures to enhance corporate governance for the Group for FY2015:

Securities Dealings

StarHub has adopted an enhanced insider trading policy, with respect to dealings in the securities of StarHub by the Directors and employees of the Group, which exceeds the requirements of the SGX-ST Listing Manual:

- All Directors and employees of the Group are prohibited from dealing in StarHub's securities:
 - (a) two weeks prior to the announcement of the Group's results for each of the first three quarters of its financial year; and
 - (b) one month prior to the announcement of the Group's full year results; and
- All Directors, Management and employees directly involved in the preparation of the Group's quarterly and full year results are prohibited from dealing in StarHub's securities one month prior to the announcement of each of the Group's quarterly and full year results.

All Directors, Management and employees are notified by email prior to the start of each trading blackout period and the restrictions are only lifted after the announcement of the respective financial results. The policy also discourages trading on short term considerations and reminds Directors, Management and employees of their obligations under insider trading laws.

StarHub has also adopted a policy against acquiring any of its shares pursuant to its Share Purchase Mandate where a price-sensitive development has occurred or been the subject of a decision, until the development has been publicly announced.

The Board has voluntarily undertaken to reduce the amount of shares it may issue and allot pursuant to the general authority granted by StarHub's shareholders to the Board, from 20% to 15% of StarHub's total issued share capital. In addition, the Board has voluntarily reduced the aggregate amount of Share awards that can be granted under the StarHub Performance Share Plan and StarHub Restricted Stock Plan which were approved by the shareholders at the 2014 EGM, from 15% to 8% of StarHub's total issued share capital (taking into account any outstanding unexercised options and invested share awards).

Whistle Blowing Policy

StarHub takes a zero tolerance stance towards fraud and ethical violations. As such, the Group has instituted a robust procedure for the purpose of providing third parties and employees with accessible channels for reporting suspected fraud, corruption, financial impropriety, unethical conduct and other criminal or dishonest practices. Such channels include the employees' immediate supervisors, the relevant Heads of Department or the Head of Human Resource (as may be appropriate), as well as the AC.

The Investigation Committee (constituting representatives from the Senior Management) will investigate the suspected wrongdoing and implement rectification and prevention measures. Any personnel with a conflict of interest (actual or potential) will be barred from appointment to the Investigation Committee. All cases of wrongdoing will also be reported to and reviewed by the AC.

In cases of suspected wrongdoing involving the CEO and/or CFO, the Investigation Committee will be chaired by the AC Chairman (or his nominee). Upon completing the investigations for each case of suspected wrongdoing, the Investigation Committee may at its discretion decide whether to circulate the findings of the investigations to all employees, taking into account the interests of the Group.

The Group's whistle-blowing policy aims to encourage the reporting of such matters in good faith, by lending confidence that whistle-blowers will be treated fairly and accorded with protection against reprisals. StarHub will take disciplinary action against any party who victimises whistle-blowers. Further, StarHub does not disregard anonymous complaints but will give such complaints appropriate weight. The Group's whistle-blowing policy is available on StarHub's intranet and corporate website for easy access by all employees and members of the public.

Employee Code of Conduct and Rules on Business Conduct

To guide employees in carrying out their duties and responsibilities with high standards of personal and corporate integrity when dealing with StarHub, its competitors, customers, suppliers and the community, StarHub has the following in place:

- StarHub's Employee Code of Conduct and Ethics;
- Corporate Gift and Hospitality Policy; and
- Supplier and Vendor Policy.

StarHub's Employee Code of Conduct and Ethics and the Corporate Gift and Hospitality Policy cover business conduct (including employees' compliance with anti-corruption and anti-bribery laws), conduct in the workplace, protection of StarHub's assets, proprietary and confidential information and intellectual property, conflict of interest, non-solicitation of customers and employees, and workplace health and safety. In parallel, the Supplier and Vendor Policy covers internal controls on tenders, vendor selection and purchasing to ensure transparency, objectivity and compliance.

The Employee Code of Conduct and Ethics and the Corporate Gift and Hospitality Policy are available on StarHub's intranet, while the Supplier and Vendor Policy are available on both StarHub's intranet and corporate website for easy access.

Compliance Leave Policy

StarHub has a Compliance Leave Policy which applies to employees who hold Senior Manager position and above, finance advocates and employees with sensitive job functions such as handling monies, inventories, payroll processing and approvals, risk management and purchasing of goods and services. Under the Compliance Leave Policy, such employees are required to go on mandatory block leave of at least five consecutive working days each calendar year. This arrangement allows covering officers to fully step into the duties of the employee on leave, as an additional check and balance against any breaches. This is an additional risk mitigation measure voluntarily put in place to enhance governance.

Document Classification Policy

StarHub has a document classification policy to guide employees in their handling of information and documents relating to the Group's business, activities and operations. Such information and documents are required to be classified as "Confidential", "For Internal Use" or "For Public Distribution". This classification helps to safeguard the information and documents, ensures that only appropriate persons have access to that information and that access is on a need-to-know basis only.

Strategic Business Continuity Management (BCM)

StarHub was the first Info-Communications company in Singapore to be successfully certified to Singapore Standards SS540: 2008 for Business Continuity Management (BCM) in May 2011. In May 2014, StarHub successfully converted to ISO 22301:2013 which is the ISO standard for BCM. StarHub's BCM program focuses on Info-Communications Network, Infrastructure and Support Services for Mobile, Television, Broadband and Fixed. The BCM program is also supplemented by Pandemic Plan, Haze Response Plan and Crisis Communication Plans to ensure StarHub is able to address different crisis situations.

Security Measures for Data Protection

In addition to the Laptop Encryption Solution, StarHub has implemented Mobile Device Management (MDM) to ensure commercially sensitive and confidential corporate emails and information accessed by employees using their mobile devices are protected. In the event an employee's mobile device is lost or stolen, MDM will remove corporate data stored on the mobile device by performing a remote factory reset. Both the Laptop Encryption Solution and the MDM enhance the security of StarHub's commercially sensitive and confidential corporate data accessed through or stored on such mobile devices and laptops by employees. On an on-going basis, StarHub continually evaluates new technologies which may further enhance the security of its confidential and sensitive information. StarHub has put in place a comprehensive Personal Data Protection compliance program to ensure compliance with the law.

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DISCLOSURE GUIDE – Code of Corporate Governance 2012

Guideline	Questions	How has the Company complied?
General	(a) Has the Company complied with all the principles and guidelines of the Code? If not, please state the specific deviations and the alternative corporate governance practices adopted by the Company in lieu of the recommendations in the Code.	StarHub has complied, in all material aspects, with the principles and guidelines of the Code of Corporate Governance (Code) issued by the Monetary Authority of Singapore on 2 May 2012.
	(b) In what respect do these alternative corporate governance practices achieve the objectives of the principles and conform to the guidelines in the Code?	Please see above.

BOARD RESPONSIBILITY

Guideline 1.5	What are the types of material transactions which require approval from the Board?	The Board has established a framework on authorisation and approval limits for capital and operating expenditure, and specified transactions including acquisitions and disposals of investments, procurement of goods and services, bank facilities and cheque signatories. Within this framework, the Board has set relevant authority and approval sub-limits for delegation to various Management levels to optimise operational efficiency. Board approval is required for all material transactions.
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MEMBERS OF THE BOARD

Guideline 2.6	(a) What is the Board's policy with regard to diversity in identifying director nominees?	The Board recognises the importance and value of diversity. It constantly seeks to maintain an appropriate mix of expertise, experience (both local and international), knowledge, gender, culture and geography in its composition. With Board diversity, each Director is able to bring in his or her unique contribution to the development of the overall strategy of the Group by way of alternative perspectives and fresh challenges at discussions.
	(b) Please state whether the current composition of the Board provides diversity on each of the following – skills, experience, gender and knowledge of the Company, and elaborate with numerical data where appropriate.	The Board consists of Directors who possess a broad range of core competencies and experience in banking, accounting and finance, legal, regulatory, technical, business and industry knowledge, management and strategic planning experience and customer-based experience and knowledge. The individual profile of the Directors can be found in the 'Board of Directors' section of the Annual Report.
	(c) What steps has the Board taken to achieve the balance and diversity necessary to maximise its effectiveness?	In identifying and considering each director nominee, the Nominating Committee (NC) takes into account several factors, including the composition, diversity and progressive renewal of the Board, each director nominee's competencies, commitment, contribution and performance (including attendance, preparedness, participation and candour) and potential conflicts of interest. This is to ensure that an appropriate balance of skills, experience, expertise and diversity is maintained on the Board, enabling the Board to stay engaged and agile in meeting the needs of the Group. External consultants are engaged to assist with Board renewal and selection process as necessary.

Guideline	Questions	How has the Company complied?
Guideline 4.6	Please describe the board nomination process for the Company in the last financial year for (i) selecting and appointing new directors and (ii) re-electing incumbent directors.	The NC leads on the process for the selection and appointment of new directors and re-election of incumbent directors. It takes into consideration the composition, diversity and progressive renewal of the Board, each candidate's competencies, commitment, contribution and performance (including attendance, preparedness, participation and candour) and potential conflicts of interest. This is to ensure that an appropriate balance of skills, experience, expertise and diversity is maintained on the Board, enabling the Board to stay engaged and agile in meeting the needs of the Group. External consultants are engaged to assist with Board renewal and selection process as necessary. All new appointments to the Board are subject to the approval of StarHub's regulators, namely the Info-communications Development Authority of Singapore (IDA) and the Media Development Authority of Singapore (MDA). Both IDA and MDA will be merged to form the Info-communications Media Development Authority (IMDA) in the second half of 2016.
Guideline 1.6	(a) Are new directors given formal training? If not, please explain why. (b) What are the types of information and training provided to (i) new directors and (ii) existing directors to keep them up-to-date?	Yes (i) StarHub has a comprehensive induction programme for all newly-appointed Directors tailored specifically for the businesses of the Group. Management conducts briefings for new Directors to familiarise them with the Group's business activities, strategic directions, financials, policies and governance practices, as well as StarHub's corporate culture and the key developments in the Group and industry. The induction program includes meetings with the CEO and Senior Management. (ii) Existing Directors are regularly provided with updates on key legal, regulatory, industry and accounting developments which affect the Group. The updates may be by way of (a) briefings at Board meetings or email, and (b) articles and reports (including industry news and analyst reports) relevant to the Group's businesses, regularly circulated to the Directors and uploaded on the StarHub Board Portal for their reference. Directors are also encouraged to attend external seminars and trainings (including those conducted by the Singapore Institute of Directors, SGX-ST and StarHub's panel of law firms).
Guideline 4.4	(a) What is the maximum number of listed company board representations that the Company has prescribed for its directors? What are the reasons for this number? (b) If a maximum number has not been determined, what are the reasons? (c) What are the specific considerations in deciding on the capacity of directors?	StarHub has not prescribed a maximum number of listed company board representations that a Director may hold. The NC is responsible for determining whether each Director is able to adequately devote sufficient time to discharging their responsibilities to the Company. The NC is of the view that the duties of all Directors have been fully discharged based on the time and attention devoted by each Director, their individual abilities and their respective individual contribution of skills, knowledge and experience and their commitment to the affairs of StarHub. The table of attendance can be found in the Corporate Governance Report. The specific considerations are as set out in (b) above.

CORPORATE GOVERNANCE

Guideline	Questions	How has the Company complied?
BOARD EVALUATION		
Guideline 5.1	(a) What was the process upon which the Board reached the conclusion on its performance for the financial year?	<p>For FY2015, the Board engaged the assistance of Aon Hewitt Singapore Pte Ltd as independent external consultants to facilitate the annual evaluation process on the effectiveness of the Board and the Board Committees. The evaluation included a review of detailed questionnaires completed by each Director, which invited feedback on key areas such as the adequacy of the Board composition; the relationship between the Board and Management, including the level of engagement and flow of information; Board processes, including level and timeliness of information provided to the Board; managing the Company's performance; the effectiveness of Board Committees; and risk management. The evaluation process also included individual interviews with each Director.</p> <p>Feedback and comments received from the Directors are reviewed by the NC in consultation with the Chairman of the Board, and tabled to the Board for discussion.</p>
	(b) Has the Board met its performance objectives?	Based on the NC's review, the Board and the various Board Committees operate effectively, and each Director is contributing to the overall effectiveness of the Board.
INDEPENDENCE OF DIRECTORS		
Guideline 2.1	Does the Company comply with the guideline on the proportion of independent directors on the Board? If not, please state the reasons for the deviation and the remedial action taken by the Company.	Yes. The current StarHub Board comprises 12 non-executive Directors of whom six are independent, representing more than one-third of the Board.
Guideline 2.3	(a) Is there any director who is deemed to be independent by the Board, notwithstanding the existence of a relationship as stated in the Code that would otherwise deem him not to be independent? If so, please identify the director and specify the nature of such relationship.	Mr Peter Seah Lim Huat (NC and Executive Remuneration and Compensation Committee (ERCC) Chairman) and Mr Sio Tat Hiang (NC member and ERCC members) are not considered independent within the meaning of the Code given their directorships at STT Communications Limited, a holding company of StarHub. After due consideration, the Board and the NC are of the view that such appointments do not interfere with the exercise of independent judgement by Mr Seah and Mr Sio on the Board or prevent them from acting objectively in the best interests of the Group in carrying out his duties. The Board and the NC further note that Mr Seah and Mr Sio are not involved in the day-to-day running of the Group's business and operations, and are independent of Management, with a clear separation of role from Management in the deliberations of the NC and ERCC.
	(b) What are the Board's reasons for considering him independent? Please provide a detailed explanation.	Please see above.

Guideline	Questions	How has the Company complied?
Guideline 2.4	Has any independent director served on the Board for more than nine years from the date of his first appointment? If so, please identify the director and set out the Board's reasons for considering him independent.	As at 31 December 2015, four independent Directors of StarHub, namely Mr Nihal Vijaya Devadas Kaviratne CBE, Mr Teo Ek Tor, Mr Liu Chee Ming and Mr Robert J. Sachs have served on the Board for more than nine years. After careful rigorous review, the NC recommends, and the Board is of the firm view that Mr Kaviratne, Mr Teo, Mr Liu and Mr Sachs have each demonstrated the essential independence of mind and objectivity of judgement to act in the best interests of StarHub in the discharge of their Directors' duties, and therefore considers them to be independent. When assessing the independent judgement and objectivity, the NC and the Board take into consideration, <i>inter alia</i> , the approach, character and attitude of each non-executive Director, including whether such Director (i) is free from any interest and any business or other relationship which could, or could reasonably be perceived to, interfere with the exercise of the Director's independent business judgement with a view to the best interests of the Group; and (ii) has any material contractual relationship with the Group other than as a Director. Two additional independent directors, Mr Ma Kah Woh and Ms Rachel Eng Yaag Ngee were appointed in 2015.

DISCLOSURE OF REMUNERATION

Guideline 9.2	Has the Company disclosed each director's and the CEO's remuneration as well as a breakdown (in percentage or dollar terms) into base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?	Yes.
Guideline 9.3	(a) Has the Company disclosed each key management personnel's remuneration, in bands of S\$250,000 or in more detail, as well as a breakdown (in percentage or dollar terms) into base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?	Yes.
	(b) Please disclose the aggregate remuneration paid to the top five key management personnel (who are not directors or the CEO).	StarHub has disclosed the aggregate remuneration paid to the top five key management personnel in the Corporate Governance Report. The aggregate remuneration paid to the top five key management personnel is \$4,388,148.
Guideline 9.4	Is there any employee who is an immediate family member of a director or the CEO, and whose remuneration exceeds S\$50,000 during the year? If so, please identify the employee and specify the relationship with the relevant director or the CEO.	No.

CORPORATE GOVERNANCE

Guideline	Questions	How has the Company complied?
Guideline 9.6	(a) Please describe how the remuneration received by executive directors and key management personnel has been determined by the performance criteria.	The ERCC seeks to ensure that the level and mix of remuneration of the CEO (Executive Director) and key management personnel are competitive and relevant, linked to the achievement of business and individual performance targets and aligned with shareholders' interest and promote long-term success of the Group. Remuneration for the CEO and key management personnel comprises a fixed component, variable cash component, share-based component and market-related benefits. The performance targets are determined by the ERCC and are set at realistic yet stretched levels each year to motivate a high degree of business performance with emphasis on both short and long-term quantifiable objectives.
	(b) What were the performance conditions used to determine their entitlement under the short-term and long-term incentive schemes?	Please refer to the performance conditions used to determine the key management personnel's entitlement under the short-term and long-term incentive schemes as set out in the Corporate Governance Report.
	(c) Were all of these performance conditions met? If not, what were the reasons?	The performance conditions were met according to the performance level achieved.

RISK MANAGEMENT AND INTERNAL CONTROLS

Guideline 6.1	What types of information does the Company provide to independent directors to enable them to understand its business, the business and financial environment as well as the risks faced by the Company? How frequently is the information provided?	<p>The Board receives monthly management and financial reports providing updates on key performance indicators and financial analysis on the Group, and regular analysts' reports and media articles on StarHub and the industry. Other related business reports are also provided to the Board regularly and upon request by the Board from time to time. Such reports enable the Directors to keep abreast of key issues and developments in the industry, as well as challenges and opportunities for the Group and thereby make informed and sound decisions.</p> <p>Every quarter, Board papers and agenda items are dispatched to the Directors prior to scheduled meetings. This is to give Directors sufficient time to review and consider the matters being tabled and/or discussed. The Board also receives updates from the respective Chair of the Board Committees at Board meetings on key matters raised and/or decisions made at the last held Board Committee meeting. For any matter requiring the Board's approval, the Board Committees would recommend the course of action to the Board for its consideration and decision. Minutes of the meetings of the AC, the SC and the RC are also circulated to the Board for its information.</p> <p>The Board has access to Management at all times to answer any query raised by any Director. Frequent dialogues and interactions take place between Management and the Directors.</p>
Guideline 13.1	Does the Company have an internal audit function? If not, please explain why.	Yes.

Guideline	Questions	How has the Company complied?
Guideline 11.3	<p>(a) In relation to the major risks faced by the Company, including financial, operational, compliance, information technology and sustainability, please state the bases for the Board's view on the adequacy and effectiveness of the Company's internal controls and risk management systems.</p>	<p>The Board's view on the adequacy and effectiveness of the risk management system and internal controls (including financial, operational, compliance and information technology controls) established and maintained by the Group is made in concurrence with the Audit Committee (AC) and the Risk Committee (RC), based on the reviews performed by Management as supported by audit findings by external and internal auditors and the relevant assurance by CEO and CFO.</p> <p>In assessing the adequacy and effectiveness of internal controls, the Board ensures that material assets are properly safeguarded, integrity and availability of critical information and systems (including accounting records) are maintained, and reliable financial information is prepared in compliance with applicable internal policies, laws and regulations.</p>
	<p>(b) In respect of the past 12 months, has the Board received assurance from the CEO and the CFO as well as the internal auditor that: (i) the financial records have been properly maintained and the financial statements give true and fair view of the Company's operations and finances; and (ii) the Company's risk management and internal control systems are effective? If not, how does the Board assure itself of points (i) and (ii) above?</p>	<p>Yes. For FY2015, the Board has received assurance from CEO and CFO as well as the internal auditor that (a) the financial records of the Group have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and (b) the risk management and internal controls of the Group are adequate and effective to address the financial, operational, compliance and information technology risks which the Group considers relevant and material to its current business environment and scope of operations. In addition, Management has implemented an enhanced process to sign off assurance to CEO and CFO, to enhance the current processes for supporting the Board's opinion on the adequacy and effectiveness of the risk management system and internal controls of the Group.</p>
Guideline 12.6	<p>(a) Please provide a breakdown of the fees paid in total to the external auditors for audit and non-audit services for the financial year.</p> <p>(b) If the external auditors have supplied a substantial volume of non-audit services to the Company, please state the bases for the Audit Committee's view on the independence of the external auditors.</p>	<p>The aggregate amount of external auditors' fees for FY2015 and the breakdown for the audit and non-audit services are set out in Note 20.3 to the Financial Statements of the Annual Report.</p> <p>Non-audit fees amount to less than 50% of the total fees paid/payable to the auditor of StarHub. On this basis, the AC is satisfied that the independence of the external auditors has not been compromised by the provision of the non-audit services and that Rules 712 and 715 of the SGX-ST Listing Manual have been complied.</p>

CORPORATE GOVERNANCE

Guideline	Questions	How has the Company complied?
COMMUNICATION WITH SHAREHOLDERS		
Guideline 15.4	(a) Does the Company regularly communicate with shareholders and attend to their questions? How often does the Company meet with institutional and retail investors?	StarHub, through its Investor Relations (IR) team, communicates regularly with shareholders and the investment community, with timely disclosures of material and other pertinent information, through regular dialogues and announcements to SGX-ST, on a non-discriminatory basis.
	(b) Is this done by a dedicated investor relations team (or equivalent)? If not, who performs this role?	Yes.
	(c) How does the Company keep shareholders informed of corporate developments, apart from SGXNET announcements and the annual report?	<p>Apart from the SGXNET and the annual report, the StarHub IR website at www.starhub.com/ir is the primary source of information for the investors. It houses all media releases, financial results, annual reports, SGXNET announcements, presentation materials, archived webcasts and conference calls, and other corporate information relating to the Group. The website is regularly updated. Investors may also elect to be notified of any new updates via an e-mail alert service.</p> <p>The StarHub Investor Relations team together with senior management also meet with institutional investors regularly, through international road shows and conferences organised by major brokerage firms.</p>
Guideline 15.5	If the Company is not paying any dividends for the financial year, please explain why.	Not applicable. StarHub has been paying dividends on a quarterly basis for the financial year.

DIRECTORS' PARTICULARS

Principal Directorships/Chairmanships in other listed companies & other major appointments, both present and held over the preceding 3 years			
Director	Age in Year 2016	Present Principal Directorships/Chairmanships & Appointments	Past Principal Directorships/Chairmanships & Appointments (from 1 Jan 2013 to 30 Dec 2015)
Steven Terrell Clontz	66	Level 3 Communications, Inc. Jasper Wireless, Inc. Virgin Mobile Latin America, Inc. PSA International Pte Ltd	InterDigital, Inc. Equinix, Inc.
Tan Tong Hai	53	StarHub Cable Vision Ltd. StarHub Internet Pte Ltd StarHub Mobile Pte Ltd Nanyang Polytechnic Singapore Workforce Development Agency	–
Ma Kah Woh	69	Mapletree Investments Pte Ltd Mapletree Logistics Trust Management Limited PACC Offshore Services Holdings Ltd	SMRT Corporation Ltd Hwa Hong Corporation Ltd Nucleus Connect Pte. Ltd. National University of Singapore NRF Holdings Pte Ltd
Peter Seah Lim Huat	70	DBS Bank Ltd DBS Group Holdings Ltd GIC Private Limited Lasalle College of the Arts Limited Singapore Health Services Pte Ltd Singapore Airlines Limited	CapitaLand Limited Singapore Technologies Engineering Ltd STATS ChipPAC Ltd
Nihal Vijaya Devadas Kaviratne CBE	72	DBS Bank Ltd SATS Ltd. Olam International Limited GlaxoSmithKline Pharmaceuticals Limited Akzo Nobel India Limited	TVS Motor Company (Europe) BV Wildlife Reserves Singapore Pte Ltd
Teo Ek Tor	63	PrimePartners Group Pte Ltd PrimePartners Corporate Finance Pte Ltd Aris PrimePartners Asset Management Pte Ltd WhiteRock Medical Company Pte Ltd	Prime Agrico Ltd
Sio Tat Hiang	69	Singapore Technologies Telemedia Pte Ltd Asia Mobile Holdings Pte. Ltd. STT Communications (Beijing) Co., Ltd TeleChoice International Limited U Mobile Sdn Bhd GDS Holdings Limited	–

DIRECTORS' PARTICULARS

		Principal Directorships/Chairmanships in other listed companies & other major appointments, both present and held over the preceding 3 years	
Director	Age in Year 2016	Present Principal Directorships/Chairmanships & Appointments	Past Principal Directorships/Chairmanships & Appointments (from 1 Jan 2013 to 30 Dec 2015)
Lim Ming Seong	69	CSE Global Limited First Resources Ltd Singapore Technologies Kinetics Ltd Singapore Technologies Telemedia Pte Ltd Amplus Communications Pte Ltd STT GDC Pte. Ltd.	WhiteRock Partners Ltd WhiteRock Management Pte Ltd WhiteRock Management (USA), Inc. Servelec Group Limited
Liu Chee Ming	65	Platinum Holdings Company Limited Haitong Securities Co., Ltd. Dalian Wanda Commercial Properties Co., Ltd.	–
Robert J. Sachs	68	Principal, Continental Consulting Group, LLC Governing Trustee and Executive Member, Dana-Farber Cancer Institute, Inc. (“DFCI”) Chair, Joint Committee on Quality Improvement and Risk Management, DFCI Public Broadcasting Service	WGBH Educational Foundation Big Band Networks, Inc.
Rachel Eng Yaag Ngee	48	Member of the Committee on the Future Economy (CFE) Steering Committee, Ministry of Trade & Industry SPH REIT Management Pte. Ltd. Certis CISCO Security Pte. Ltd. Public Utilities Board Singapore Accountancy Commission	Advisory Board Member, Singapore Management University, School of Law Member of the Singapore Capital Markets Committee, Monetary Authority of Singapore
Nasser Marafih	55	PT Indosat, Tbk Asiacell Communications PJSC Ooredoo Myanmar Limited GSMA for Mobile Development Foundation Asia Mobile Holdings Pte. Ltd.	–
Takeshi Kazami	53	Emerio GlobeSoft Pte Ltd NTT MSC Sdn. Bhd. PT. NTT Indonesia NTT Communications (Vietnam) Ltd.	NTT Communication (Thailand) Co., Ltd. NTT Communications India Private Ltd.

AWARDS & INDUSTRY HONOURS

Advertising/ Branding/Customer Service/Marketing

Best Buy Award 2015/2016

- Digital TV service provider that offers best price-quality ratio in Singapore: 1st place
- Garnered the most votes for best value-for-money digital TV service

Creative Circle Awards 2015

- Creative Client of the Year: **GOLD** (*Oliver Chong – AVP, Brand & Marcom*)

HWM + HardwareZone.com Tech Awards 2015

- Best Pay TV Service (Singapore)

Loyalty & Engagement Awards 2015

- **GOLD**: Best Loyalty Programme of the Year
- **BRONZE**: Best Partnership in a Loyalty Programme
- **BRONZE**: Best Use of Social

Marketing Excellence Awards 2015

- Excellence in Corporate Social Responsibility: **GOLD** (*Home by Homes*)
- Excellence in Viral Marketing: **GOLD** (*Home by Homes*)
- Excellence in Loyalty Marketing: **SILVER** (*StarHub Rewards & Customer Engagement*)
- Excellence in Search Marketing: **BRONZE** (*SEO Zero to SEO Hero*)

New York Festivals 2015

- **GOLD**: Best Animation: Promotion/Open & IDs (*French Open 2014*)
- **GOLD**: Best Animation: Promotion/Open & IDs (*SuperSports 1, 2, 3 Idents*)
- **GOLD**: Best Station/Image Promotion (*LionsXII The Legend Returns*)
- **SILVER**: Best Station/Network ID (*SuperSports 1, 2, 3 Idents*)
- **BRONZE**: Best Direction: Promotion/Open & IDs (*LionsXII The Legend Returns*)

PromaxBDA ASIA 2015

- Four **GOLDS**: Best Movie Promo; Best Sports Promo; Best Sports Campaign; and Best On-air Channel Branding

PromaxBDA Global Excellence Promotion, Marketing and Design Awards 2015

- **GOLD**: Art Direction & Design: General Channel Image Spot (*The New SuperSports 1234 Idents*)
- **GOLD**: Theatrical Films Shown On Television Spot Or Campaign (*The VOD Experience*)
- **SILVER**: Art Direction & Design: Sports General Image Campaign (*US Open 2014*)
- **BRONZE**: Art Direction & Design: Holiday/Seasonal/Special Events Spot (*The Legend Returns*)
- **BRONZE**: Copywriting (*The Legend Returns*)

Singapore Advertising Hall of Fame Awards 2015

- Brand of the Year (*for the second consecutive year*): StarHub
- **GOLD**: Social Campaign of the Year (*StarHub Home by Homes*)
- **SILVER**: Digital Design Campaign of the Year (*StarHub.com*)
- **BRONZE**: Content Marketing Campaign of the Year (*StarHub Home by Homes*)
- **BRONZE**: Transmedia Campaign of the Year (*StarHub Home by Homes*)

Corporate

2015 Corporate Knights' Global 100

- Ranked 24th in the list of the world's most sustainable company
- Improved from the ranking of 29th in 2014
- Remains the only local telco to be awarded

Asia Communication Awards 2015

- The Green Award
- Winner for the second consecutive year
- Won for RENEW programme

Governance and Transparency Index 2015

- Ranked 20th out of 639 companies

IR Magazine Global Top 50 Awards 2015

- StarHub ranked in Global Top 50 Silver

PRWeek Asia Awards 2015

- **BRONZE**: Corporate Social Responsibility Campaign of the Year (*4G4Good*)

SIAS 16th Investors' Choice Award

- Most Transparent Company Award (*Services Category*)
- Winner for the second consecutive year

Singapore Computer Society's IT Leader Awards 2015

- Tan Tong Hai: IT Leader of the Year

Singapore Corporate Awards 2015

- **SILVER**: Best Managed Board
- Latest award makes StarHub the only listed company in Singapore to have been awarded in all five categories: Best Managed Board, Best CEO, Best CFO, Best IR and Best Annual Report.

Technology

LTE Asia Awards 2015

- Best Innovation in Heterogeneous Networks
- A joint win for StarHub and Huawei

NetworkWorld Asia Readers' Choice Product Excellence 2015

- Winner: IP Services Infrastructure

OpenSignal's 'The State of LTE' September 2015 Report

- The world's fastest 4G network: StarHub
- Clocked the world's fastest average 4G speeds of 38Mbps

INVESTOR RELATIONS

Our investor relations (IR) programme is packed with meetings, presentations, ad-hoc, or scheduled. In 2015, we met more than 250 investors in over 210 meetings. We run a predominantly Singapore business, but we reach out to investors all over the world. We conduct regular interactions with them at the key financial centres such as Hong Kong, London, New York and Singapore.

We hold quarterly earnings calls, which see lively participation from analysts, fund managers and journalists alike. They field all manners of questions and our management hosting these calls responds candidly, so that the StarHub investment thesis can be better appreciated.

Besides the usual presentation decks, financial statements, we have also made it easy for investors to check our

IR website with recordings and even transcripts of these sessions.

Leveraging on technology and trends, we widened our communication channels and started tweeting our quarterly results as well. Regardless of how we engage our shareholders, we make sure our message is clear and consistent, giving them plenty of visibility and assurance.

This year, we also organised two events to help investors know the StarHub story better. In May, the senior management team shared more details of the Company's growth strategies at an Investors' Day. In November, the investment community had a luncheon with our new Chairman and former CEO, Terry Clontz. He touched on industry trends and affirmed the Company's growth strategies.

We understand that there are new developments in this fast-paced industry. New policies might be in the pipeline, competing services or products might be launched. We stand ready to address whatever queries our investors have and even proactively address any foreseeable concerns by emailing them our views.

Our pledge to good corporate governance has been steadfastly maintained since our listing back in October 2004. Tong Hai, our CEO, is the champion of our IR team's efforts. Dennis, our CFO, may be new to the StarHub investors but he too fly our flag high at all investor meetings overseas and locally. The StarHub IR team remains fully committed in our duty to communicate effectively with all shareholders regularly and disclose in a timely manner.

WHY INVEST IN STARHUB

01

PROVEN MANAGEMENT TEAM

Experienced, performance-oriented management team with solid industry expertise, technical depth and company tenures

02

WIDELY RECOGNISED BRAND

Well-known in the info-communications and media industry to be innovative, providing good values to customers, household and enterprise – a brand that cares for the community and a company with a heart

03

PROVEN STRATEGY

The Hubbing strategy has been successfully executed since July 2002 across multiple service platforms. It has consistently delivered increased revenues and total dividend payouts

04

FINANCIALLY SOUND

Stable cash flow generation, strong financial flexibility and consistently providing a high dividend yield

05

FOCUS ON CUSTOMER SERVICE

Extensive retail distribution channels, dedicated account management team, Hub Trooper service and recognised for customer service excellence

Corporate social responsibility (CSR) activities are increasingly becoming more and more important to listed companies as they are seen by the investment community as another barometer to gauge the company's performance. We have ambitions to be an attractive investment for shareholders all over the world, and we recognise that our sustainability scorecard will also figure in investment decisions.

We are proud to say that we are part of a growing trend in Singapore. In 2013, three quarters of the S&P 500 companies produced sustainability reports. Back in 2011, only 20% did so, according to the Governance & Accountability Institute in the US.

For the fifth consecutive year, we have included a sustainability report, which will not be just a list of CSR activities, but a report that gives a bigger

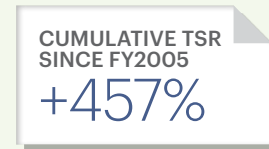
picture of our risk management and operational impacts. We are moving into integrated reporting and be on top of corporate governance trends, especially in the ESG categories.

Accolades and Acknowledgments

We are glad to have received a steady stream of awards – including awards at the regional and global levels, acknowledging our commitment in CSR and IR.

In the 2015 Corporate Knights' Global 100, we ranked 24th in the list of the world's most sustainable company. This is an improvement from the ranking of 29th in 2014 and 66th in 2013. StarHub remains the only local telco to be awarded. For the second consecutive year at the Asia Communication Awards 2015, we walked away with 'The Green Award' for our 'RENEW' electronic waste programme.

In the 2015 SIAS Investors' Choice Award, we were named winner of the 'Most Transparent Company, Services Category' for the second consecutive year. During the Singapore Corporate Awards 2015, we won Silver for 'Best Managed Board'. This award makes StarHub the only listed company in Singapore to have been awarded in all five categories: Best Managed Board, Best CEO, Best CFO, Best IR and Best Annual Report. Internationally, we were ranked 'Global Top 50 Silver' in IR Magazine Global Top 50 Awards 2015.



06

SINGAPORE'S FIRST FULLY-INTEGRATED INFO-COMMUNICATIONS COMPANY

Fully-integrated info-communications and entertainment service provider based in Singapore, providing at least one service to over 60% of local households

07

REGIONAL CONNECTIVITY

Strategic investments in submarine cable systems like AAG, ASE and APG ensure low network latency, resilience and diversity, and support future growth needs

08

STRATEGIC PARTNERSHIPS

Developing and fostering strategic relationships to run an efficient business model, provide complete end-to-end service offerings and continue to lead innovation in all areas

09

BUSINESS SUSTAINABILITY

Constantly measuring and assessing the impact of the landscape and stakeholders on the Company and vice versa, working towards long-term profitability

RISK MANAGEMENT

StarHub is committed to establishing a structured and disciplined approach towards managing risk, with a systematic and effective risk management process integrated into our core business processes and decision-making activities.

StarHub recognises that risks are inherent in all businesses and a sound system of risk management and internal controls does not eliminate risk, but rather mitigates and manages risk-taking, so that StarHub is able to make business decisions which commensurate with its risk tolerance.

Through our risk management programme, we aim to have a current and comprehensive understanding of our significant risks, which will be managed within risk tolerances endorsed by the Board, reflecting our values, objectives and resources.

StarHub's Risk Management Approach

01

CREATE VALUE by contributing to the achievement of StarHub's mission, business and strategic objectives;

02

FORM AN INTEGRAL PART of StarHub's management practices, organisational processes and core business activities, including strategic planning, project processes and change management processes;

03

ENABLE STARHUB'S DECISION MAKERS to make informed choices, prioritise actions and distinguish alternative courses of action;

04

TAKE INTO ACCOUNT UNCERTAINTIES, the nature and extent of the uncertainties and how they can be addressed;

05

FOLLOW A SYSTEMATIC, disciplined and structured approach which is efficient and produce consistent, comparable and reliable results;

06

BASED ON RELIABLE INFORMATION SOURCES such as historical data, experience, stakeholder feedback, observation, forecasts and expert judgment;

07

ALIGNED TO STARHUB'S CULTURE, processes and structure, taking into account the internal and external parameters for risk management;

08

REMAIN RELEVANT AND UPDATED by involving relevant and appropriate stakeholders and decision makers regularly and on a timely basis;

09

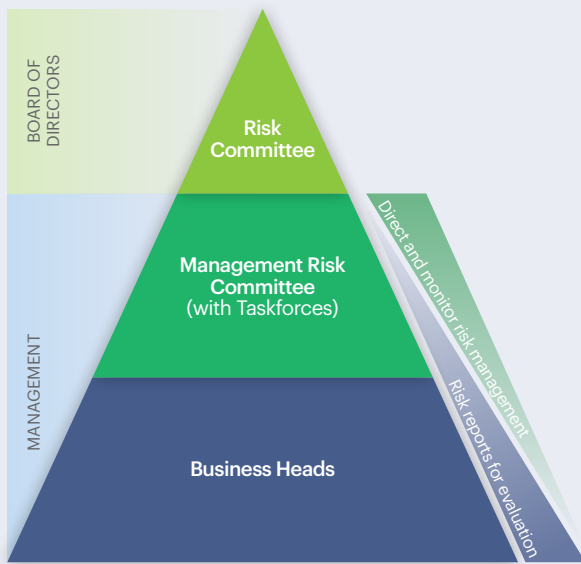
CONTINUOUSLY ADAPT TO CHANGE, including occurrence of internal and external events, change in risks and emergence of new risks; and

10

CONTINUOUSLY IMPROVE StarHub's capability/capacity, adequacy of resources and availability of requisite experience to identify, manage, mitigate and take on new risks.

Risk Structure

The risk structure sets out our risk management functions, roles and responsibilities of key stakeholders for the governance of risk, as illustrated below:

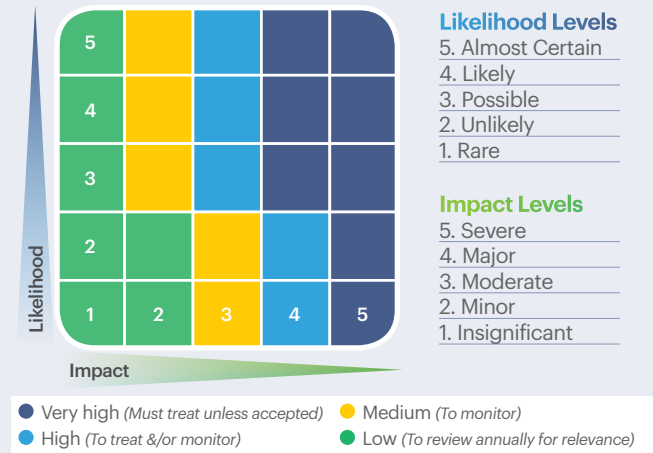


Risk Considerations

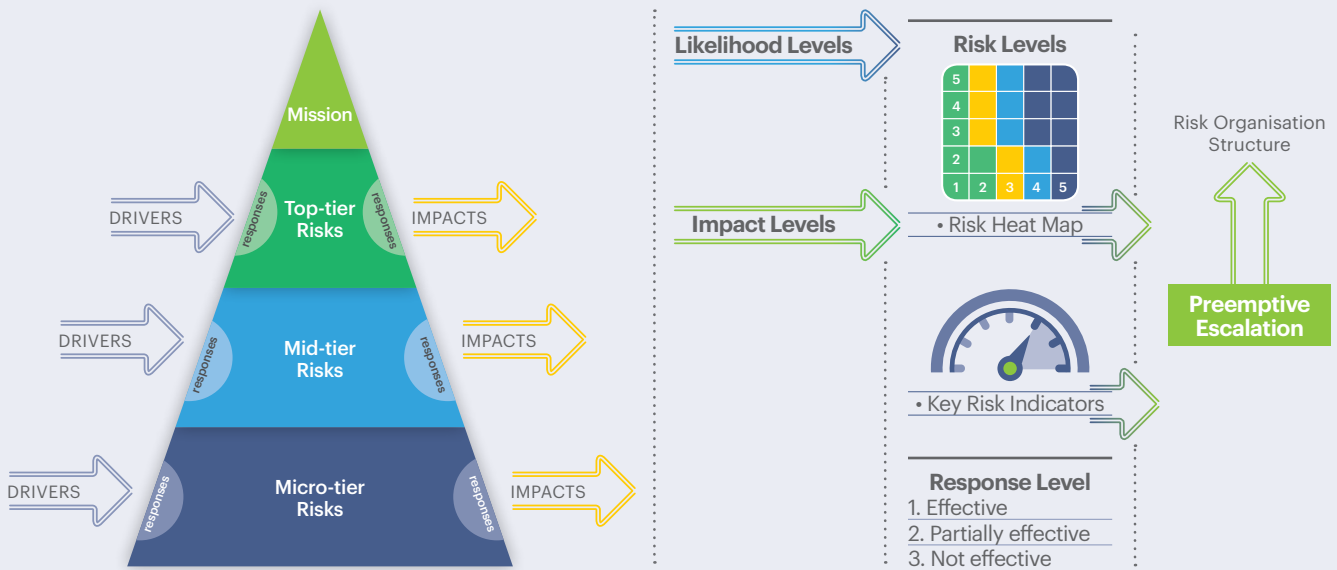
StarHub’s external environment is characterised by numerous challenges, including rapid technological changes, intensifying competition in a saturated market, growing government and sectoral regulation, and global and domestic economy changes.

Our Mobile, Broadband, and Pay TV lines of business have been prioritised for in-depth risk assessments, management, monitoring and reporting.

Risk Levels



StarHub’s current risk management process, which is an integral part of StarHub’s key business activities is summarised and illustrated in the diagram below:



Risk Management Training

We build and create employee risk awareness through training programmes for employees to build up competency for managing risk through workshops, communication bulletins and other channels.

RISK MANAGEMENT

StarHub is committed to upholding high standards of corporate governance and applying effective risk management to enhance shareholder value.

The Group faces a variety of internal and external risks due to complex business operations, and the dynamic and competitive market in which it operates. The Group recognises risk management as an optimisation of the risk-reward relationship, within known and agreed risk appetite levels. The Group will manage or avoid situations or actions that risk having a negative impact on its reputation and brand, network integrity and business continuity.

StarHub seeks to treat its customers reasonably and fairly. StarHub requires its staff to uphold integrity. StarHub also seeks to meet applicable legal and regulatory requirements. The Group is prepared to take measured risks to seek new growth and pursue value-creation opportunities as they arise, while leveraging its current scale and core strengths.

StarHub's corporate risk appetite statement as approved by the Board

Key Risks

01

Technology, IT, Security and Resiliency

StarHub's business as an info-communications service provider is dependent on the security, availability and resilience of the underlying network infrastructure and information systems it operates on. While our network is designed to be resilient and robust, points of failure, network outages and external events (such as accidents stemming from human error and disasters beyond our control) could cause an extended disruption to our network services and business operations.

The technology evolution cycle is much shorter in our industry than in other industries and continuously influences strategic decisions necessary to identify the most appropriate technology to adopt and implement, due to the high levels of capital expenditure involved and the uncertainty of the return on investment.

Cyber risks can potentially lead to security breaches, compromise of network integrity and loss of customer information, resulting in potential breaches of statutory or regulatory as well as contractual obligations.

Mitigation

StarHub is careful in its infrastructure investments to upgrade and modernise its network and IT infrastructure, expand capacity to handle growth in data traffic, address security issues and to control capital expenditure. Network infrastructure and information systems are kept refreshed, secured and up to date with technological changes and the ever-evolving technology threats.

We have established specialised security, business continuity and disaster recovery functions and programmes to prevent, monitor, detect, respond and escalate incidents, as well as coordinate and operate across the company to mitigate the security and resiliency risk.

02

Customers

In Singapore, fixed broadband and mobile networks have become a widely used platform for access to businesses and services on the Internet. Global technology players, device manufacturers and over-the-top content and service providers continue to enter the highly competitive market.

Customers have increasing demands on network capacity, including faster network speeds and higher download capacity while also being price sensitive.

Mitigation

StarHub has put in place strategies to meet the expectations of our customers to win their loyalty. Our Hubbing strategy continues to evolve to meet changing market and customers' needs.

Our leading position in content and channel offerings is aligned with our strategies to move into content development and internet delivery of content to our customers across different technical platforms. We continue to make investments to improve our customer service excellence. Our products and services are continuously reviewed and improved to keep up to date with technology changes and our customers' needs.

03

Legal & Regulatory

StarHub faces a dynamic legal and regulatory landscape in the local technology and info-communications sector. In recent years, regulators have lowered the barriers for new entrants in a competitive and highly saturated local market. As part of our operations, we are also exposed to litigation risks, from regulators, customers and suppliers.

Mitigation

StarHub engages with regulators by participating in consultations conducted by the relevant government ministries and authorities, to safeguard StarHub's long term interests and competitiveness.

Our in-house legal and regulatory support functions provide prompt advisory and guidance to ensure that internal stakeholders are aware of and comply with the existing and new legislation and regulatory obligations.

04

Human Resource

Human resource is a significant StarHub asset. Hiring, growing and retaining talented, experienced, innovative and passionate people are vital and strategic factors to the company's success. In a tight labour market, it poses an additional challenge to recruit the right people with the right skill sets.

Mitigation

We regularly invest in developing our people with ongoing training. Retention strategies are in place to minimise employee turnover including talent and performance management, competitive remuneration, recognition and reward programmes and fast-tracking of high-performance employees. Human resource policies and functions are also in place to support, attract, retain and grow talent, as well as to create a conducive work environment.

We also have succession planning programmes to mitigate key employee risks.

05

Partnership

StarHub works with partners in various aspects of its info-communications business and also forms strategic partnerships with key vendors and other complementary service providers to expand its footprint and serve new market segments. This exposes us to potential supply chain risks.

Mitigation

Our senior management regularly engages with key partners and plays an active role in sustaining the strength and commitments of our strategic relationships and joint ventures. We have established service standards, training programmes, and feedback mechanisms to drive consistent and desirable service standards from our partners.

Significant Achievements FY2015

January
Ranked 24th in the Corporate Knights Global 100 Most Sustainable Corporations list.
Remains the only local telco on the list.



February
Provided a total of \$450,000 for a three-year title sponsorship of the SEC-StarHub School Green Awards.

March
Contributed \$250,000 to Central Singapore CDC to support learning opportunities and literacy for children from low-income families.

April

May



June
Awarded the Green Award for our e-waste recycling initiative RENEW, at the Asia Communications Awards 2015.
Awarded Corporate Social Responsibility Campaign of the Year (Bronze) for our 4G4Good initiative at the PRWeek Asia Awards 2015.
Provided second round of funding (\$100,000) to social enterprise Grid Synergy's Entrepreneurs With Disabilities programme.



July
Raised funds for Community Chest's Heartstrings Walk through Crowdtiltivate.
Organised annual StarHub Open and raised \$213,850 for Singapore Association for the Visually Handicapped and Metta Welfare Association.

August

September
Renewed support for SPD's ICOS programme with increased funding of \$300,000 to train 100 individuals with disabilities till 2017.
Increased bin locations for RENEW programme, with more than 31.7 tonnes of e-waste collected in the year.

October
Awarded Most Transparent Company Award (Services Category) at the 16th SIAS Investors' Choice Awards, winning for the second consecutive year.



November
Awarded Excellence in Corporate Social Responsibility (Gold) at the Marketing Excellence Awards 2015 for our "Home by Homes" campaign.
Implemented the Managed Print Services to optimise our document output.

December



SUSTAINABILITY

StarHub's fifth annual sustainability report presents our economic, social and environmental performance for the calendar year 2015.

About This Report

StarHub's fifth annual sustainability report presents our economic, social and environmental (ESG) performance for the calendar year 2015. As with previous reports, this report has been prepared in conformance with the "in accordance-Core" criteria of the Global Reporting Initiative (GRI) G4 guidelines. The report also includes relevant indicators from GRI's Telecommunications Sector Supplement and the Media Sector Supplement. We have also started our journey to progressively incorporate the principles of Integrated Reporting as advocated by the International Integrated Reporting Council by placing greater focus on communicating value creation as a result of our environmental, social and governance strategies.

This report covers ESG performance of all business divisions and subsidiaries which are under the financial and operational control of StarHub.

Information presented in the report has been extracted from the primary internal records and documents to ensure accuracy using internationally accepted measurement data units.

Reporting Process

From our very first sustainability report, we have followed the latest GRI principles for defining the sustainability report content and quality.

G4-18

StarHub's Sustainability Reporting Committee, which includes senior executives from major functions, provides the overall direction for preparing the report. The Committee's responsibilities include reviewing, assessing and determining the sustainability context, material topics, scope, boundary, and prioritisation of issues to be included in the report. The Committee also takes into account formal and informal feedback from a range of internal and external stakeholders received throughout the year to determine the most material issues to be addressed in the report. The Committee is supported by a cross-functional project team which gathers and verifies performance data. The entire process is coordinated by StarHub's Corporate Sustainability & Responsibility (CSR) advocate.

Defining the Report Content

Our reporting cycle begins with reviewing the sustainability report published for the preceding year to re-assess the material aspects and their boundaries. Priority issues are re-visited for adjustments, if necessary, to reflect business environment changes, stakeholder feedback and sustainability trends.

Restatements

This report does not include any restatements of previously published data.

SUSTAINABILITY

Assurance

While the financial statements in the report are audited by independent auditors, we rely on our internal process to verify the accuracy of ESG performance data and information presented in the report.

Availability

A PDF version of the report is available for download at our website www.starhub.com. Smart device users can also download the StarHub Annual Report app to browse and experience the StarHub Annual Reports on their smart devices.

A small number of copies of this report have been printed on the Forest Stewardship Council (FSC) certified sustainable paper to reduce the environmental impact.

Feedback

We welcome feedback from all stakeholders. Please send questions, comments, suggestions or feedback relating to this report or our sustainability performance to StarHubCSR@StarHub.com

StarHub Value Creation Scorecard

Strategic Area	FY 2015	FY 2014	FY 2013
ENVIRONMENTAL			
CO ₂ e emissions (tonnes)	56,706	54,624	58,383
Carbon emission intensity per \$million revenue (tonnes CO ₂ e)	23.2	22.9	24.8
Energy intensity per \$million revenue (Gigajoules)	183	183	181
Water consumption (cubic metres)	27,500	27,832	29,348
General waste (non-hazardous) (tonnes)	30	33	49
E-waste recycled (tonnes)	117*	385	259
Paper recycled (kilogrammes)	19,295	12,210	10,260
Copier paper consumption (kilogrammes)	40,065	53,230	59,635
Electricity used (million kWh)	121.7	118.8	115.2
* Please refer to pg 98 for explanation.			
SOCIAL			
Employees			
Permanent employees ⁺	88%	88%	80%
Local employees (Singapore citizens) ⁺⁺	75%	76%	81%
New hires	320	346	464
Female employees ⁺⁺	43%	43%	42%
Female managers (% of Senior level)	36%	35%	37%
Female managers (% of Middle level)	38%	38%	38%
Female Heads of Department (% of HODs)	33%	33%	34%
Average training hours per employee	20	17	25
Training expenditure per employee	\$611	\$873	\$884
HR Satisfaction Survey (Employee satisfaction level based on survey scores)	92%	92%	97%
Employee turnover rate	12.0%	14.0%	15.5%
Fatal Accidents	0	0	0
⁺ % refers to base of total StarHub workforce ⁺⁺ % refers to base of StarHub permanent employees			
Suppliers			
Share of local suppliers as % of total supplier payments	89.0%	91.0%	87.0%
Proportion of local suppliers	82.7%	86.4%	87.0%
Community			
Employee volunteerism (number of days)	144.0	213.5	211.5
Community investment and donations to charities (\$million)	\$1.1	\$1.4	\$1.2
FINANCIAL			
Revenue (\$million)	\$2,444	\$2,387	\$2,370
Net profit (\$million)	\$372	\$371	\$380
Dividends paid to shareholders (\$million)	\$346	\$345	\$344

Sustainability Organisational Structure

StarHub's sustainability strategy is developed and directed by the senior management in consultation with the Board of Directors. StarHub's Sustainability Committee is the highest body tasked with overseeing the development and implementation of organisation-wide sustainability strategy. The StarHub Sustainability Committee includes senior management executives and is headed by the CEO. The sustainability committee's responsibilities include developing sustainability strategy, reviewing StarHub's material impacts, considering stakeholder expectations and setting priorities, goals and targets. StarHub's CSR advocate is responsible for developing and managing CSR programmes. The CSR advocate is supported by a cross-functional project team which has the responsibility to collect, verify, monitor and report performance data for sustainability reporting.

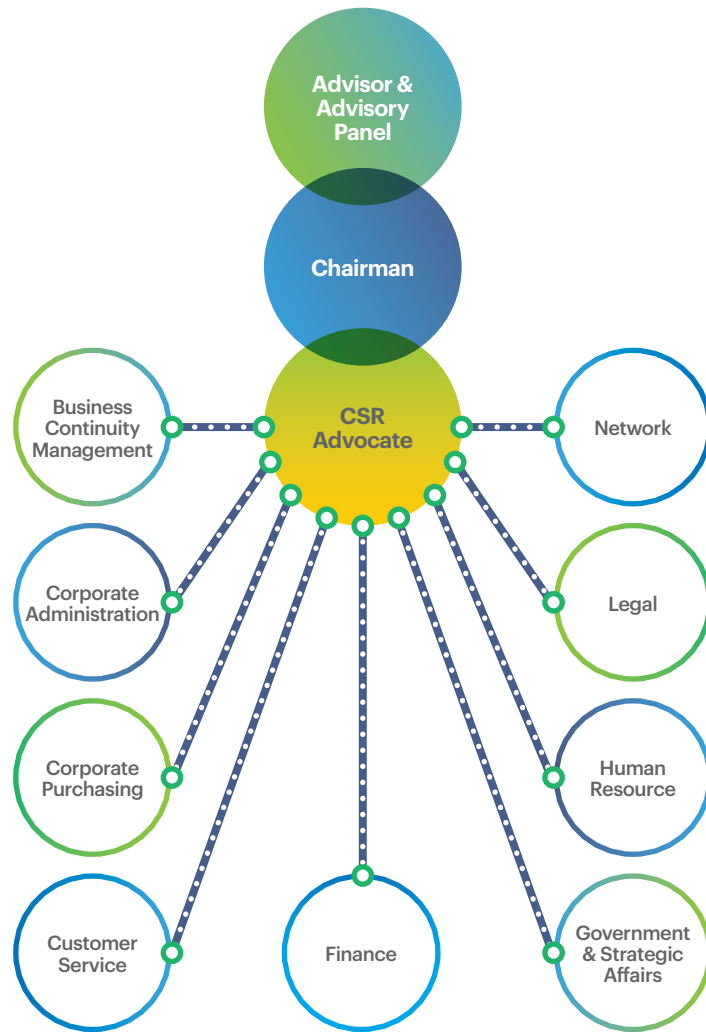
StarHub Core Values: ExCITe

StarHub's management approach to a sustainable business is defined by the four pillars of our Core Values:

- Excellence**
- Creativity**
- Integrity—social, environmental and financial**
- Teamwork**

Our set of Core Values is the driving force for creating long-lasting value for our shareholders and stakeholders.

StarHub Sustainability Reporting Committee



CASE STUDY

StarHub improves in the Global 100 ranking

In 2015, StarHub improved its ranking in the Corporate Knights' Global 100 listing to the 24th place from the previous 29th place. StarHub, listed for the third consecutive year, is the only Singaporean info-communications provider included in this prestigious ranking.

The Global 100 list is an index of world's 100 most sustainable corporations calculated by Corporate Knights based on an extensive data-driven corporate sustainability assessment.

SUSTAINABILITY

VALUE CREATION

We see our role as a key contributor in building a Smart Nation where info-communications services enrich lives, enable inclusive growth, spur economic development and help businesses thrive.

Creating Sustainable Value For All

Strategic Areas	Value Created	Challenges	Beneficiaries
ENVIRONMENT			
Energy efficiency	<ul style="list-style-type: none"> Lower environmental footprint. Reduced energy cost. 	<ul style="list-style-type: none"> Cost of upgrading technology. Employee and customer awareness. 	<ul style="list-style-type: none"> Shareholders Environment Community
Climate change mitigation	<ul style="list-style-type: none"> Lower carbon footprint. New business opportunities in a low carbon economy. 	<ul style="list-style-type: none"> Cost of upgrading technology. Ensuring continued awareness among employees and customers. 	<ul style="list-style-type: none"> Shareholders Environment Community
Waste minimisation	<ul style="list-style-type: none"> Resource efficiency. Lower pollution. Mitigate regulatory risk. 	<ul style="list-style-type: none"> Collection, segregation and tracking of all waste across business. Building employee and customer awareness. Cost of disposal. 	<ul style="list-style-type: none"> Shareholders Environment Community
Water conservation	<ul style="list-style-type: none"> Saving water. Employees' pride in saving water. 	<ul style="list-style-type: none"> Cost of retrofitting. Cost of water efficient fittings. Creating employee awareness. 	<ul style="list-style-type: none"> Shareholders Environment Community
SOCIAL			
Employee development	<ul style="list-style-type: none"> Employee satisfaction. Innovative problem-solving. Motivated and engaged employees. Higher productivity. Lower turnover and reduced hiring cost. 	<ul style="list-style-type: none"> Competition for talents. Continuous skills upgrading. Engaging cross-generational workforce. Developing leadership and mentoring skills across management levels. 	<ul style="list-style-type: none"> Shareholders Employees Local economy Community
Customer service excellence	<ul style="list-style-type: none"> Customer retention. Customer loyalty. Reduced cost of new customer acquisition. Avoid expensive administrative time in solving customer problems by being proactive. 	<ul style="list-style-type: none"> Increasing competition. 	<ul style="list-style-type: none"> Shareholders Customers
Uninterrupted availability of services	<ul style="list-style-type: none"> Trust in brand, attract and retain customers. Customer satisfaction. Mitigate regulatory risk. 	<ul style="list-style-type: none"> Cost of preventive maintenance. Investment in expanding infrastructure. 	<ul style="list-style-type: none"> Shareholders Customers Local economy
Access to telecom services for all	<ul style="list-style-type: none"> Inclusive growth. Narrowing digital divide. More resilient and stronger communities. 	<ul style="list-style-type: none"> Cost of subsidy. 	<ul style="list-style-type: none"> Community
Fair market practices	<ul style="list-style-type: none"> Build Trust through transparency. Attract customers and business partners. Mitigate regulatory risk. 	<ul style="list-style-type: none"> Ongoing employee training and awareness. Building customer awareness. 	<ul style="list-style-type: none"> Shareholders Customers Local economy
Community development	<ul style="list-style-type: none"> Goodwill of community. Stronger brand equity and respect. More resilient, stable and stronger communities. Trusted relations with society. 	<ul style="list-style-type: none"> Complex to determine rate of return. 	<ul style="list-style-type: none"> Community Employees Shareholders
Employee volunteering	<ul style="list-style-type: none"> Greater employee engagement. Greater job satisfaction. Stronger community engagement. 	<ul style="list-style-type: none"> Identifying high impact programmes. Meeting employee expectations for choice of programmes. Cost of volunteering. 	<ul style="list-style-type: none"> Community Employees Shareholders

As Singapore's first fully integrated info-communications company, our goal is provide every person, every home and every business in Singapore with world-class information, communications and entertainment services. Our vision is to be Singapore's first choice for information, communications and entertainment services. Our approach is to nurture StarHub as a trusted brand through innovation, integrity and customer service excellence.

Strategic Areas	Value Created	Challenges	Beneficiaries
ECONOMIC			
Info-com- munications infrastructure	<ul style="list-style-type: none"> State-of-the-art modern and energy efficient mobile and cable TV infrastructure to support customers and the local economy. 	<ul style="list-style-type: none"> Rapid technological advancements and innovation. High investment cost. Competitive market place. 	<ul style="list-style-type: none"> Customers Economy Community Government Shareholders
Local suppliers	<ul style="list-style-type: none"> Supporting local businesses' growth. Creating indirect local jobs. Contributing to local economic growth. 	<ul style="list-style-type: none"> Local suppliers may have cost disadvantage due to adverse economies of scale. Capacity limitations. Limited capital for expansion or modernisation. 	<ul style="list-style-type: none"> Suppliers Suppliers' employees Suppliers' suppliers Government
Supply chain sustainability assessments	<ul style="list-style-type: none"> Reducing social and environmental impacts and risks in supply chain. 	<ul style="list-style-type: none"> Cost of supplier training, assessments and monitoring. Limited influence on dominant suppliers. 	<ul style="list-style-type: none"> Suppliers Suppliers' employees Community Government
GOVERNANCE			
Board diversity	<ul style="list-style-type: none"> Holistic guidance to the company. 	<ul style="list-style-type: none"> Recruitment of good directors. 	<ul style="list-style-type: none"> Shareholders Potential investors Regulators
Risk management and internal controls	<ul style="list-style-type: none"> Effective risk taking and management, aligned with the organisation's business objectives with an integrated, proactive and systematic approach in risk management. Better corporate governance. 	<ul style="list-style-type: none"> Creating a risk aware culture. Keeping updated with the latest emerging risks and treats. 	<ul style="list-style-type: none"> Shareholders/ Investors Potential investors Regulators Employees Customers Regulators Business Units Business Partners Auditors
Whistle blowing policy	<ul style="list-style-type: none"> Mitigate business risks. Fraud prevention. 	<ul style="list-style-type: none"> Ongoing training and awareness for existing and new employees. 	<ul style="list-style-type: none"> Shareholders Potential investors Regulators
Employee code of conduct	<ul style="list-style-type: none"> Ethical conduct. Conducive working environment with high level of trust and professionalism. Minimised business risks. 	<ul style="list-style-type: none"> Ongoing training and awareness for existing and new employees. 	<ul style="list-style-type: none"> Shareholders Potential investors Regulators
Strategic Business Continuity Management	<ul style="list-style-type: none"> Robust plans to keep business operational during crisis or emergency situations such as haze, pandemic periods etc. Mitigate regulatory risk. 	<ul style="list-style-type: none"> Increase resiliency of core network infrastructure to meet stakeholders' requirements. 	<ul style="list-style-type: none"> Shareholders Potential investors Regulators Customers
Data protection	<ul style="list-style-type: none"> Safety of sensitive commercial and strategic data and information. Mitigate regulatory risk. Increased confidence of customers, business partners and employees. 	<ul style="list-style-type: none"> Increase customer consent. Investment in automated systems. Employee training and awareness. 	<ul style="list-style-type: none"> Shareholders Potential investors Regulators

OUR STAKEHOLDERS

Listening to our stakeholders enables us to make business decisions that create the most sustainable value for all. Stakeholder feedback, formal and informal, across businesses and across functions plays an important part in how we develop products

How we engage with diverse stakeholders is summarised below:

Customers	Employees
<p>HOW WE ENGAGE: Customer surveys, Twitter®, Facebook® pages, advertisements, retail stores, online store, Customer Service outlets, Customer Service Hotlines.</p> <p>STAKEHOLDERS' EXPECTATIONS: Seamless, high-quality coverage, rich content, affordability, data security, prompt level of service.</p> <ul style="list-style-type: none"> • Friendly processes & policies • Ease of use • Hassle free sign up • Employees with excellent product knowledge • Easy to understand promotional packages and mechanics <p>HOW WE RESPOND: By committing ourselves to respect consumers' rights, provide clear product information, offer value for money, ensure product performance and quality, reliable service, prompt handling of complaints, and respect for privacy.</p> <p>Provide customers with fulfilment channels such as Retail, Online, Roadshow, Telesales and also self-help options like <i>My StarHub</i> App.</p> <p>PROGRESS DURING 2015: We stepped up the quality reflected in our Net Promoter System (NPS), a systematic framework for measuring customer experience, which has improved by more than 11%. We achieved this by streamlining the product launch process and focussing on customer experience. These included refreshing the process right from product conceptualisation and rigorous User Acceptance Test before launch.</p> <p>PLANS FOR 2016: Besides working towards operational excellence, we continue to provide more digital touch points and self-help services, deploying OmniChannel solutions that proactively and intuitively offer customers the next step forward.</p>	<p>HOW WE ENGAGE: Intranet, emails, internal newsletter publications, workshops, frequent company-sponsored sporting and social activities such as in-house games organised for employees, small group discussions, twice-yearly employees communication sessions, twice-yearly video addresses by CEO, encouragement of employees to interact more personally in and out of the office, free fruits on certain Fridays. Also through social media platforms like dedicated pages on StarHub Community.</p> <p>STAKEHOLDERS' EXPECTATIONS: A caring and conducive environment where employees are motivated, equipped and motivated to do their best work and they continue to excel in personal development.</p> <p>HOW WE RESPOND: By adopting sound HR policies and practices that promote fair treatment, safe working conditions, reward and recognition for performance, teamwork and career growth, e.g. we also promote work-life balance and a conducive work environment for employees through provision of nursing rooms, a well-equipped gym and encouraging employees to take part in sporting activities such as marathons, bowling, futsal, as well as giving employees early release from work on the last Friday of each quarter for them to spend meaningful family time with their loved ones. We also organised Bring-Your-Kids-to-Work Day for our employees.</p> <p>PROGRESS DURING 2015: We continued our Career Development efforts for employees through internal Career Fairs; Career Guidance workshops and Career Coaching, and actively encouraged and facilitated internal transfers and job expansion. We equipped the people managers with performance management skills so that they can hold open discussion on employees' strengths and gaps. We also stepped up on communication to help employees see the linkage between the top-level company goals and their individual work objectives, so that they can understand their role in contributing to the company's success.</p> <p>PLANS FOR 2016: To foster effective performance management for employees by:</p> <ul style="list-style-type: none"> • Introducing 360 Feedback tool for selected people managers. • Revamping internal rating system to allow for greater differentiation of performance. • Continuing to equip people managers with relevant skillsets to lead and motivate their teams. <p>To enhance employees' way of life at work by:</p> <ul style="list-style-type: none"> • Instilling a sense of purpose and meaning in each employee to drive effective business transformation. • Simplifying and automating processes in employee benefit management. • Creating more opportunities for peer socialising and informal cross-functional collaboration.

and services, serve customers, create employee happiness, cater to community needs and become a better business.

Combined with insights from materiality analysis, stakeholder feedback allows us to assess, identify, prioritise and address the most significant ESG issues.

G4-24 to G4-27

Suppliers	Distributors/Retailers	Business Partners	Investors
<p>HOW WE ENGAGE: Quotations, Request For Proposals, tenders, regular meetings, email correspondence, teleconferences.</p> <p>STAKEHOLDERS' EXPECTATIONS: Compliance with terms and conditions of prevailing purchasing policies and procedures, while maintaining ethical standards; appropriate costs; marketing support from suppliers.</p> <p>HOW WE RESPOND: By establishing policies and practices that ensure a fair selection and procurement process, ethical business practices and respect for contractual obligations.</p> <p>PROGRESS DURING 2015: We have completed Supplier Sustainability Survey for 50 top suppliers, up from 20 in the previous year.</p> <p>PLANS FOR 2016: We expect to simplify some of the supplier related processes after the SAP version upgrade is completed in end Q1. Our target is to increase the number of top suppliers covered by the Supplier Sustainability Survey to 60.</p>	<p>HOW WE ENGAGE: Regular meetings, shop visits, email correspondence.</p> <p>STAKEHOLDERS' EXPECTATIONS: Timely delivery; quality assurance; strong dealer collaboration, driving good customer experience; after-sales support.</p> <p>HOW WE RESPOND: By proactive sales planning; sales support; regular visits by Account Managers and providing Single Point of Contact for distributors/ partners for timely response.</p> <p>PROGRESS DURING 2015: With the action plans that were put in place, we have improved our Partner Delight Index score from 3.5 to 3.8 points in 2015.</p> <p>PLANS FOR 2016: We will continue to engage through quarterly and yearly performance updates, sharing sales trends. We will also review our NPS performance weekly and do the necessary to improve customer service levels.</p>	<p>HOW WE ENGAGE: Frequent discussions with telecom and content partners.</p> <p>STAKEHOLDERS' EXPECTATIONS: Partnerships for business opportunities and growth.</p> <p>HOW WE RESPOND: By engaging them to seek mutually beneficial business opportunities.</p> <p>PROGRESS DURING 2015:</p> <ul style="list-style-type: none"> Partner engagement and communications were key in 2015 as we moved from three distribution channels to one. From account manager to GM levels, we engaged channel partners on regular platforms such as business reviews, product and promotion trainings, sales and achievement reporting and retailers get together events. <p>PLANS FOR 2016: We will continue to enhance engagement. We will also be leveraging technology via mobile app to enhance information and communication with our channels, on various aspects of the business such as new product launches, targets, incentives and partner events.</p>	<p>HOW WE ENGAGE: Quarterly briefings, annual press conference, Investors' Day, regular meetings, discussions, emails with over 240 institutional investors, across Asia, Europe and the US.</p> <p>STAKEHOLDERS' EXPECTATIONS: Transparency, timely information on company progress and status, profitability.</p> <p>HOW WE RESPOND: By endeavouring to generate optimum return on investment, good governance, transparency and disclosure, as well as sustainable and long-term growth of business.</p> <p>PROGRESS DURING 2015: We continued a strong investor engagement in the reporting year that included 210 face-to-face investor meetings.</p> <p>PLANS FOR 2016: To maintain current levels of investor engagement, with good corporate governance, transparency and disclosure.</p>

SUSTAINABILITY

Local Communities	Media	Government and Regulators
<p>HOW WE ENGAGE: Community outreach programmes, corporate sponsorships.</p> <p>STAKEHOLDERS' EXPECTATIONS: Support from a caring corporate citizen.</p> <p>HOW WE RESPOND: By regularly reviewing community needs, partnering with Voluntary Welfare Organisations, and investing in community projects to help the less privileged.</p> <p>PROGRESS DURING 2015: Empowerment, awareness and engaging for a cause were the main themes of our various community engagement initiatives during the year that involved community investment, targeted social initiatives and employee volunteering. Please see the chapter on Our Community for more information.</p> <p>PLANS FOR 2016: Continue to make a meaningful difference in the community.</p>	<p>HOW WE ENGAGE: Media events, briefings and interviews. Regular media releases and email updates.</p> <p>STAKEHOLDERS' EXPECTATIONS: Exposure and access to company developments and news, as well as breaking stories on products, entertainment and related content.</p> <p>HOW WE RESPOND: By providing dedicated media contacts, and offering timely and accurate information on company affairs of public interest.</p> <p>PROGRESS DURING 2015: With 50 press releases, media engagement remained consistently strong in 2015. Timely announcements. Well handled communications on outages through timely updates on various channels including mainstream media and social media.</p> <p>PLANS FOR 2016: To maintain the existing level of media engagement, with timely and accurate company information.</p>	<p>HOW WE ENGAGE: Regular discussions with relevant agencies and departments.</p> <p>STAKEHOLDERS' EXPECTATIONS: Adherence to regulations, reporting of any service delivery issues as required by regulators, prompt resolution of issues.</p> <p>HOW WE RESPOND: By committing ourselves to comply with applicable laws, putting in place policies and procedures to ensure compliance.</p> <p>PROGRESS DURING 2015: No significant changes were implemented in the reporting year.</p> <p>PLANS FOR 2016: To maintain the current level of dialogue with adherence to regulations, as well as prompt reporting and resolution of issues.</p>

Membership of Associations

StarHub actively engages with several national and international trade forums and advocacy organisations through active membership and participating as office bearers or in work groups wherever possible. Our contribution to these organisations includes membership and participating as office bearers wherever possible.

For example, **Jeannie Ong**, StarHub's Chief Strategic Partnership Officer and Head of Sustainability, continues to be a member of the Management Committee of Global Compact Network Singapore (formerly Singapore Compact), and is a Director of Investor Relations Professional Association of Singapore.

Kevin Lim, Chief Commercial Officer of StarHub, holds the following positions: Council Member of the Singapore InfoComm Technology Federation, and Member of the Technology Committee at the Singapore Chinese Chamber of Commerce and Industry.

Howie Lau, Chief Marketing Officer, is President of Singapore Computer Society.

Trade Associations	Trade Unions	NGOs & Advocacy Groups
<p>HOW WE ENGAGE: Joining relevant trade associations.</p> <p>.....</p> <p>STAKEHOLDERS' EXPECTATIONS: Support in addressing issues facing the industry.</p> <p>.....</p> <p>HOW WE RESPOND: By contributing through active membership and participating in industry forums and dialogues, sharing knowledge and information.</p> <p>.....</p> <p>PROGRESS DURING 2015: No significant changes were implemented in the reporting year.</p> <p>.....</p> <p>PLANS FOR 2016: No major plans for enhanced engagement have been scheduled for the year 2016.</p>	<p>HOW WE ENGAGE: Dialogue with the unions.</p> <p>.....</p> <p>STAKEHOLDERS' EXPECTATIONS: Access to employees for promoting membership and engagement with management.</p> <p>.....</p> <p>HOW WE RESPOND: By maintaining an open communication with the union. We have signed a Memorandum of Understanding with Singapore Industrial and Services Employees' Union (SISEU) which allows rank and file employees to participate in recreational and social activities organised by the Union.</p> <p>.....</p> <p>PROGRESS DURING 2015: We continue our collaborative efforts with SISEU in encouraging employees training and skills upgrading.</p> <p>.....</p> <p>PLANS FOR 2016: To continue to work closely with SISEU to ensure our employees' skills continue to stay relevant as we go through business transformation, tapping on the WDS Skillsfuture, IDA and WDA training programmes and grants, to support our employee skills upgrading effort.</p>	<p>HOW WE ENGAGE: Attending conferences, meeting with interest groups, and sustainability reporting.</p> <p>.....</p> <p>STAKEHOLDERS' EXPECTATIONS: Responsible business practices, reducing environmental impacts, and disclosing information about sustainability performance.</p> <p>.....</p> <p>HOW WE RESPOND: By committing to wider sustainability programmes that seek to harmonise our economical, social and environmental goals.</p> <p>.....</p> <p>PROGRESS DURING 2015: Worked a number of VWOs and NGOs to support programmes for communities and environment as reported in the chapters on Our Environment and Our Community in the Sustainability section.</p> <p>.....</p> <p>PLANS FOR 2016: To work more closely with advocacy groups, to reach out to less privileged groups and to expand the RENEW programme.</p>

OUR MATERIALITY ANALYSIS

We have reported on our material issues from the very first sustainability report. Ongoing analysis of the most significant impacts of our business operations combined with the insights gained from stakeholder engagements are at the core of our value creation efforts. This essentially means we are focussed on those ESG and economic issues which are most important for our business as well as for our stakeholders. This also allows us to use our resources judiciously to create maximum value for shareholders and stakeholders.






We revisit our material aspects and topics every year with the help of experts and internal stakeholders. The review process takes into account the feedback received on our sustainability report, insights gathered from our engagement with a wide variety of stakeholders, broader sustainability trends and the issues facing the telecom and media industries.

As we move toward greater focus on value creation, a key challenge is in developing an understanding of impacts, risks and opportunities across the full spectrum of our value chain. To facilitate this process, we have undertaken a study of the boundaries of our material impacts to understand where they actually occur.

Addressing the impacts that occur outside of our organisation does present multiple challenges as we may have limited or no influence on some of these. Our approach is to engage with our suppliers and business partners to address the impacts that occur outside of the organisation wherever possible. Supplier surveys that we started in 2014 are our efforts in this direction.

Presented below is a summary of our material impacts and where they occur.

Our Most Material Aspects

				
ENVIRONMENT	SOCIAL			ECONOMIC
<ul style="list-style-type: none"> • Energy • Emissions • Water • Effluents and Waste 	<p>Marketplace</p> <ul style="list-style-type: none"> • Reliable access to telecom services <i>(GRI Telecom Sector Aspect)</i> • Product and Service Labelling: Customer Satisfaction • Customer Privacy • Procurement Practices • Clarity of Charges and Tariffs <i>(GRI Telecom Sector Aspect)</i> • Customer Relations <i>(GRI Telecom Sector Aspect)</i> <p>GRI Media Sector Aspects:</p> <ul style="list-style-type: none"> • Content Creation • Content Dissemination 	<p>Workplace</p> <ul style="list-style-type: none"> • Employment • Diversity and Equal Opportunity • Training and Education • Employee Turnover • Occupational Health and Safety 	<p>Community</p> <ul style="list-style-type: none"> • Local Communities <p>GRI Telecom Sector Aspects:</p> <ul style="list-style-type: none"> • Access to Telecom Products and Services/Bridging Digital Divide • Access to Content 	<ul style="list-style-type: none"> • Economic Performance • Indirect Economic Impacts • Infrastructure <i>(GRI Telecom Sector Indicators)</i>
<p>Read more on Our Environment ▶ page 96</p>	<p>Read more on Our Marketplace ▶ page 102</p>	<p>Read more on Our Workplace ▶ page 106</p>	<p>Read more on Our Community ▶ page 112</p>	<p>Read more on Economic Performance ▶ page 118</p>

Boundary of Our Most Material Aspects

StarHub's environmental, social and economic material aspects and their impact within StarHub, such as on employees, or outside of StarHub such as on the supply chain, are illustrated below.

G4-17 to G4-23

Our Material Aspects (GRI G4 Aspects)	Material Within Organisation	Material Outside Organisation	Material for StarHub Entities
ENVIRONMENT			
<ul style="list-style-type: none"> Energy Emissions Water Effluents and Waste 	<ul style="list-style-type: none"> ○ ○ ○ ○ 	<ul style="list-style-type: none"> ○ ○ 	<ul style="list-style-type: none"> All All All All
SOCIAL			
Workplace			
<ul style="list-style-type: none"> Employment Diversity and Equal Opportunity Training and Education Employee Turnover Health and Safety Human Rights 	<ul style="list-style-type: none"> ○ ○ ○ ○ ○ ○ 	<ul style="list-style-type: none"> ○ 	<ul style="list-style-type: none"> All All All All All All
Marketplace			
<ul style="list-style-type: none"> Supply Chain Sustainability Product and Service Labelling: Customer Satisfaction Customer Privacy 		<ul style="list-style-type: none"> ○ ○ ○ 	<ul style="list-style-type: none"> All All All
GRI Telecom Sector Aspect: <ul style="list-style-type: none"> Customer Relations 		<ul style="list-style-type: none"> ○ 	<ul style="list-style-type: none"> StarHub Mobile Pte Ltd
GRI Media Sector Aspects: <ul style="list-style-type: none"> Content Creation Content Dissemination Audience Interaction Media Literacy 		<ul style="list-style-type: none"> ○ ○ ○ ○ 	<ul style="list-style-type: none"> StarHub Cable Vision Ltd StarHub Cable Vision Ltd StarHub Cable Vision Ltd StarHub Cable Vision Ltd
Community			
<ul style="list-style-type: none"> Local Communities 	<ul style="list-style-type: none"> ○ 	<ul style="list-style-type: none"> ○ 	<ul style="list-style-type: none"> All
GRI Telecom Sector Aspects: <ul style="list-style-type: none"> Access to Telecom Products and Services/ Bridging Digital Divide Access to Content 		<ul style="list-style-type: none"> ○ ○ 	<ul style="list-style-type: none"> StarHub Mobile Pte Ltd StarHub Mobile Pte Ltd
ECONOMIC			
<ul style="list-style-type: none"> Economic Performance Indirect Economic Impacts 	<ul style="list-style-type: none"> ○ 	<ul style="list-style-type: none"> ○ 	<ul style="list-style-type: none"> All All
GRI Telecom Sector Aspect: <ul style="list-style-type: none"> Infrastructure 	<ul style="list-style-type: none"> ○ 	<ul style="list-style-type: none"> ○ 	<ul style="list-style-type: none"> StarHub Mobile Pte Ltd

Our Environment

HOW WE CREATE VALUE

- Reduce energy intensity.
- Reduce greenhouse gas emissions.
- Reduce water use.
- Reduce and recycle waste.
- Increase employee awareness about and participation in environmental issues.
- Comply with regulations.



PERFORMANCE HIGHLIGHTS

Energy Intensity:

183
gigajoules
per \$M
revenue

Carbon Emissions Intensity:

23.2 tonnes
CO₂ per \$M
revenue

Water Use:

27,500m³

General Waste:

30 tonnes

Total e-waste Recycling:

148.7 tonnes

Our mission is to create value by continuously minimising the environmental impacts of our business operations.

Our environmental initiatives are focussed on minimising the material environmental impacts of our operations which include energy, greenhouse gas emissions and waste.

We also actively engage employees and customers to champion and address some of the environmental impacts together.

StarHub Green at Ubi, where our head office is located, is a Green Mark Gold certified building which continues to save energy and water while providing healthier indoor air quality and environment for the employees.

StarHub Green Policy

The StarHub Green Policy which includes a six-point commitment continues to guide our environmental initiatives. The six-point commitments include:

1. Minimise the environmental impact of our operations. Continually review our goals and commitment to protect the global environment.
2. Adhere to environmental recommendations by the relevant authorities.
3. Reduce our environmental impact by efficiently using resources, saving energy, reducing waste, encouraging material recycling, minimising emissions of greenhouse gases and ozone-depleting substances, and using environmentally-friendly materials.
4. Minimise environmental loads by adopting environmentally friendly technologies.
5. Raising employees' environmental awareness through education.
6. Disclose environmental information and support to environmental conservation initiatives.

Climate Change

We welcome the adoption of historic climate change deal in Paris in December 2015 to keep temperature rises well below 2°C. We support Singapore's pledge to reduce

national emissions intensity by 36 per cent from 2005 levels by 2030, and to stabilise country's emissions with the aim of peaking around 2030.

Potential impacts of climate change on Singapore include sea level rise, affected water resources, biodiversity risks, effects on public health, urban heat island effect and food security, and that may pose potential risks for our business if these impacts materialise.

We believe wireless and telecom technologies will play an important role in helping the world to make a transition to low carbon economies.

Our climate change mitigation efforts are in the areas of emissions reduction, energy efficiency, green building, reducing and recycling waste, water conservation and promoting individual action.

In recent years, we have upgraded our telecom infrastructure to adopt energy efficient technologies. Our employees are involved in several environmental volunteering programmes. Our customers regularly participate in our e-waste recycling initiatives.

Our Performance Energy

Our energy consumption mainly results from data centres, base stations, offices and transport operations. Our strategies to reduce energy consumption include employee education, adopting energy efficient technologies and using renewable energy wherever possible.

Measures to improve the cabling management and air-conditioning equipment have improved energy efficiency in our data centres over the years.

Our energy use inched up slightly compared with the previous year on account of addition of new equipment to support growth and serve our customers better.

Renewable energy

Our renewable energy projects include the two solar-powered mobile base transceiver stations (BTS) located at the headquarters building StarHub Green and on the roof of IKEA Store at Alexandra Road. We also have a solar-powered BTS-enabled vehicle used to boost signal strength.

Greenhouse gas emissions

Our organisational greenhouse gas emissions result from the use of electricity, diesel and petrol. Reducing energy consumption and continuously improving energy efficiency are our key strategies to minimise our carbon footprint.

Ozone Depleting Fugitive Emissions

Our ozone depleting fugitive emissions, attributed to the use of refrigerant R22 in air-conditioning equipment, amounted to 786 tonnes CO₂e in 2015 as against 807 tonnes in the prior year.

Waste

Our waste management approach is based on the principles of "Reduce, Reuse and Recycle".

Paper and packaging waste are the main types of waste generated at our offices. We have put in place paper and other waste recycling bins at our offices. As a result of increased employee awareness, paper waste at our offices has declined over the years.

We also have in place an e-waste recycling programme to encourage our employees, customers and the Singaporean public to recycle their after-use mobile phones, routers, set-top boxes, remote controls and more.

RECYCLING Nation's Electronic Waste (RENEW)

Under our RENEW programme, we recycled 31.7 tonnes of e-waste collected from the public in 2015, much higher than 8.7 tonnes in 2014.

In 2012, StarHub partnered with TES-AMM to recycle e-waste with five bins in five locations. In 2014, StarHub, TES-AMM and DHL signed MOU to expand the newly

renamed RENEW Programme. There are now 234 bins in 185 locations.

Examples of items that people can recycle in the RENEW bins include answering machines, cables, car stereos, computer mice, CDs/ DVDs, docking stations, CD/ DVD/ VCD players, electronic toys, hard drives, keyboards, laptops, lithium-ion (Li-on) batteries, mobile phones, modems, MP3 players, printed circuit boards, printers, remote controls, routers, set-top boxes, telephones, VCRs and wires among other electronic goods.

DHL delivers the e-waste from the bins to TES-AMM recycling facility where the items are manually dismantled into smaller components which are then fed into a shredder to be broken down into increasingly smaller pieces. By this point, no data is recoverable. Through a chemical process, metals are extracted and separated from the plastics and these are all melted down into bars or pellets for new uses.

StarHub, DHL and TES-AMM comply with all relevant laws applicable to the RENEW programme, including but not limited to the Personal Data Protection Act of Singapore for any collection, use and/or disclosure of personal data.

RENEW continues to be Singapore's most extensive and inclusive e-waste recycling programme for the community.

StarHub won the Green Award at the Asia Communication Awards 2015 for the RENEW programme.

Recycling

Figures for our recycling programme that targets paper and e-waste are presented in the chart overleaf. The figure for e-waste recycled in 2015 was comparatively lower than in the preceding two years. E-waste was higher in 2013 and 2014 as we upgraded the set-top boxes for our cable TV customers and replaced the old set-top boxes.

Under our RENEW programme, we recycled 31.7 tonnes of e-waste collected from the public in 2015, much higher than 8.7 tonnes in 2014.

CASE STUDY

My StarHub e-Bill

My StarHub e-bill, an initiative to encourage customers to switch from receiving printed bills to electronic statements, saved an estimated 2,306kg of paper. Some 154,060 billing accounts were on the scheme as of 31 December 2015 as against 94,779 accounts at the end of 2014.

Board Portal

The Board Portal, implemented in 2013, completely replaces all hard copy Board papers with electronic versions continues to save paper. The portal allows StarHub directors to access all Board documents and information from anywhere anytime using tablets. The initiative saves about 2,000 sheets of paper annually.

Sustainable Paper

We use sustainably sourced Forest Stewardship Council (FSC) Certified paper for internal use to reduce impact on forests. We have reduced our FSC paper usage from 53,230kg (2014) to 40,065kg (2015).

DETAILED EMISSIONS SUMMARY (CO₂e tons)

Emission sources	2015	2014	2013
SCOPE 1			
Stationary Combustion	112	87	148
Mobile Combustion	568	600	639
Fugitive emissions (refrigerant gases)	1,252	494	255
Total Scope 1 emissions	1,932	1,181	1,042
SCOPE 2			
Purchased electricity	54,774	53,444	57,342
Total Scope 2 emissions	54,774	53,444	57,342
Total CO ₂ e emissions	56,706	54,624	58,383

Water

We continue to make efforts to save water in our offices even though water has no industrial or process use in our operations and as such does not constitute a material impact. Water is only used for drinking or washing in our offices.

Our water conservation programme results from the fact that Singapore lacks natural fresh water resources and water saving is a national need. We therefore measure, monitor and report our water consumption.

StarHub Support for Environmental Activism in Schools

In February 2015, StarHub signed a deal with the Singapore Environment Council (SEC), to title-sponsor the SEC-StarHub School Green Awards (SGA) with a total of \$450,000 for three years starting 2015.

StarHub has been collaborating with the SEC on the SGA since 2014 and will continue to provide \$150,000 annually in cash for the duration of their title-sponsorship of the SGA.

A Memorandum of Agreement was signed between the two parties in conjunction with the launch of the SGA 2015 at MINDS Fernvale Gardens School in the presence of Dr Vivian Balakrishnan, Minister for the Environment and Water Resources.

The SEC received 376 submissions in 2015 from schools for the annual School Green Awards programme, an increase from the 344 submissions in 2014—an impressive growth compared to the mere 28 submissions received in its pilot year in 2001, when SGA was originally introduced as ‘How Green Is Your School?’ programme.

To encourage more school-going youths in Singapore to take on environmental stewardship, the awards programme was extended to pre-schoolers in 2013, and to tertiary students in institutes of higher learning in 2014. This extended outreach to students in Singapore ensures that environmental awareness can be inculcated among students throughout their entire time spent in schools, from pre-school up to tertiary education.

Compliance

StarHub was not fined or sanctioned for any non-compliance with environmental laws or regulations in 2015.

Environmental Advocacy at StarHub

We continued with several programmes in 2015 aimed at spreading awareness about the environment among our employees, customers, business partners, students and other stakeholders. Some of the initiatives are listed below.

Awareness

In January 2015, a special screening of Bhopal: A Prayer For Rain – a film based on the Bhopal Gas Leak of 1984, one of the world's worst industrial disasters ever was screened at a local theatre for our employees and the representatives from schools who have won the SEC-StarHub School Green Awards.

Continuing our Green Learning Journey, an ongoing programme to raise environmental awareness among employees, a tour to TES-AMM e-waste Recycling Plant was organised for our employees in September 2015 to increase awareness about RENEW, Singapore's most extensive and inclusive e-waste recycling programme.

See more Green Learning Journey events involving our beneficiaries in the Community chapter.

Earth Hour 2015

Community (Gardens@Green)

In commemoration of the Earth Hour 2015, StarHub's Gardening Interest Group for employees was formed. As its first project, the Gardening Interest Group created three Community-In-Bloom Gardens—to be collectively called Gardens@Green—in StarHub Green where our head office is located. StarHub also switched off non-essential lights and dimmed others in our stores on 28 March 2015 for an hour. Lights that lit up our company logo at StarHub Green were also switched off.

Managed Print Services Save paper and Save Printing Costs



In 2015, we successfully rolled out the Managed Print Services (MPS) at our headquarters StarHub Green to further optimise consumption of paper in our offices.

Employees' buy-in was a key challenge in successfully implementing MPS to replace individual department printers. Switching to MPS required a change in printing habits, letting go of department printers and faxes, embracing a centralised system and learning how to use MPS. To overcome the challenge, we embarked on an awareness campaign highlighting the environmental benefits of MPS. MPS orientation sessions were organised for employees to smoothly transit to the new system.

After the roll-out, in a survey to seek employees' feedback on their experience with MPS, 94% employees rated the transition as smooth and said they would recommend other departments to use MPS over the old system.

Transition to MPS has replaced 168 printers, photocopiers and fax machines. The new system has also resulted in reduction in paper use and toner consumption, making our office documentation more environmentally friendly while saving cost at the same time.

Green Mark Platinum Rating for MediaHub



MediaHub (renamed STT MediaHub) a highly specialised telecommunications, media and data centre facility jointly developed by StarHub and ST Telemedia, was awarded the BCA-IDA Green Mark Platinum for New Data Centres rating by the Building and Construction Authority (BCA) in January 2016. StarHub owns 30% of STT MediaHub.

The dedicated green building rating system for data centres is jointly developed by Building and Construction Authority (BCA) and the Infocomm Development Authority (IDA). The rating system assesses data centres based on five key criteria - energy efficiency, water efficiency, sustainable construction & management, indoor environment quality as well as other green features.

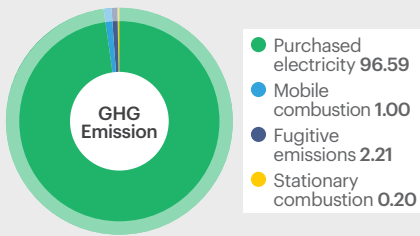
StarHub Customers Save the Planet



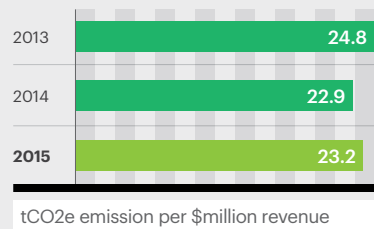
The StarHub Rewards Redemption for Community programme, launched in 2013, allows our customers to use their reward points to make a tax-deductible \$5 donation to World Wide Fund for Nature (WWF). In 2015, the redemption donation amounted to \$26,760 as compared to \$28,445 in the prior year.

Our Performance Chart

Source of GHG Emissions 2015



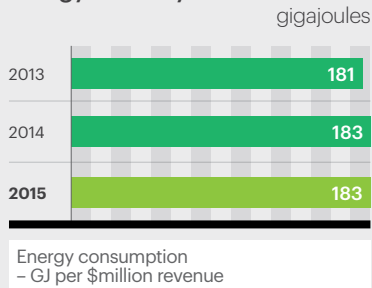
Emission Intensity



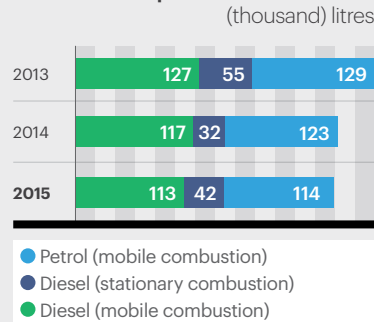
Electricity Use



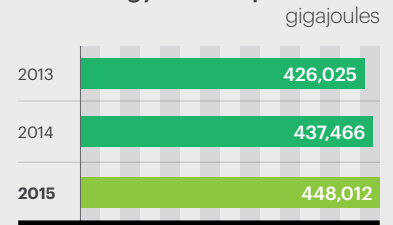
Energy Intensity



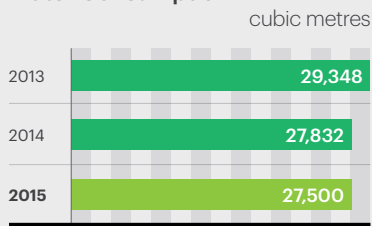
Fuel Consumption



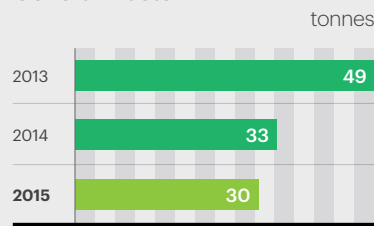
Total Energy Consumption



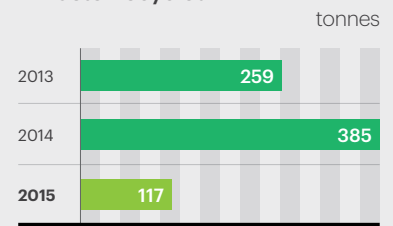
Water Consumption



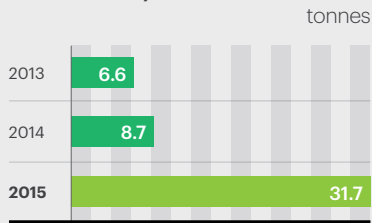
General Waste



E-waste Recycled



E-waste Recycled via RENEW



Our Marketplace

HOW WE CREATE VALUE

- Ensure reliable access to telecom, broadband and TV services.
- Customer satisfaction through service excellence.
- Protect customer privacy and personal data.
- Create and disseminate content with responsibility.
- Protect children against undesirable content through safeguards.
- Ensure clarity of tariffs.



Our customers also have the options to use a range of tools including the channel locking feature, parent advisory messages and content ratings to make informed choices about viewing content carried on our mobile or TV platforms.

Our mission is to nurture StarHub as a trusted brand through innovation, integrity and customer service excellence.

Millions of businesses, homes and individuals rely on connectivity and entertainment provided by our mobile, broadband and TV services. Meeting their expectations, including on service reliability, is our top priority.

Our other important priorities include transparency in tariffs, customer satisfaction, privacy protection, making telecom services available to all sections of society, responsible content and supply chain sustainability.

Mobile Accessibility

Over the years, we have consistently maintained and achieved quality and reliability of service above 99.9%.

Our telecom services are accessible to all sections of society including residents and visitors in accordance with the registration criteria set by the regulatory agencies.

Our approach to human rights relating to the access and use of telecommunication products and services is in line with the policies issued by the regulators, the Infocomm Development Authority (IDA) and Media Development Authority (MDA).

Cable TV Disruption

In May 2015, StarHub Cable Vision was fined \$50,000 by the MDA for a cable TV disruption on 28 September 2013. The disruption was caused by a power trip at our cable TV head-end. We have since put in place contingency measures.

Content Responsibility

We have taken strict measures to protect children from harmful online content. For example, our SafeSurf service feature automatically blocks out harmful websites and content on both mobile devices and home PC. StarHub SafeSurf on Mobile is a network-based mobile Internet content filtering service which allows children the freedom to use their mobile devices to access content and information while protecting them from undesirable and

inappropriate contents. Customers can use StarHub SafeSurf Online, an Internet content filtering service for all computers connected to a home network to block out undesirable websites.

Content Values

The Voluntary Code for Self-regulation of Mobile Content in Singapore that we jointly developed with the other two telecom companies continues to guide our content policies. Our policies prohibit content that is objectionable on the grounds of public interest, public morality, public security, national harmony, or that is illegal under Singapore laws.

Our customers also have the options to use a range of tools including the channel locking feature, parent advisory messages and content ratings to make informed choices about viewing content carried on our mobile or TV platforms.

StarHub promotes content in all national languages. We support art, culture and education by promoting TV programmes for schools, educational TV shows, news and information programmes; arts and cultural programmes; and drama and sports programmes.

In 2015, StarHub secured the second round of funding from the MDA under its PSB Contestable Funds Scheme. The funding will help StarHub to commission over 80 hours of original local productions.

All contents produced under the Scheme will incorporate PSB values, such as the celebration of Singapore's culture and heritage, enhancement of racial and religious harmony, and the promotion of the Singapore identity.

Emergency Preparedness

We recognise the importance of providing, maintaining and swiftly recovering our info-communications services in the event of an emergency, disaster or crisis situation. StarHub is certified to the ISO 22301:2013 standard for Business Continuity Management (BCM).

Our BCM programme focuses on Info-Communications Network, Infrastructure and Support Services for Mobile, Television, Broadband and Fixed services. Our BCM programme is also supported by Pandemic Plan, Haze Response Plan and Crisis Communication Plans to effectively deal with different emergency situations.

People Developer

In 2015, StarHub adopted SPRING Singapore's People Developer standard to attract, manage and engage employees for high performance. StarHub had earlier achieved the Singapore Quality Class (SQC) certification, a business excellence recognition awarded by SPRING Singapore, in December 2014. The certification recognises an organisation's commitment in the pursuit of excellence in the areas of Leadership, Planning, Information, People, Processes, Customers and Results.

Clarity of Charges and Tariffs

We believe that transparency and clarity in our tariff plans is important to maintaining customer trust in StarHub. We offer fair prices and affordable price plans that meet the needs of customers in various segments. We clearly communicate the pricing structure and the contract terms to all mobile, TV, broadband and voice customers through marketing channels. Our key measures include prominently displaying price plans at all retail outlets, making pricing plans available on our website and clear guidelines for our employees to explain the contract terms to customers at the point of signing up.

Our customers can avoid "bill shocks" by managing their data roaming bill with our free Roam Manager service, Singapore's first roaming tool that lets customers check rates, track data spend, and set daily data alerts for total peace of mind. DataRoam Cap@ \$100, another free service, allows StarHub mobile post-paid customers to limit their data roaming usage to \$100 per bill cycle for total peace of mind. Our Premium Rate Services (PRS)

barring facility allows blocking of the subscription of PRS and its charges offered by StarHub or third parties.

To maintain transparency about internet speeds, StarHub has embarked on the measurement and publication of the typical performance (i.e. download speeds) of our broadband plans. We publish the typical speed range on our website that consumers can expect to experience.

Customer Satisfaction and Feedback

Customer satisfaction is a key driver of our business success and sustainable growth. We use the Net Promoter System (NPS), a systematic framework, for measuring and tracking customer satisfaction.

Insights from NPS have allowed us to make many changes to improve our customer experience. An understanding of our customers allows us to segment customers by loyalty, identify unsatisfied and at-risk customers, benchmark against industry and competitor scores and uncover customer loyalty drivers.

These changes include non-date-specific rewards redemptions and the creation of guided agent workflows for our employees to better interact with customers in a more proactive manner. Customers can make an appointment online through My StarHub App before visiting our retail shops.

Consumer Privacy and Data Security

We take customers' privacy and protection of customer data very seriously. In line with our privacy policy, we do not send promotional and marketing messages via phone calls, text messages and faxes to the customers who have registered their phone numbers with the National Do Not Call (DNC) Registry except for those who had given specific consent to receive marketing messages. The StarHub web

portal allows customers to provide or easily withdraw their consent for various communication platforms (e.g. Call, SMS) from StarHub and our partners.

Supply Chain Sustainability

Creating value through supporting local suppliers and engaging our key suppliers through sustainability performance surveys are the main features of our supply chain programme. Our sustainable procurement policies include strict adherence to the ethical code of conduct, which addresses issues of integrity, due diligence, fairness and conflict of interest in the selection of vendors, suppliers and contractors.

We engage with suppliers across all four main business areas – Mobile, TV, Broadband and Fixed Network. Our significant purchases include network equipment, consumer handsets and customer premise equipment, and media content.

In 2015, we purchased from 1,344 suppliers. Out of these, 83% were local suppliers. Our total purchases during the year amounted to \$1.27 billion. Local suppliers' share in the total purchase was 89%, down from 91% in the preceding year.

An overview of our supply chain is illustrated on the right.

Supplier Sustainability Survey

To strengthen our engagement with key suppliers, we started an annual Supplier Sustainability Survey covering our top 20 suppliers in 2014 and disclosed the findings in last year's sustainability report. In 2015, we expanded the survey to cover 50 suppliers. Our target for 2016 is to cover 60 suppliers in the survey.

Results of the Supplier Sustainability Survey conducted in 2015 are presented on the right.

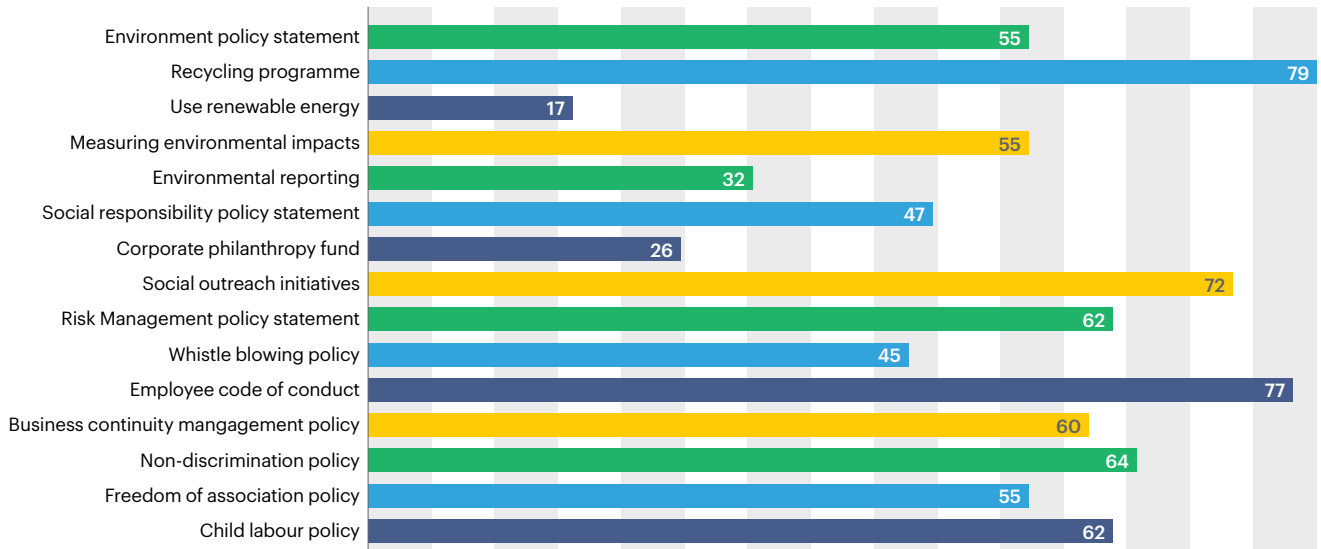
Anti-corruption

StarHub has strict policies against unethical conduct including bribery. There was no reported incident of corruption for the reporting period.

Supplier Sustainability Survey Result

(Proportion of vendors with sustainability initiatives 2015)

%



An Overview of StarHub Group Supply Chain

Business Unit	External	Collaterals Suppliers	Soft Content Suppliers	IT Suppliers	Own Network	Customer Premise Equipment	Sales & Fulfillment Channels	After Use
Mobile			Apps		2G, 3G, 4G	Mobile handsets, SIM cards, mobile accessories		
TV		Printers (of publicity/marketing materials), corporate gift vendors, etc.	Programmes (content providers and production partners)	Customer Relationship Management, Enterprise Planning Resource, Billing, Database, Storage, etc.	Hybrid Fibre Coaxial (HFC), Fibre IP	Set-top boxes	Stores, Exclusive Partners, Resellers, Sales Partners, Direct Sales, Retail Chain Stores, Field Services	Traded-in handsets, donated handsets, take-back of faulty/obsolete equipment for recycling, recycling of surplus/old marketing/publicity material
Broadband	Fibre				HFC, Fibre IP	Cable modems, routers		
Fixed Network					Fibre, Fibre IP, Undersea Cable	Customer Premise Equipment		
Corporate						Intranet Office IT hardware		

Our Workplace

HOW WE CREATE VALUE

- Nurture a caring workplace based on fair and inclusive employment practices.
- Promote teamwork as a core value.
- Promote diversity and providing equal opportunity.
- Develop people through regular training and education.
- Attract, nurture and retain talent.
- Ensure health and safety at workplace.
- Encourage employee volunteering.



PERFORMANCE HIGHLIGHTS

Women in Workforce:

43%

Female Heads of Department:

33%

Local Employees:

75%

Training Hours Per Employee:

20

Training Spend Per Employee:

\$611

Employee Turnover:

12%

Fatal Accidents:

0

Employee Satisfaction Rate:

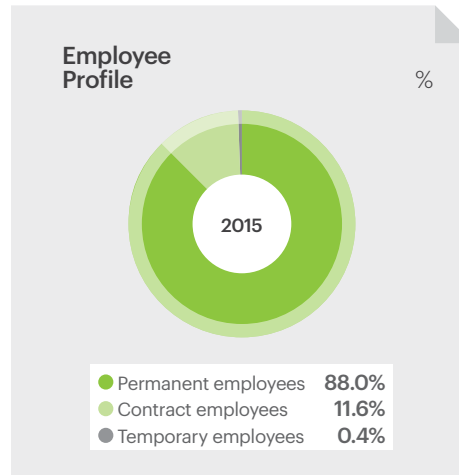
92%

Our mission is to create a vibrant workplace based on trust, teamwork, inclusivity and excellence.

Our HR approach is to promote merit-based hiring and remuneration, fair treatment, teamwork, creativity, excellence, safe and conducive working conditions, diversity, reward and recognition for performance, people development, career growth and work-life balance.

Employee Profile

StarHub employed 3,131 people in 2015 with a median age of 36 years. Out of these, 16% employees held supervisory or managerial positions. The CCO Group (45%), Network Engineering (22%), Corporate Services (12%) and Information Services (11%) accounted for the largest shares of the headcount.



Our Performance

Diversity and equal opportunity

StarHub values workforce diversity and meritocracy. Our policies actively promote diversity. We offer equal opportunity based on merit irrespective of gender, age, racial, ethnic or cultural background.

StarHub employed three persons with physical disabilities in 2015, all of them male employees.

Equal Remuneration for Men and Women

Ratio of base salary: Female to Male

	2015	2014	2013
Female	1	1	1
Male	1.1	1.1	1.1

Training and Education

Employee development continues to be a key priority for us. A wide range of both in-house as well as external training opportunities are available to StarHub employees for skills and personal development. StarHub has implemented a comprehensive Learning & Development Framework for planning and managing employee training. The framework aims to build leadership quality, and identify and equip employees with critical technical skills to meet current and future business challenges.

In 2015, we invested \$1.68 million on employee training resulting in 55,985 hours of training, up from 49,234 hours of training in 2014.

Performance Management

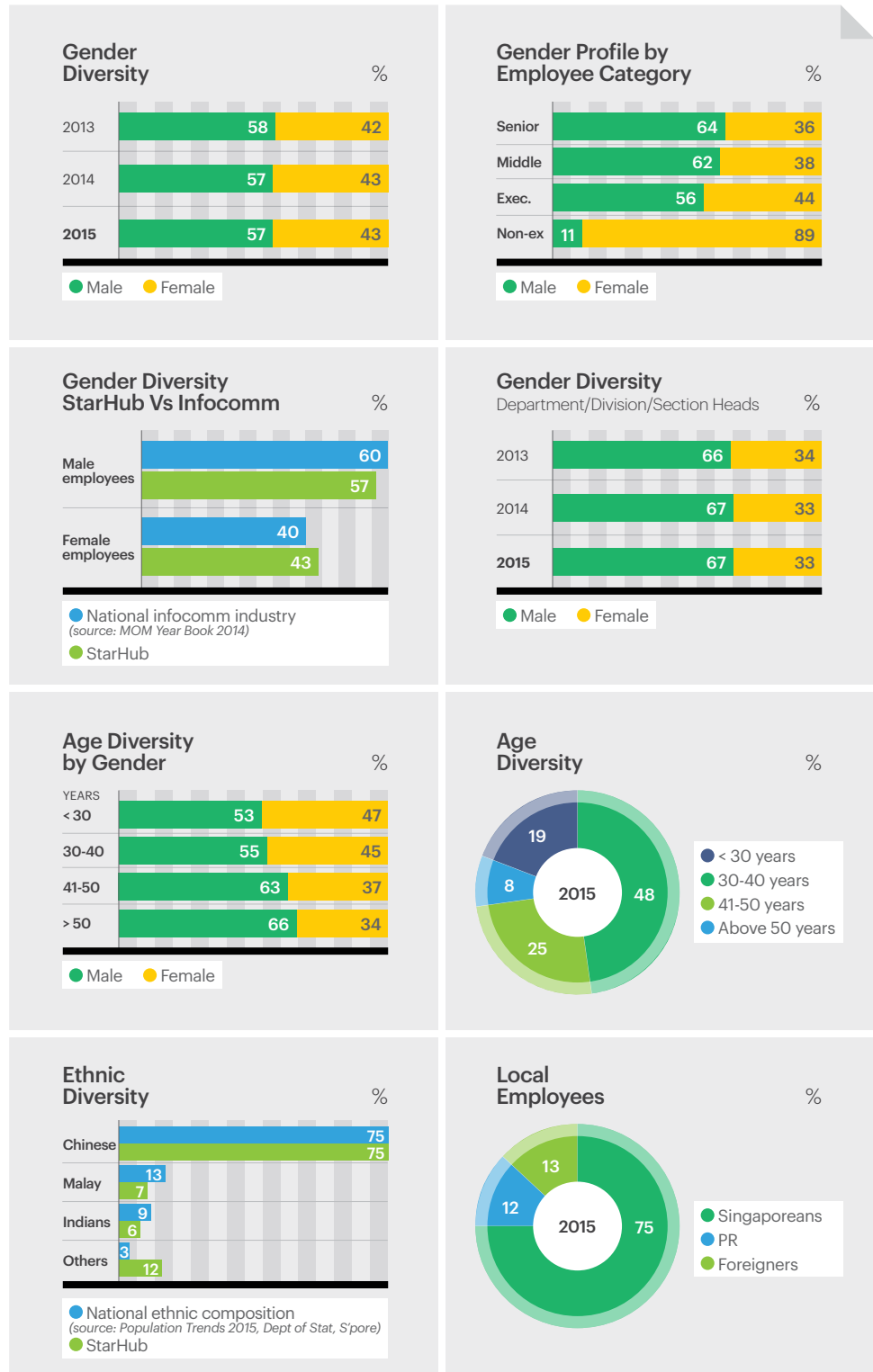
All StarHub employees are covered by a comprehensive and objective performance management system. Respective managers carry out periodic performance reviews and career development discussions with their employees.

We continue our Career Development efforts for employees through internal Career Fairs, Career Guidance workshops and Career Coaching, and actively encourage and facilitate internal transfers and job expansion. We also equip the people managers with performance management skills so that they can hold open discussion on employees' strengths and gaps.

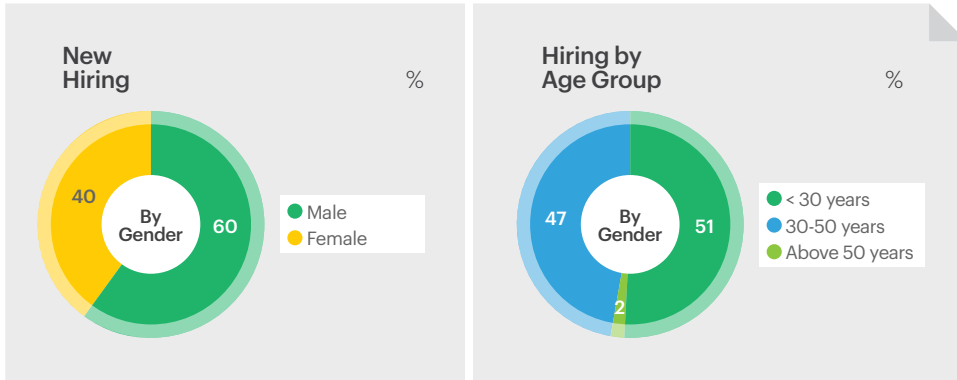
We also step up on communication to help employees see the linkage between the top-level company goals and their individual work objectives, so that they can understand their role in contributing to the company's success.

In 2016, we plan to introduce 360 Feedback tool for selected people managers. Plans also include revamping internal rating system to allow for greater differentiation of performance and continuing to equip people managers with relevant skills to lead and motivate their team members.

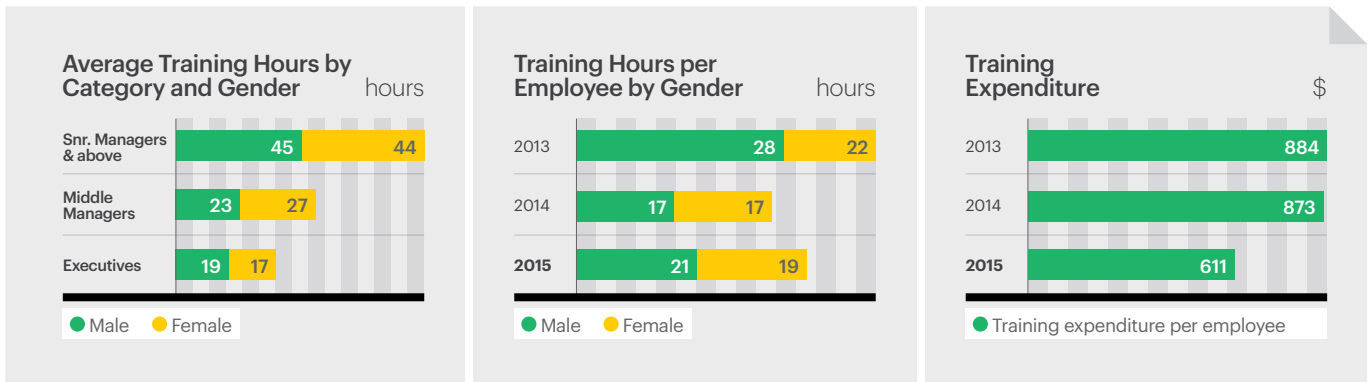
Diversity at StarHub



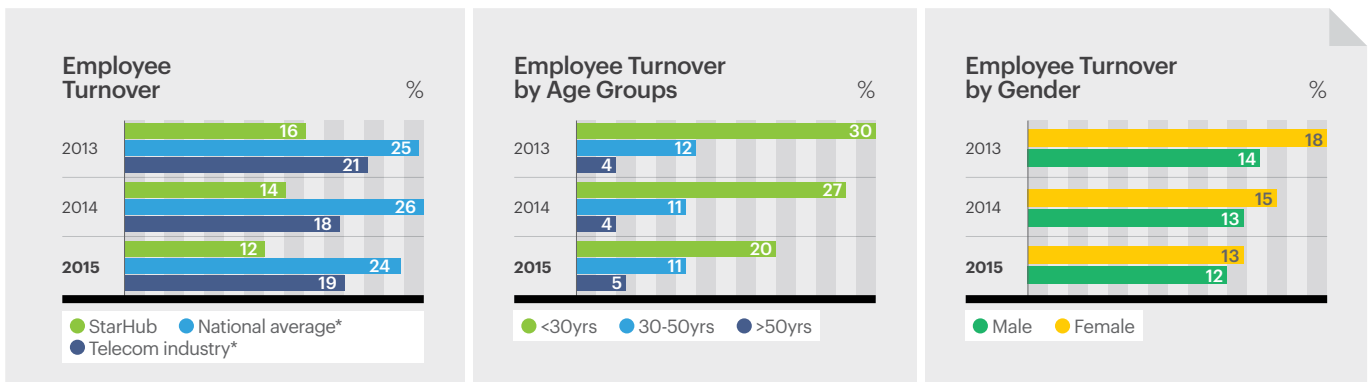
New Hiring



Training and Education



Employee Turnover



* Estimation based on first three quarters' data in 2015

Employee Benefits

In 2015 we enhanced the Employee Mobile Plan for employees, through increased mobile data bundle, so that they can stay connected on the go with greater ease. In addition, we enhanced our Employee StarHub TV and Broadband plans to ensure that employees enjoy greater benefits and they can be the ambassadors of our products and services.

By experiencing our products and services to the fullest, the employees, as well as their family and friends, will in turn help promote StarHub services and StarHub as the preferred service provider.

Benefits exclusive to StarHub's permanent employees, which temporary employees are not eligible for, include Comprehensive Health Screening, additional insurance coverage other than Work Injury Compensation insurance coverage, leave entitlement (except for National Service Leave), medical and dental consultation and/or treatment reimbursement, transport allowance, training except for the job related training necessary for them to perform their job, claim for professional fees for joining professional associations, Long Service Awards, entry passes for places of interest, and tokens for special occasions.

Other benefits for StarHub employees include the childcare leave, paternity leave and eldercare leave, and access to the supplementary major medical insurance coverage to the employees' family at very favourable premium negotiated with the insurance brokers.

Human Rights

In line with nationally and internationally accepted human rights principles and labour standards, StarHub policies ban child labour, discrimination and forced labour in own operations as well as in supply chain. Our employees have the right to freedom of association in accordance with local laws. Our supply chain sustainability survey includes assessment questions relating to protection of human rights.

Employee Satisfaction

We measure employee satisfaction on overall HR support in terms of people initiatives and policies through an annual survey. In the 2015 Annual HR Satisfaction Survey, 92% of the participants said that the overall HR performance met or exceeded expectations.



Occupational Health and Safety

Employee safety and well-being remains a priority issue for us. We regularly assess potential health and safety risks, take preventive measures and increase employee awareness about safety. StarHub's Workplace Safety and Health Committee periodically reviews safety and health policies, procedures and practices. Our Risk Assessment Team works with nominated Risk Management Champions to assess risks for every work activity and process carried out at the workplace.

StarHub is a certified bizSafe Level 3 organisation, awarded by the Workplace Safety and Health Council Singapore based on an independent audit by a Ministry of Manpower approved bizSafe auditor.

In 2015, 87 employees were certified in the new Office First-aid course where these first-aiders are trained to use automated external defibrillator.

Health Education

As in previous years, we continued organising lunch-talks and workshops throughout 2015 to raise employee awareness on health issues. During the year, topics covered were





1: StarHub employees working out at the office gym.

2: StarHub's senior management team visiting the various StarHub offices to celebrate the Lunar New Year.



Fengshui, Advanced Sushi Making Class, How to Resolve Back and Neck Pain without Drugs or Surgery, Spinal Screening, TCM Lunch Talk: Feeling Stressed What's So Scary About it, TCM Tuina, Dental Health and Nutrition Trail 101. We also conducted Onsite Health Screening at five locations as well as a Dental Screening.

Enrichment talk topics and engagement activities organised in 2015 included Raising Financially Savvy Kids, Employee Bowling Tournament, Balloon Sculpting Workshop, and Bring Your Kids to Work Day.

In total, 976 participants attended these events.

Collaboration with Nanyang Polytechnic

StarHub and Nanyang Polytechnic (NYP) entered into a mutually beneficial agreement in June 2015. Under the arrangement, StarHub worked with NYP to set-up a StarHub store at the main campus to provide operations and management training opportunities in retail to students of the School of Business Management.

StarHub also contributed \$16,000 towards two NYP-StarHub scholarships. NYP will match another two scholarships, bringing to a total of four NYP-StarHub scholarships for the academic years 2015 and 2016.

Safety for Field Employees

Our Workplace Safety and Health system includes a detailed Code of Practice on WSH Risk Management, Risk Assessment, safety procedures for installation of radio equipment and a disaster recovery plan. Our field employees and contractors involved in the installation, operation and maintenance of masts, base stations, laying cables and other outside work are required to adhere to strict safety procedures. Contractors undertaking work at our sites are required to comply with the provisions of the Workplace Safety & Health Act. Our safety procedures require contractors to submit a risk assessment report for necessary approval prior to carrying out any work on site.

There were no fatal accidents in 2015. There were two reported cases for Work Injury Compensation. Injuries sustained could include those relating to traffic accident, trips and falls at workplace.

Siting of Masts

Our policies and practices on the siting of masts and transmission sites encourage stakeholder consultation, site sharing and initiatives to reduce visual impacts.

A brief description of our sites as at end 2015 is presented below:

Type of Site	Percentage
Standalone Mobile Sites	2.1%
Shared Sites (Mobile-CAS)	24.7%
Sites on Existing Structures	70.2%

Our Community

HOW WE CREATE VALUE

- Make positive contribution to local communities, focus on the underprivileged.
- Promote local sports.
- Bridge digital divide.
- Encourage employee volunteering.
- Encourage customers to participate in community initiatives.



PERFORMANCE HIGHLIGHTS

Community investment: **\$1.13M**

Employee volunteering: **144 days**

Donations redeemed by customers through StarHub's Rewards Redemption for Community Programme: **\$93,300**

Our mission is to build trusted long-term relationships with the community by making a positive contribution.

Our community investment strategy is to help build a strong and resilient society.

StarHub's community initiatives aim to encourage equality and the social integration of the less fortunate by fulfilling their basic needs and supporting opportunities to maximise human potential through training and skills enhancement. Our community programmes also aim to empower the less privileged with the resources and platforms they require to uncover their talents and make a positive difference to society.

Involving our employees and customers continues to be an important feature of our community programmes.

We also make continuous efforts to make our telecom services accessible and affordable to the weaker sections of the society.

Community Investment

Our community initiatives are focussed on the following strategic areas: corporate giving, engaging employees and customers in community efforts and community investment.

Our community initiatives are mainly supported by the StarHub Sparks Fund. Since it was set up in 2000, the fund has received 1% of revenue earned from all IDD 008 and IDD 018 calls. Reflecting StarHub's

sincere belief in corporate philanthropy, the fund aims to benefit the less fortunate, widening their visions and opportunities in life through education, skills enhancement and by fulfilling basic needs.

Our donations in 2015 amounted to \$1.13 million.

Community Chest Awards

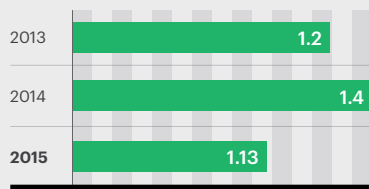
StarHub's fund raising efforts were recognised at the annual Community Chest Awards in September 2015 with three awards: Corporate Platinum (for our donation of \$300,000 towards their Heartstrings Walk 2014); Special Events Platinum (for our donations via StarHub Rewards Redemption for Charity and StarHub Open 2014); and 5 Years Outstanding Special Events (for our donations via StarHub Rewards Redemption for Charity).

Employee Volunteering

Employee volunteering for various social and environmental causes is part of our corporate culture. This volunteerism was formalised by the company at the end of 2006, by providing each employee with up to two working days of paid volunteerism leave each year.

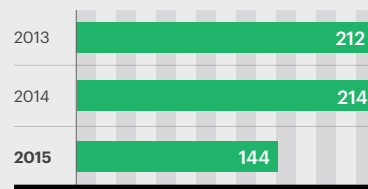
The Sparklers' Initiative, introduced in January 2013, allows StarHub employees to create their own social outreach events, for which they can also tap on their volunteerism leave and receive up to \$10,000 fund matching for any donations they raise for their beneficiary. Some of the

Community Investment



● Amount disbursed from StarHub Sparks Fund

Employee Volunteering



● Volunteering (days)

SUSTAINABILITY

social: our community

Sparklers' Initiatives executed by StarHub employees have even engaged StarHub's business partners to raise funds for a designated charity. Sparklers' Initiatives also aid in employee bonding within and between teams.

In 2015, StarHub integrated some of our environmental programmes with community initiatives. StarHub employees volunteered 144 man-days.

StarHub Community Outreach 2015

We continued to join hands with our employees, customers and business partners to share joy with the less privileged throughout the year. Some of the initiatives in 2015 are mentioned below.

Empowerment

Empowering underprivileged sections of society through education and providing resources is an important part of our community outreach. In 2015, we continued with several initiatives to empower the community.

StarHub reaffirmed its support of SPD's Infocomm Accessibility Centre Certificate in Office Skills (ICOS), an office skills training programme that enables people with disabilities to find open, gainful employment in administrative positions. SPD is a voluntary welfare organisation dedicated to serving persons with disability.

StarHub's support of ICOS from 2013 to 2015 with initial donation of \$200,000 covered the course fees of 53 participants, of which 25 have found open employment. For the 2015 to 2017 period, StarHub's increased \$300,000 sponsorship will aim to train 100 individuals with disabilities. StarHub provided the second round of funding support to social enterprise Grid Synergy's Entrepreneurs With Disabilities (EWD) programme in 2015. StarHub's sponsorship of \$100,000, up from the previous \$65,000, was used by Grid Synergy to provide assistance to people with disabilities through engagements, training and mentoring to become financially independent through starting

their own business. So far, 26 PWDs have benefitted from the EWD programme.

Awareness

We continued the initiatives that spread awareness of environmental issues among our employees and the community.

Continuing the Green Learning Journey programme in 2015, our employees accompanied children from low-income families to Jurong Bird Park, the Botanic Gardens, Gardens by the Bay's Cloudforest and Flower Dome in support of the Central Singapore CDC's Nurture 2.0 Programme. The guided excursions were part of StarHub's ongoing efforts to raise environmental awareness amongst employees and our beneficiaries through Green Learning Journeys.

Nearly 600 children from low-income families in the Central Singapore District are expected to benefit from the Nurture 2.0 Programme in 2015 which has received \$250,000 funding from the StarHub Sparks Fund.

In celebration of International Women's Day, StarHub organised several screenings of Girl Rising, a powerful film that documents the oppression and exploitation of girls around the world and how nine girls in particular are standing up to make their voices heard, for employees. One of the screening sessions was followed by a talk by a representative from HOME (Humanitarian Organisation for Migration Economics) on the exploitation of young women in Asia and Singapore.





- 1: StarHub volunteers imparting office skills to SPD clients.
- 2: StarHub CEO Tan Tong Hai presenting cheque to Community Chest at StarHub Open.
- 3: StarHub volunteers accompanied children from Nurture 2.0 programme on Green Learning Journey to Gardens by the Bay.
- 4: StarHub SVP of Human Resource, Chan Hoi San signing cheque for Community Chest's Christmas Light-up.



1: StarHub volunteers, and SPD clients gave ICOS programme the thumbs-up.

2: StarHub volunteers brought children from Nurture 2.0 programme to TES-AMM to understand e-waste recycling.

A special screening of “Ah Boys to Men 3”, a 2015 Singaporean comedy film produced and directed by Jack Neo, and the third film in the Ah Boys to Men franchise, was organised for NorthLight students in February 2015 and was attended by 46 students and six teachers.

StarHub supported the Children’s Cancer Foundation’s (CCF) Hair for Hope effort for the fourth consecutive year with 93 shavees, including employees, partners and customers, going bald in support of children with cancer in June 2015. Altogether, over \$110,000 was raised by StarHub.

Through the symbolic gesture of going bald, shavees help to spread awareness of childhood cancer in Singapore, and raise funds to help affected children and their families, assuring children that they are not alone in their fight against cancer.

Engaging for a Cause

For the first time, we offered a crowd-funding platform to members of the public to support the Community Chest’s Heartstrings Walk with an online donation on Crowdfunder in July 2015. Causes supported by Community Chest include providing accommodation for persons with disabilities and specialised education for children with multiple disabilities. StarHub matched the first \$10,000 in donations dollar-for-dollar and all donations from the public and StarHub were matched dollar-for-dollar by the Government.

At the annual StarHub Open in July 2015, a fund raising golf event, TVB artistes Ruco Chan, Sharon Chan, Lawrence Ng, Grace Chan and Stephanie Ho turned up to tee off with StarHub management and business partners. Ruco also joined all the golfers to help raise \$213,850 in donations from our corporate philanthropy vehicle, the StarHub Sparks Fund. The money was donated to the Singapore Association for the Visually Handicapped and Metta Welfare Association.

As the nation gathered to celebrate Singapore’s Golden Jubilee, StarHub and nine voluntary welfare organisations (VWOs) came together in July 2015 to spread the message of inclusivity through a heartfelt rendition of the National Day favourite *Home* sung in Singapore’s four official languages—English, Malay, Mandarin and Tamil. StarHub customers donated \$80,715 to these nine VWOs by redeeming their StarHub Rewards Points.

A donation drive “Spare Your Change” was organised at our StarHub Green and Nobel offices in October 2015 to commemorate World Cerebral Palsy Day.

StarHub sent an eDM to a list of customers/partners to give them the option of receiving a festive hamper from StarHub or donating the amount to buy tickets for a play – Treasure Island organised by Singapore Repertory Theatre.

Beneficiaries of StarHub’s Community Outreach Programmes in 2015

- **\$213,850** raised through the annual StarHub Open to Singapore Association for the Visually Handicapped and Metta Welfare Association.
- **\$250,000** as the Title Sponsor of Central Singapore CDC’s Nurture 2.0 Programme for children from less privileged families.
- **\$110,000** for Hair for Hope project to the Children’s Cancer Foundation.
- **\$300,000** for SPD’s ICOS programme (2015, 2016 & 2017).
- **\$100,000** for second round of funding support to social enterprise Grid Synergy’s EWDs programme.
- **\$31,522** towards contributions for ISCOS’ Gift of Hope.
- **\$20,000** towards contributions for the Sing50 Fund co-organised by The Straits Times and The Business Times.
- **\$80,715** to nine VWOs via the Homes by Homes campaign.
- **\$53,420** to MINDS Towner Gardens School redeemed under StarHub Rewards Redemption for Charity Programme.
- **\$13,120** to Care Corner Counselling Centre redeemed under StarHub Rewards Redemption for Charity Programme.
- **\$26,760** to WWFS redeemed under StarHub Rewards Redemption for Charity Programme.
- **\$10,000** to support the Community Chest Heartstrings Walk.

Promoting Local Sports Content

A three-year Memorandum of Understanding (MOU) signed between StarHub and the Singapore Sports Council in October 2013 will see an overall increase in local sports content on StarHub’s broadcast platforms to a wider audience and enhance the sports viewership experience of Singaporeans.

We will also dedicate a segment of our upcoming daily sports news show on SuperSports Arena, a free sports channel, to cover local sports events and profile local athletes.

Media Spots for Social Campaigns

Our in-kind donations in the form of TV commercial spots for social and environmental campaigns amounted to \$1.93 million in 2015. The campaigns included WWF’s Earth Hour 2015, Children Cancer Foundation’s Hair for Hope 2015, Santa Run for Wishes 2015 and President’s Challenge.

Economic Performance

HOW WE CREATE VALUE

- Create sustainable economic value for shareholders as well as stakeholders.
- Make a positive indirect impact on local economy and communities.
- Support local suppliers.
- Invest in infrastructure.

PERFORMANCE HIGHLIGHTS

Net Profit:
\$372m

Direct Jobs:
3,131

Local Suppliers:
1,344

Local Suppliers'
Share in Total
Supplier Payments:
89%



Sustainable business growth for us means relentlessly working toward maximising financial returns for our shareholders in a manner that has a positive economic impact on our stakeholders.

Our business strategy has resulted in a consistent and healthy dividend for our shareholders over the years.

We have continuously invested in upgrading our telecom, wireless communications and cable TV infrastructure which is a critical part of Singapore's national infocomm infrastructure.

Our investment in modern infrastructure and technologies means millions of people can connect with confidence and businesses can run their operations enjoying world class telecom and wireless services.

On the jobs front, StarHub continues to create and support high quality direct and indirect jobs which in turn have a positive impact on the local economy and community.

Our support for local suppliers in turn supports a large number of indirect jobs and contributes to the vibrancy of Singapore's business landscape.

In upgrading our infrastructure, we adopt energy efficient technologies to become greener in our operations.

Our other important contributions to the local economy include tax payments and community investments.

StarHub provided 3,131 direct jobs across the Group as of end December 2015.

Our operating expenditure, including staff costs, exceeded \$2,048 million in 2015, contributing to the national economic activity. We paid \$271 million in wages, adding further value to the local economy.

Supporting Local Suppliers

Our significant purchases from local suppliers contributed to the national economic development through supporting jobs and tax opportunities for the government. In 2015, local suppliers accounted for 83% of our entire supplier base. The share of local suppliers was 89% of the total purchases in 2015.

Investing in Infrastructure

We regularly invest in upgrading our telecommunications, broadband and cable TV infrastructure. A major portion of our \$329 million CAPEX was used for infrastructural investments in 2015.

Investing in Research and Development

We regularly invest in research and development projects that promise new technological breakthroughs, reinvigorate our infrastructure, enhance productivity for customers and empower the community. These projects include Big Data Analytics, Mobile applications, TV White Spaces and telco application programmable interfaces amongst others.

Financial Assistance from the Government

Some of our research and development programmes received funding support from the government in 2015.

We received \$64,458 in subsidy for employee training in 2015 under various schemes run by the Singapore Workforce Development Agency.

Financial Performance

A summary of our economic performance is presented below in line with the GRI G4 guidelines. These figures have been extracted from the Audited Annual Report approved by the Board of Directors for the respective financial years. Please refer to Group Financial Review and Financial Statements sections of this report for more detailed information on our financial performance.

Summary of StarHub's Economic Performance (\$m)

Economic performance indicators	2015	2014	2013
Operating revenue	2,444	2,387	2,370
Net profit	372	371	380
Operating costs (including staff costs)	2,049	1,957	1,946
Staff costs	271	275	277
Dividends paid to shareholders	346	345	344

GRI CONTENT INDEX FOR 'IN ACCORDANCE' – CORE		
GENERAL STANDARD DISCLOSURES		External Assurance
		Indicate if the Standard Disclosure Item has been externally assured. We did not seek external assurance for this report.
GENERAL STANDARD DISCLOSURES		Page no. / Direct Reference
STRATEGY AND ANALYSIS		
G4-1	Provide a statement from the most senior decision-maker of the organisation (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organisation and the organisation's strategy for addressing sustainability.	14-16
ORGANISATIONAL PROFILE		
G4-3	Report the name of the organisation.	Cover
G4-4	Report the primary brands, products, and services.	3, 4, 39, 43, 49
G4-5	Report the location of the organisation's headquarters.	Singapore
G4-6	Report the number of countries where the organisation operates, and names of countries where either the organisation has significant operations or that are specifically relevant to the sustainability topics covered in the report.	Mainly Singapore
G4-7	Report the nature of ownership and legal form.	192-193, 194
G4-8	Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).	3-5
G4-9	Report the scale of the organisation.	2-6, 86
G4-10	a. Report the total number of employees by employment contract and gender. b. Report the total number of permanent employees by employment type and gender. c. Report the total workforce by employees and supervised workers and by gender. d. Report the total workforce by region and gender. e. Report whether a substantial portion of the organisation's work is performed by workers who are legally recognised as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors.	108-109
G4-11	Report the percentage of total employees covered by collective bargaining agreements.	110
G4-12	Describe the organisation's supply chain.	105
G4-13	Report any significant changes during the reporting period regarding the organisation's size, structure, ownership, or its supply chain, including: <ul style="list-style-type: none"> Changes in the location of, or changes in, operations, including facility openings, closings, and expansions, Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organisations), Changes in the location of suppliers, the structure of the supply chain, or in relationships with suppliers, including selection and termination. 	None
G4-14	Report whether and how the precautionary approach or principle is addressed by the organisation.	94-95
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organisation subscribes or which it endorses.	85, 104
G4-16	List memberships of associations (such as industry associations) and national or international advocacy organisations in which the organisation: <ul style="list-style-type: none"> Holds a position on the governance body, Participates in projects or committees, Provides substantive funding beyond routine membership dues, Views membership as strategic. 	92
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES		
G4-17	a. List all entities included in the organisation's consolidated financial statements or equivalent documents. b. Report whether any entity included in the organisation's consolidated financial statements or equivalent documents is not covered by the report.	163-164
G4-18	a. Explain the process for defining the report content and the Aspect Boundaries. b. Explain how the organisation has implemented the Reporting Principles for Defining Report Content.	85, 94-95
G4-19	List all the material Aspects identified in the process for defining report content.	94
G4-20	For each material Aspect, report the Aspect Boundary within the organisation	95
G4-21	For each material Aspect, report the Aspect Boundary outside the organisation.	95
G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.	N.A.
G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.	None
STAKEHOLDER ENGAGEMENT		
G4-24	Provide a list of stakeholder groups engaged by the organisation.	90-93
G4-25	Report the basis for identification and selection of stakeholders with whom to engage.	90-93
G4-26	Report the organisation's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.	90-93
G4-27	Report key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns.	90-93

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G4-28	Reporting period (such as fiscal or calendar year) for information provided.	85
G4-29	Date of most recent previous report (if any).	85
G4-30	Reporting cycle (such as annual, biennial).	85
G4-31	Provide the contact point for questions regarding the report or its contents.	86
G4-32	a. Report the 'in accordance' option the organisation has chosen. b. Report the GRI Content Index for the chosen option. c. Report the reference to the External Assurance Report, if the report has been externally assured.	85
G4-33	a. Report the organisation's policy and current practice with regard to seeking external assurance for the report. b. If not included in the assurance report accompanying the sustainability report, report the scope and basis of any external assurance provided. c. Report the relationship between the organisation and the assurance providers. d. Report whether the highest governance body or senior executives are involved in seeking assurance for the organisation's sustainability report.	86
GOVERNANCE		
G4-34	Report the governance structure of the organisation, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.	18-23, 52-74
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G4-56	Describe the organisation's values, principles, standards and norms of behaviour such as codes of conduct and codes of ethics.	52-74

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G4 DMA	Indirect economic impact.	89
G4 DMA	Procurement Practices.	89
G4: DMA	Energy.	88, 96, 97
G4: DMA	Emissions.	88, 96, 98-99
G4-DMA	Supplier Environmental Assessment.	89
G4-DMA	Employment.	88
G4-DMA	Equal remuneration for women and men.	88
G4-DMA	Supplier Assessment for Labour Practices.	89
G4-DMA	Freedom of Association and Collective Bargaining.	110
G4-DMA	Supplier Human Rights Assessment.	89
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G4-DMA	Anti-corruption.	105
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G4-DMA	Customer Health and Safety.	111
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ECONOMIC PERFORMANCE		
G4-EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	119
G4-EC2	Report risks and opportunities posed by climate change that have the potential to generate substantive changes in operations, revenue or expenditure.	97
G4- EC4	Report the total monetary value of financial assistance received by the organisation from governments during the reporting period.	119
INDIRECT ECONOMIC IMPACTS		
G4-EC7	Development and impact of infrastructure investments and services supported.	119
G4-EC8	Significant indirect economic impacts including the extent of impacts.	119
PROCUREMENT PRACTICES		
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G4-EN3	Energy consumption within the organisation.	101
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G4-EN8	Total water withdrawal by source.	99, 101

SUSTAINABILITY

EMISSIONS		
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1).	98, 99, 101
G4-EN16	Indirect greenhouse gas (GHG) emissions (Scope 2).	98, 99, 101
G4-EN18	Greenhouse gas (GHG) emissions intensity.	101
G4-EN19	Reduction of greenhouse gas (GHG) emissions.	100, 101
G4-EN21	Emissions of Ozone depleting substances (ODS).	98
EFFLUENTS AND WASTE		
G4-EN23	Total weight of waste by type and disposal method.	98, 101
COMPLIANCE		
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for Noncompliance with environmental laws and regulations.	99
SUPPLIER ENVIRONMENTAL ASSESSMENT		
G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken.	105
EMPLOYMENT		
G4-LA1	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	107-109
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation.	110
TRAINING AND EDUCATION		
G4-LA9	Average hours of training per year per employee by gender, and by employee category (e.g. executive-level, management-level, etc.).	107, 109
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	107, 108
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender, and by employee category.	108
DIVERSITY AND EQUAL OPPORTUNITY		
G4-LA12	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	108-109
EQUAL REMUNERATION FOR WOMEN AND MEN		
G4-LA13	Report the ratio of the basic salary and remuneration of women to men for each employee category, by significant locations of operation.	107
SUPPLIER ASSESSMENT FOR LABOUR PRACTICES		
G4-LA15	Report the number of suppliers subject to impact assessments for labour practices.	105
HUMAN RIGHTS		
NON-DISCRIMINATION		
G4-HR3	Total number of incidents of discrimination and corrective actions taken.	110
FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING		
G4-HR4	Operations and suppliers identified in which the right to exercise freedom of Association and collective bargaining may be violated or at significant risk, and measures taken to support these rights.	110
CHILD LABOUR		
G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labour, and measures taken to contribute to the effective abolition of child labour.	110
FORCED OR COMPULSORY LABOUR		
G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of all forms of forced or compulsory labour.	110
LOCAL COMMUNITIES		
G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programmes.	112-117
ANTI CORRUPTION		
G4-SO5	The total number and nature of confirmed incidents of corruption. The total number of confirmed incidents in which employees were dismissed or disciplined for corruption. The total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption. Public legal cases regarding corruption brought against the organisation or its employees during the reporting period and the outcomes of such cases.	105
COMPLIANCE		
G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	103
PRODUCT AND SERVICE LABELLING		
G4-PR5	Results or key conclusions of surveys measuring customer satisfaction conducted in the reporting period.	104
CUSTOMER PRIVACY		
G4-PR8	Total number of substantiated complaints received regarding breaches of customer privacy and losses of customer data.	104

GRI TELECOMMUNICATION SECTOR SPECIFIC INDICATORS

HEALTH AND SAFETY		
IO3	Practices to ensure health and safety of field personnel involved in the installation, operation and maintenance of masts, base stations, laying cables and other outside plant.	111
IO5	Compliance with ICNIRP (International Commission on Non-Ionising Radiation Protection) guidelines on exposure to radio frequency (RF) emissions from base stations.	111
IO7	Policies and practices on the siting of masts and transmission sites including stakeholder consultation, site sharing and initiatives to reduce visual impacts.	111
IO8	Number and percentage of stand-alone sites, shared sites and sites on existing structures.	111
PROVIDING ACCESS		
PA1	Policies and practices to enable the deployment of telecommunications infrastructure and access to telecommunications products and services in remote and low population density areas.	103
PA2	Policies and practices to overcome barriers for access and use of telecommunication products and services including: language, culture, illiteracy, and lack of education, income, disabilities, and age. Include an explanation of business models applied.	103
PA3	Policies and practices to ensure availability and reliability of telecommunications products and services and quantify, where possible, time periods and locations of down time.	103
PA4	Quantify the level of availability of telecommunications products and services in areas where the organisation operates.	103
PA5	Number and types of telecommunications products and services provided to and used by low and no income sectors of the population.	103
PA6	Programmes to provide and maintain telecommunication products and services in emergency situations and for disaster relief.	103
PA7	Policies and practices to manage human rights issues relating to access and use of telecommunications products and services.	103
PA10	Initiatives to ensure clarity of charges and tariffs.	104
TECHNOLOGY APPLICATIONS		
TA2	Provide examples of telecommunication products, services and applications that have the potential to replace physical objects.	

GRI MEDIA SECTOR SPECIFIC INDICATORS

PRODUCT RESPONSIBILITY		
M2	Methodology for assessing and monitoring adherence to content creation values.	103
M3	Actions taken to improve adherence to content creation values, and results obtained.	103
M4	Actions taken to improve performance in relation to content dissemination issues (accessibility and protection of vulnerable audiences and informed decision making) and results obtained.	103

GROUP FINANCIAL REVIEW

1.1 Revenue

	Year ended 31 December					
	2015		2014		Incr/(Decr)	
	\$m	%	\$m	%	\$m	%
Mobile revenue	1,239.8	50.7	1,247.6	52.3	(7.8)	(0.6)
Pay TV revenue	391.0	16.0	389.7	16.3	1.3	0.3
Broadband revenue	200.3	8.2	201.9	8.5	(1.6)	(0.8)
Fixed Network Services revenue	384.9	15.8	378.3	15.8	6.6	1.7
Total service revenue	2,216.0	90.7	2,217.5	92.9	(1.5)	(0.1)
Sale of equipment	228.3	9.3	169.7	7.1	58.6	34.5
Total	2,444.3	100.0	2,387.2	100.0	57.1	2.4

The Group's total revenue rose 2.4% year-on-year (YoY) to \$2,444.3 million in 2015, on the back of higher revenue from sale of equipment which rose 34.5%; service revenue was 0.1% lower at \$2,216.0 million.

The lower service revenue in 2015 was primarily due to Mobile and Broadband services revenue which was lower by 0.6% and 0.8% YoY respectively. This was mitigated by higher revenue from Fixed Network and Pay TV services, which registered a 1.7% and 0.3% YoY increase respectively.

Mobile revenue decreased \$7.8 million or 0.6% YoY to \$1,239.8 million, mainly due to lower pre-paid and roaming revenue. Pay TV service revenue grew \$1.3 million or 0.3% YoY, while Broadband revenue at \$200.3 million was \$1.6 million or 0.8% lower when compared to 2014. Fixed Network service revenue was \$6.6 million higher, primarily due to Data & Internet services.

Revenue from sale of equipment was up \$58.6 million or 34.5% YoY to \$228.3 million in 2015, driven by increased quantities sold and increased mix of higher end phones.

1.2 Operating Expenses

	Year ended 31 December			
	2015	2014	Incr/(Decr)	
	\$m	\$m	\$m	%
Cost of sales	1,053.1	949.0	104.1	11.0
Other operating expenses	995.5	1,008.1	(12.6)	(1.2)
Total	2,048.6	1,957.1	91.5	4.7

Against 2014, total operating expenses in 2015 was 4.7% higher at \$2,048.6 million due mainly to the higher cost of sales.

As a percentage of revenue, total operating expenses was higher at 83.8%, up from 82.0% in 2014.

A breakdown of total operating expenses is as follows:

(i) Cost of Sales

	Year ended 31 December			
	2015	2014	Incr/(Decr)	
	\$m	\$m	\$m	%
Cost of equipment sold	487.1	411.4	75.7	18.4
Cost of services	415.8	382.9	32.9	8.6
Traffic expenses	150.2	154.7	(4.5)	(2.9)
Total	1,053.1	949.0	104.1	11.0

Cost of sales increased 11.0% YoY to \$1,053.1 million, driven by higher cost of equipment sold and cost of services.

With increased quantities sold and a higher mix of high end models which were costlier, this resulted in cost of equipment sold to increase \$75.7 million or 18.4% higher YoY to \$487.1 million.

Compared to 2014, cost of services at \$415.8 million in 2015 was \$32.9 million or 8.6% higher driven mainly by the higher NGNBN service costs and increased services' costs of the enterprise solutions and projects.

Traffic expenses decreased \$4.5 million or 2.9% YoY to \$150.2 million, primarily due to lower international traffic volume and lower interconnection rates in 2015.

(ii) Other Operating Expenses

	Year ended 31 December			
	2015	2014	Incr/(Decr)	
	\$m	\$m	\$m	%
Staff costs	270.7	275.0	(4.3)	(1.6)
Operating leases	121.7	128.4	(6.7)	(5.2)
Marketing and promotions	144.6	156.2	(11.6)	(7.5)
Allowance for doubtful receivables	18.4	15.9	2.5	15.6
Repair and maintenance	86.0	69.2	16.8	24.4
Other expenses	82.7	92.2	(9.5)	(10.3)
Subtotal	724.1	736.9	(12.8)	(1.7)
Depreciation and amortisation (net of asset grants)	271.4	271.2	0.2	0.1
Total	995.5	1,008.1	(12.6)	(1.2)

Compared to 2014, total other operating expenses decreased 1.2% to \$995.5 million in 2015. As a percentage of revenue, other operating expenses was lower at 40.7% compared to 42.2% in 2014.

Analysis of major variances in other operating expenses is provided below:

Staff costs

Compared to 2014, staff costs was 1.6% lower at \$270.7 million due to lower temporary staff costs.

Operating leases

2015 operating lease expenses was 5.2% lower at \$121.7 million as the higher leases and related expenses were mitigated by the reversals of accruals no longer required in 1Q-2015 for international capacity leases.

Marketing and promotions

Marketing and promotions decreased 7.5% to \$144.6 million mainly driven by directing marketing budgets more effectively and efficiently through data analytics as customer acquisition and retention programs were rolled out.

Allowance for doubtful receivables

Against 2014, allowance for doubtful receivables was higher at \$18.4 million in 2015. Additional allowance for doubtful debts was made in the current year for certain accounts receivables' that were assessed to be of higher risk of collection.

Repair and maintenance

Repair and maintenance in 2015 was higher at \$86.0 million as a result of the expanded network and systems infrastructure. This would have been higher by 2.1% for 2015 when compared to last year, which had been lowered by adjustments for accruals no longer required.

Other expenses

Other expenses decreased \$9.5 million or 10.3% to \$82.7 million when compared to 2014. Gains on exchange differences, compared to a loss last year; and disposal of fixed assets were the main contributing factors to the decrease YoY.

GROUP FINANCIAL REVIEW

1.3 Profitability

	Year ended 31 December			
	2015	2014	Incr/(Decr)	
	\$m	\$m	\$m	%
Total revenue	2,444.3	2,387.2	57.1	2.4
Operating expenses	(2,048.6)	(1,957.1)	91.5	4.7
Other income	45.6	46.6	(1.0)	(2.2)
Profit from operations	441.3	476.7	(35.4)	(7.5)
Finance income	2.0	2.0	0.0	3.0
Finance expenses	(17.8)	(22.6)	(4.8)	(21.2)
	425.5	456.1	(30.6)	(6.7)
Non-operating income	15.0	-	15.0	-
Share of loss of associate (net of tax)	(0.3)	-	(0.3)	-
Profit before taxation	440.2	456.1	(15.9)	(3.5)
Taxation	(67.9)	(85.6)	(17.7)	(20.7)
Profit for the year	372.3	370.5	1.8	0.5
EBITDA	712.7	747.9	(35.2)	(4.7)
Service revenue	2,216.0	2,217.5	(1.5)	(0.1)
EBITDA as a % of service revenue	32.2%	33.7%	-1.6% pts	

Profit from operations decreased \$35.4 million or 7.5% to \$441.3 million when compared to 2014, impacted by the lower service revenue and increased operating expenses.

EBITDA for 2015 was lower by \$35.2 million or 4.7% to \$712.7 million. As a percentage of service revenue, EBITDA margin was 32.2% in 2015, down from 33.7% last year.

Finance income maintained at \$2.0 million in 2015, while finance expenses at \$17.8 million was \$4.8 million or 21.2% lower compared to 2014 which had higher financing expenses for new bank loan facilities taken.

Profit before taxation at \$440.2 million was boosted by a non-operating income of \$15.0 million, being gain from the deconsolidation of SHINE Systems Assets Pte. Ltd. (SSAPL) in 3Q-2015.

Compared to 2014, taxation in 2015 was \$17.7 million or 20.7% lower at \$67.9 million as the tax expense for the current year's taxable profits was reduced by adjustments for prior periods' group tax relief benefits. Excluding this adjustment, the Group's effective tax rate was approximately 18% (excluding the gain on deconsolidation of a subsidiary), due mainly to certain non-deductible expenses for tax purposes.

Profit for the year was \$1.8 million or 0.5% higher YoY at \$372.3 million.

1.4 Liquidity and Resources

	Year ended 31 December	
	2015 \$m	2014 \$m
Profit before taxation	440.2	456.1
Non-cash items & net finance expenses adjustments	233.7	256.0
Net change in working capital	(36.7)	8.1
Income tax paid	(92.7)	(65.3)
Net cash from operating activities	544.5	654.9
Net cash used in investing activities	(300.3)	(318.8)
Net cash used in financing activities	(335.3)	(339.0)
Net change in cash and cash equivalents	(91.1)	(2.9)
Exchange difference on cash and cash equivalents	0.3	0.2
Cash and cash equivalents at beginning of the year	264.2	266.9
Cash and cash equivalents at end of the year	173.4	264.2
Free Cash Flow ⁽¹⁾	215.7	333.3

⁽¹⁾ Free Cash Flow refers to net cash from operating activities less purchase of fixed assets in the cash flow statement.

The Group's total net cash from operating activities was \$110.4 million lower at \$544.5 million. This was attributable to lower cash flows from operations which accounted for \$38.2 million, higher working capital needs of \$44.8 million and higher income tax paid of \$27.4 million.

The Group's negative working capital changes of \$36.7 million in 2015 were mainly due to lower trade and other payables, coupled with higher inventories balances. This was offset by lower trade receivables, and higher net balances due to related parties.

Compared to 2014, net cash outflow from investing activities was \$18.5 million lower at \$300.3 million. CAPEX payments were \$7.2 million higher at \$328.8 million compared to \$321.6 million in 2014, and represented 13.5% of total revenue in both years. The higher net cash used in CAPEX investments was mitigated by the net proceeds from the loan repayment by the associate

company – SSAPL, net of an additional \$12.0 million investment in SSAPL pursuant to an equity call post dilution of the Group's equity interest from 100% to 30% in SSAPL in 3Q-2015.

As a result of the lower cash from operating activities and higher CAPEX payments, the Group's free cash flow was lower at \$215.7 million. This was \$117.6 million lower when compared to \$333.3 million last year.

Net cash outflow from financing activities was \$3.7 million lower at \$335.3 million. Cash used for dividends payment totaled \$345.9 million in 2015, slightly higher than last year. During the year, there were higher grants received and lower payment of finance expenses.

As at 31 December 2015, the Group's net cash and cash equivalents totaled \$173.4 million, compared to \$264.2 million a year ago.

GROUP FINANCIAL REVIEW

1.5 Financial Position

	As at 31 December	
	2015 \$m	2014 \$m
Non-current assets	1,305.6	1,315.6
Current assets	603.8	671.6
Less: Current liabilities	1,027.9	1,192.9
Less: Non-current liabilities	693.9	645.3
Net assets	187.6	149.0
Shareholders' equity	187.6	149.0

As at 31 December 2015, the Group's non-current assets was \$1,305.6 million, \$10.0 million lower than 31 December 2014. The decrease was largely due to the de-consolidation of SSAPL's non-current assets, mainly fixed assets, following the dilution of the equity interest from 100% to 30% at fair value in 3Q-2015, with a corresponding increase in investment in associate (SSAPL). Fixed assets additions to the network infrastructure and systems during the year also contributed to the movements in this non-current assets balance YoY.

Total current assets at \$603.8 million as at 31 December 2015 was lower when compared to \$671.6 million as at 31 December 2014. The decrease of \$67.8 million was made up of lower cash and cash equivalents, and trade receivables, higher inventories, other receivables, deposits and prepayments, and balances due from related parties.

Against 31 December 2014, total current liabilities was \$165.0 million lower at \$1,027.9 million as at 31 December 2015. This was attributed to lower trade and other payables, provision for taxation, higher balances due to related parties and a lower current portion of borrowings that became due in the year. During the year, the Group refinanced the \$200 million current bank borrowing as at 31 December 2014 with a new term loan, which has now been included as Borrowings under the

non-current liabilities. In addition, \$137.5 million bank loans became due within the next 12 months and was included in current liabilities.

For non-current liabilities, the balance as at 31 December 2015 amounted to \$693.9 million, an increase of \$48.6 million from a year ago. This was attributed to "Borrowings" where a new bank term loan was taken to refinance the \$200 million current borrowings on its maturity date and a reclassification of \$137.5 million bank loans that will become due within the next 12 months.

Compared to 31 December 2014, the Group's shareholders' equity was up \$38.6 million to \$187.6 million as at 31 December 2015, contributed by higher share capital and increased retained profits.

Gearing

As at 31 December 2015, the Group's total borrowings were maintained at \$687.5 million.

The lower cash balances as at 31 December 2015 resulted in higher net debt of \$514.1 million, compared to \$423.3 million last year. As a percentage of 2014 EBITDA, the Group's net debt was higher at 0.69 times as at 31 December 2015 when compared to 0.57 times as at 31 December 2014.