

How We Govern Ourselves

Corporate Governance Statement

StarHub is committed to continually uphold corporate governance and sustainability practices and policies that promote transparency, accountability and integrity. We believe this is critical to the long-term sustainability of our business and value creation for our stakeholders.

Corporate Governance Report 2017

StarHub has complied, in all material respects, with the principles and guidelines of the Code of Corporate Governance (Code) issued by the Monetary Authority of Singapore on 2 May 2012, and in some areas, has made improvements, for the year ended 31 December 2017 (FY2017). The disclosures in this report sets out our compliance of the corporate governance framework, policies and practices for FY2017.

Strengthening StarHub's business practices and culture through transparency, accountability and integrity.

1. BOARD MATTERS The Board's Conduct of Affairs

The Board's Role

The Board oversees the business performance and affairs of the Group. The Board leads, directs and works closely with Management, to ensure alignment of interests of the Board and Management with that of the shareholders, so as to achieve the long-term sustainable success of the various businesses of the Group.

The Board's key roles and responsibilities are as follows:

- Provide entrepreneurial leadership and guidance to Management and steer 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 investment proposals, acquisitions and divestments;
- Recognise that the perceptions of key stakeholder groups affect 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 StarHub's sustainability policies and practices; and
- Ensure the Group's compliance with all relevant laws and regulations.

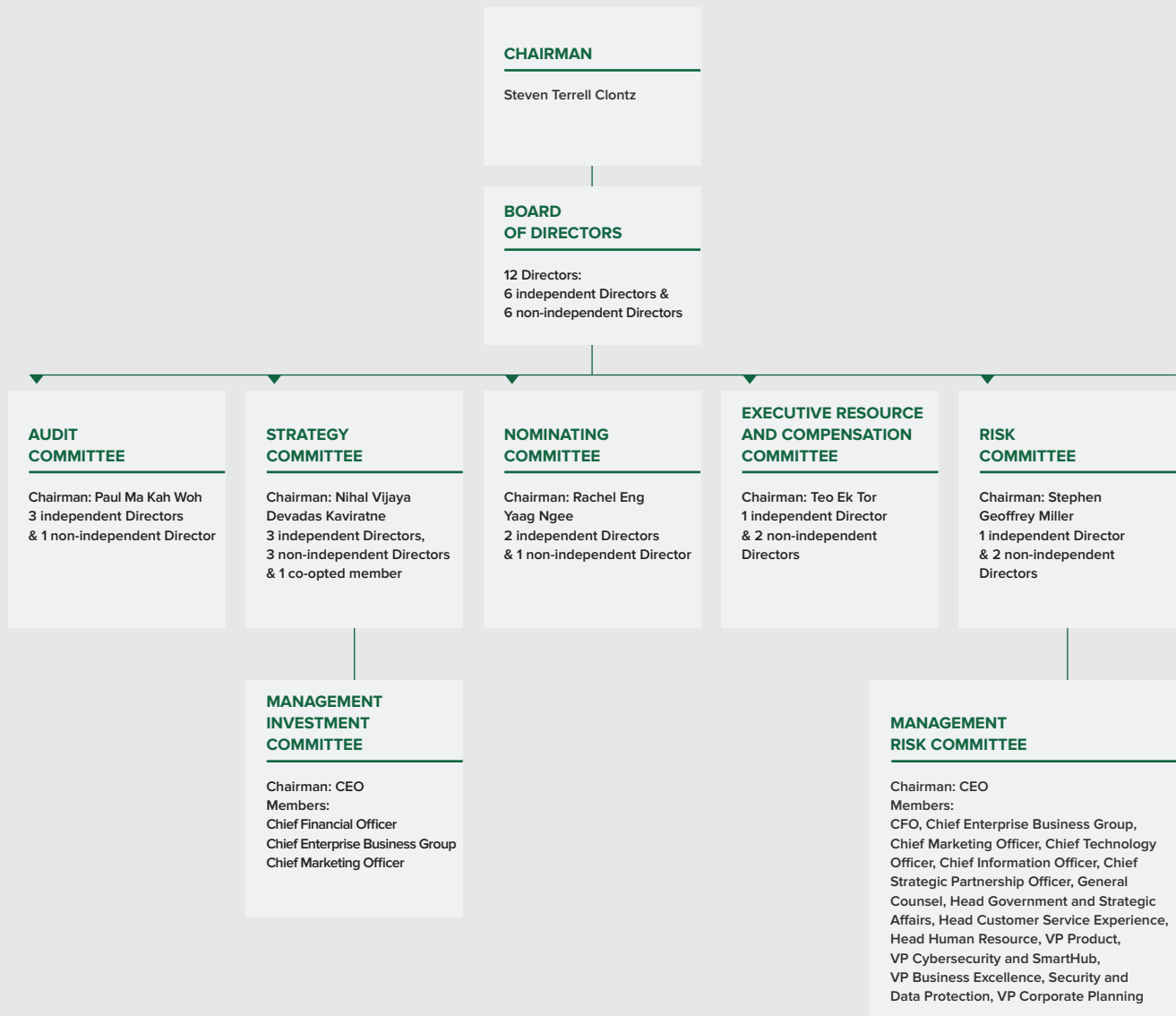
The Board and individual Directors act in good faith and make decisions objectively in the best interests of StarHub and all its shareholders.

The Board has established a framework on authorisation and approval limits for capital and operating expenditure, as well as 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 constituted the following Board committees (Board Committees) to assist the Board in the discharge of its functions:

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



The composition of the Board Committees and their specific responsibilities and authority are set out in the relevant sections of this Report. The detailed Terms of Reference of the respective Board Committees are available on the StarHub Investor Relations (IR) website. Each Board Committee is required to operate and make decisions on matters within its Terms of Reference.

Additional Board committees may be formed to undertake specific duties if necessitated by business requirements.

The Board receives updates from the Board Committee Chairmen at Board meetings, on key matters raised and/or decisions made at the last-held meeting of the respective Board Committees. For any matter which requires 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, SC, NC and RC are also circulated to the Board for its information, while the minutes of the meetings of the ERCC are available to the Directors on request.

Board Meetings

For FY2017, the Board held a total of five meetings. In keeping with past practice, the annual full-day Board Strategy offsite meeting was held to conduct an in-depth review and discussion on the Group's strategic direction and to consider the Group's budget for the upcoming 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 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 upcoming financial year are scheduled in advance before the end of the current financial year to enable Directors to plan ahead and attend the upcoming financial year's Board meetings according to the respective meeting schedules.

A summary of the number of Board and Board Committee meetings held in FY2017 and the attendance of the Directors at these meetings as well as the Annual General Meeting (AGM) and the Extraordinary General Meeting (EGM) held in FY2017, is set out in the table in the following page:

CORPORATE GOVERNANCE

How We Govern Ourselves (cont'd)

Table 1 (Directors' Attendance at Board/General Meetings During FY2017)

	Board Meetings	Board Committee Meetings					AGM & EGM
		AC	SC	NC	ERCC	RC	
No. of Meetings Held	5	4	4	2	5	2	1
Steven Terrell Clontz	5	–	4	2	–	–	1
Tan Tong Hai	5	–	–	–	–	1	1
Paul Ma Kah Woh	5	4	–	–	–	2	1
Nihal Vijaya Devadas Kaviratne CBE	5	4	4	–	–	–	1
Rachel Eng Yaag Ngee ⁽¹⁾	5	4	–	2	–	–	1
Teo Ek Tor	5	–	–	2	5	–	1
Stephen Geoffrey Miller	5	–	4	–	5	2	1
Liu Chee Ming	5	–	4	–	–	–	1
Michelle Lee Guthrie ⁽²⁾	1	–	1	–	–	–	–
Lim Ming Seong	5	4	4	–	4	–	1
Nasser Marafih	5	–	–	–	–	–	1
Naoki Wakai ⁽³⁾	1	–	–	–	–	–	–

Notes:

- (1) Ms Rachel Eng Yaag Ngee was appointed as lead independent Director with effect from 8 August 2017.
 (2) Ms Michelle Lee Guthrie was appointed as a non-executive Independent Director with effect from 25 August 2017 and a SC Member with effect from 1 November 2017.
 (3) Mr Naoki Wakai was appointed as a non-executive Director with effect from 30 August 2017.
 (4) Mr Takeshi Kazami stepped down from the Board with effect from 4 August 2017. He attended all Board meetings during his tenure of service in 2017.

Board Orientation and Continual Training & Development

StarHub has a comprehensive induction programme for all newly-appointed Directors that is bespoke for the Group's business and operations. Briefings are conducted by Management for the newly-appointed Directors to familiarise with the Group's business activities, strategic directions, financials, policies, governance practices, corporate culture as well as key regulatory, legal and industry developments which affect the Group. The induction programme also includes meetings with the CEO and Senior Management.

Each Director is issued a tablet which he or she can use to access the StarHub Board Portal. The StarHub Board Portal is specifically designed to provide relevant information and up-to-date guidelines and policies that will help Directors to discharge their duties properly, including:

- Board meeting information and Board papers;

- 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 and Directors' share trading policy of StarHub.

The Board encourages the Directors to continually develop and refresh their professional knowledge and skills, and keep themselves abreast of relevant developments in the Group's business and the regulatory and industry-specific environments in which the Group operates.

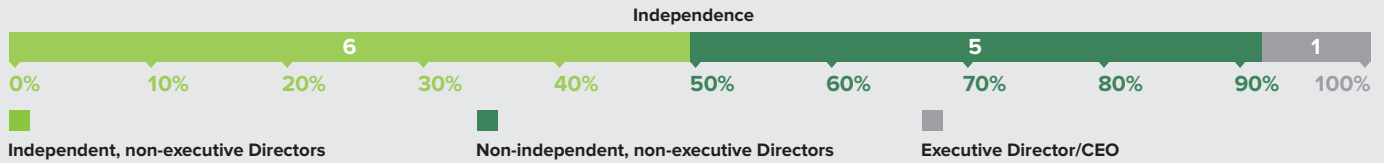
To this end, the Company Secretary facilitates the arrangement of internal briefings as well as external seminars and trainings for the Directors (including those conducted by StarHub's panel of law firms and the Singapore Institute of Directors in conjunction with the SGX-ST).

In addition, the Company Secretary and members of Senior Management also provide regular updates to the Directors

during Board meetings, and through emails and the StarHub Board Portal, on key legal, regulatory, industry and accounting changes which affect the Group. In FY2017, the Directors participated in a Digital Transformation training session, organised by industry members.

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

Board Composition and Guidance



Independent, Non-Executive Directors	Non-Independent, Non-Executive Directors	Executive Director/CEO
<p>Ms Rachel Eng Yaag Ngee (NC Chairman and Lead Independent Director)</p> <p>Mr Paul Ma Kah Woh (AC Chairman)</p> <p>Mr Nihal Vijaya Devadas Kaviratne CBE (SC Chairman)</p> <p>Mr Teo Ek Tor (ERCC Chairman)</p> <p>Mr Liu Chee Ming</p> <p>Ms Michelle Lee Guthrie</p>	<p>Mr Steven Terrell Clontz (Chairman)</p> <p>Mr Stephen Geoffrey Miller (RC Chairman)</p> <p>Mr Lim Ming Seong</p> <p>Dr Nasser Marafih</p> <p>Mr Naoki Wakai</p>	<p>Mr Tan Tong Hai</p>

The Board comprises 12 Directors, of which half are non-executive independent Directors. 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 Board has appointed Ms Eng as the lead independent Director, whose role includes:

- ensuring she is available to shareholders for consultation and direct communication, where they have concerns on matters which contact via the normal channels of the Chairman, the CEO or the CFO has failed to resolve or is inappropriate;
- serving as a liaison between the Chairman and the independent Directors; and
- having the authority to call for and lead meetings of independent Directors without the presence of other Directors and provide feedback to the Chairman. No independent Directors' meeting was held in FY2017. However, at least one independent Directors' meeting will be held in the financial year ending 31 December 2018.

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

announced in November 2017 that Mr Tan will be stepping down as executive Director and CEO on 1 May 2018. The Group is conducting a global executive search for its new CEO.

The individual profile of the Directors and the 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 assesses the independence of each non-executive Director annually, particularly those who have served more than nine years. As at 1 January 2018, three independent Directors, namely Mr Nihal Vijaya Devadas Kaviratne CBE, Mr Teo Ek Tor and Mr Liu Chee Ming, 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 for FY2017, Mr Nihal Vijaya Devadas Kaviratne CBE, Mr Teo Ek Tor and Mr Liu Chee Ming¹ have each demonstrated the essential independence of mind and objectivity of judgement to act honestly and in the best interests of the Group in the discharge of their Directors' duties, and therefore considers them to be independent. In addition, the NC

recommends, and the Board is of the firm view, that for FY2018, Mr Kaviratne and Mr Teo are independent in mind and objectivity. When assessing objectivity and independent judgement, the NC and the Board would 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.

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 further discussion or voting on the subject matter.

The Board, through the NC, annually examines its size and composition to ensure

⁽¹⁾ Mr Liu Chee Ming will be retiring as a non-executive Director and will not be offering himself for re-election at the AGM in 2018.

CORPORATE GOVERNANCE

How We Govern Ourselves (cont'd)

its overall effectiveness. Given the scope and nature of the Group's operations, the Board is of the view that its current size of 12 is conducive and facilitates effective decision-making. In this regard, the Board has also taken into account the complexity and requirements of the Group's 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 identify areas of focus and maintain an appropriate mix of expertise, experience (both local and international), knowledge, gender, culture and nationality. The NC has developed a skills matrix which is reviewed by the Board on a regular basis, as one criteria for Director appointments. The NC also considers gender diversity in relation to the Board composition. Following the appointment of Ms Michelle Lee Guthrie in FY2017, the Board currently comprises 2 female Directors out of 12 Directors. StarHub believes that a well-balanced Board with diversified skills 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 to the development of the overall strategy of the Group by way of alternative perspectives and fresh challenges during discussions. The immense network of contacts across the industries which such diversity provides has proven invaluable to StarHub.

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

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

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, who is a non-executive Director and 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 constructive 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 in order 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 has full executive responsibility for the day-to-day running of

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

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 established the NC to lead and facilitate this process with written terms of reference that clearly set out its authority and duties.

Nominating Committee (NC)

Membership

Ms Rachel Eng Yaag Ngee, NC Chairman and lead independent Director
Mr Steven Terrell Clontz, non-executive Chairman of the Board
Mr Teo Ek Tor, independent Director

Key Responsibilities

- To lead and facilitate the process for the selection, appointment and re-appointment of Directors to the Board
- To make sure the Board comprises individuals with the necessary skills, knowledge and experience to ensure that it is effectively discharging its responsibilities and to have oversight of all matters relating to corporate governance

All the NC members are non-executive Directors who are independent of Management. During FY2017, the NC held 2 meetings.

The Board notes that Mr Steven Terrell Clontz is regarded as non-independent under the Code in view of his executive role at Singapore Technologies Telemedia Pte Ltd. However, after due consideration, the Board and the NC are of the view that his appointment does not interfere with the exercise of his independent business judgement or prevent him from acting objectively in the best interests of the Group in carrying out his duties. The Board and the NC further note that Mr Clontz is not involved in the day-to-day running of the Group's business and operations, and is

independent of Management, with a clear separation of role between Management and the deliberations of the NC.

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

In accordance with StarHub's Constitution, all Directors who are appointed by the Board during the financial year are required to retire and stand for election by shareholders at the first AGM of StarHub after their appointment. The Code requires all Directors to retire and stand for re-election by shareholders at least once in every three-year period.

The NC reviews and considers the independence of each Director on an annual basis. If the NC considers that a Director is independent notwithstanding the existence of specific relationships or circumstances described in the Code that may potentially affect the Director's independent status, the NC will provide its view to the Board for the Board's determination. The NC will consider factors such as the Director's independent business judgement, objectivity, integrity and conduct in acting honestly in the best interests of the Group. Conversely, the NC has the discretion to consider that a Director is not independent even in the absence of specific relationships or circumstances described in the Code, and will similarly provide its views to the Board for the Board's determination. 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 best interests of the Group.

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 FY2017, and will continue to do so in FY2018. 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 FY2017, the Board engaged the assistance of Aon Hewitt Singapore Pte Ltd (Aon Hewitt) as independent external consultants to facilitate the annual evaluation of the performance of the Board and the Board Committees. The evaluation process identifies key issues pertaining to the effectiveness, efficiency and functioning of the Board and the Board Committees, in particular:

- the adequacy of the Board composition, including the Board size, the degree

of Board independence and the mix and diversity of skills, experience and knowledge of the Board;

- information management and Board processes, including level and timeliness of information provided to the Board;
- integrity and corporate social responsibility of StarHub;
- managing StarHub's performance;
- the effectiveness of Board Committees;
- CEO performance and succession planning;
- Director development and management; and
- risk management.

As part of the evaluation process, detailed questionnaires were completed by each Director, with feedback on the key areas. Individual interviews with each Director were carried out.

The annual review process facilitates consideration by the Board of its membership, including renewal considerations. 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 will assist in implementing the necessary measures.

Access to Information

At least five (5) business days prior to each Board and Board Committee meeting, Management provides the Directors with timely information that is relevant to matters on the agenda for the meeting, except for sensitive matters to be tabled at the meeting itself. All sensitive Board materials that are communicated electronically are encrypted with passwords to safeguard security. Throughout the financial year, the Board also receives

CORPORATE GOVERNANCE

How We Govern Ourselves (cont'd)

monthly management and financial reports providing updates on key performance indicators and a financial analysis of the Group, and regular analysts' reports and media articles on StarHub and the industry. Collectively, such reports enable the Directors to constantly keep abreast of key issues and developments in the industry as well as challenges and opportunities for the Group, thereby facilitating informed and sound decisions.

Independent of the information provided to the Directors as described above, Management is available at all times to answer any queries raised by the Directors. Frequent dialogue and interactions take place between Management and the Directors. Consequently, the Directors are able to gain a deeper understanding of StarHub's operations and information, allowing them to better strategise and guide StarHub in their role as Directors.

Furthermore, the StarHub Board Portal allows the Directors to securely access and read Board and Board Committee papers and materials electronically, using tablet devices provided by StarHub at their convenience.

The Directors have separate and independent access to the Company Secretaries, who are trained in legal and company secretarial practices. The Company Secretaries administer, attend and prepare minutes of 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 corporate governance matters. The Company Secretaries are the primary channel of communication between StarHub and the SGX. The Company Secretaries also facilitate the orientation of new Directors and assist in arranging professional development and training for the 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 determining the remuneration packages of individual Directors. The Board has established the ERCC to ensure that this is duly implemented.

Executive Resource and Compensation Committee (ERCC)

Membership

Mr Teo Ek Tor, ERCC Chairman and independent Director
Mr Stephen Geoffrey Miller, non-executive Director
Mr Lim Ming Seong, non-executive Director

Key Responsibilities

- Ensure the implementation of a formal and transparent procedure for developing policies on executive remuneration and determining the remuneration packages of individual Directors
- Succession planning for the CEO, the CFO and other key management personnel. 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 the grant of share awards to Directors and key management personnel for the Board's approval
- Assessing and approving candidates for key appointments
- Overseeing the development of Management and reviewing succession plans for key positions in the Group

The ERCC comprises three non-executive Directors who are independent of Management, with the ERCC Chairman being an independent Director. During FY2017, the ERCC held 5 meetings.

The Board notes that Mr Stephen Geoffrey Miller and Mr Lim Ming Seong are regarded as non-independent under the Code in view of Mr Miller's executive role and Mr Lim's directorship at Singapore Technologies Telemedia Pte Ltd. 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 Mr Miller and Mr Lim 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 Mr Miller and Mr Lim 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 between Management and the deliberations of the ERCC.

In overseeing StarHub's remuneration policies, the ERCC's key duties are to review and recommend the following 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 for each Director (including Director's fees, allowances and share-based awards).

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 relevant individual;
- industry practices and compensation norms; and

- the need to attract key management personnel in order to ensure the continuing development of talent and the renewal of strong leadership for StarHub.

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

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

The ERCC has access to expert professional advice on remuneration of the Board and executives. The ERCC has appointed Aon Hewitt as its remuneration consultant for FY2017 and is satisfied that the independence and objectivity of Aon Hewitt is not affected by any relationship between StarHub and Aon Hewitt respectively.

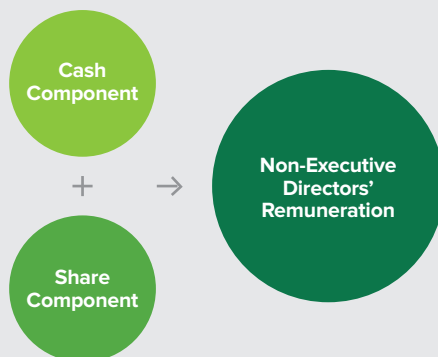
The ERCC reviews StarHub's obligations arising in the event of termination of an executive Director's and/or any key management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses. The ERCC aims to be fair and avoid rewarding poor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

During FY2017, the ERCC engaged Aon Hewitt to conduct a Pay-for-Performance Alignment Study. The results showed that there was sufficient evidence indicating Pay-For-Performance Alignment for StarHub in both absolute and relative terms over the four-year period from the financial year 2013 to the financial year 2016. Additionally, the ERCC also took into consideration the challenges in the industry/market as well as the job complexity and found the CEO's total compensation to be aligned to the performance of StarHub. Aon Hewitt also conducted a Compensation Risk Assessment. The ERCC reviewed the various compensation risks that may arise and introduced mitigating policies to better manage the risk exposure that was identified. The 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 their greater responsibilities.

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 the alignment of the interests of the non-executive Directors and shareholders, non-executive Directors who receive the restricted share awards are required to hold a minimum number of shares in StarHub with a value equivalent to the prevailing annual basic retainer fee, or the aggregate of (a) the total number of StarHub 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 in StarHub 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 FY2017 will be subject to shareholders' approval at the upcoming AGM in FY2018.

CORPORATE GOVERNANCE

How We Govern Ourselves (cont'd)

Table 2 (Annual Fees for the Board and the Board Committees)

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
Strategy Committee	\$30,000	\$16,000
Nominating Committee	\$24,000	\$15,000
Executive Resource and Compensation Committee	\$30,000	\$16,000
Risk Committee	\$30,000	\$16,000

Breakdown of Directors' Remuneration

The following shows the composition of Directors' remuneration for FY2017:

Name of Executive Director	Executive Director's Remuneration				Total (\$)
	Fixed ⁽¹⁾ (\$)	Variable ⁽²⁾ (\$)	Benefits ⁽³⁾ (\$)	Share-based Compensation ⁽⁴⁾ (\$)	
Tan Tong Hai	995,615	1,210,700	79,862	2,050,297	4,336,474 ⁽⁵⁾
Total paid, including shares vested based on actual performance					2,543,942
Name of Non-Executive Director	Non-Executive Directors' Remuneration			Total (\$)	
	Cash-based (\$)	Share-based (\$)			
Steven Terrell Clontz ^(a)	188,650.00	80,850.00		269,500.00	
Paul Ma Kah Woh	110,950.00	47,550.00		158,500.00	
Nihal Vijaya Devadas Kaviratne CBE	124,950.00	53,550.00		178,500.00	
Rachel Eng Yaag Ngee ^(b)	103,950.00	44,550.00		148,500.00	
Teo Ek Tor	103,068.00	44,172.00		147,240.00	
Stephen Geoffrey Miller ^(a)	119,532.00	51,228.00		170,760.00	
Liu Chee Ming	91,000.00	39,000.00		130,000.00	
Michelle Lee Guthrie ^(c)	26,002.90	11,144.10		37,147.00	
Lim Ming Seong	117,250.00	50,250.00		167,500.00	
Nasser Marafih	89,250.00	38,250.00		127,500.00	
Naoki Wakai ^{(a)(d)}	18,607.40	–		18,607.40	
Non-Executive Director who resigned during FY2017					
Takeshi Kazami ^{(a)(e)}	33,101.60	–		33,101.60	

(1) Fixed refers to base salary, Annual Wage Supplement and fixed allowances earned for FY2017.

(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 FY2017. 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 StarHub's employees for sustainable shareholder value creation over the medium term, with alignment to StarHub's strategic business objectives. Under the EVA 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. A notional EVA bank account is set up for each senior executive, into which the annual EVA performance bonus earned by him for 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) Shares awards granted to the Executive Director, Mr Tan Tong Hai, under the StarHub Restricted Stock Plan (RSP) and the StarHub Performance Share Plan (PSP) are subject to pre-determined performance targets set over a one-year and three-year performance periods respectively. The figures shown are based on the fair value of the shares at 100% of each of the RSP and PSP conditional awards. They may not be indicative of the actual value at vesting which can range from 0% to 100% of the RSP conditional award and 0% to 150% of the PSP conditional award. Over the last two financial years 2015 and 2016, the average number of shares vested to

participants of the RSP and the PSP has been less than 100% of the conditional awards granted. Time-based share awards were also granted under the RSP, with a vesting period of two years.

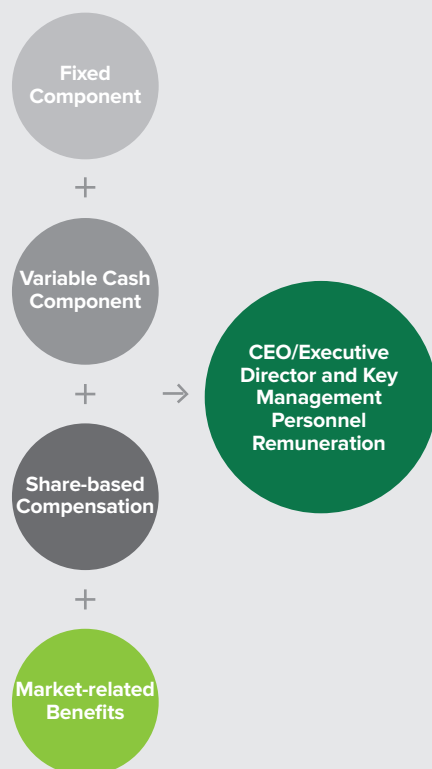
- (5) Refers to total remuneration including contingent shares granted but not vested, subject to performance.
- (a) Fees are payable to Director's employer company.
- (b) No additional fees were paid to Ms Rachel Eng Yaag Ngee in her capacity as lead independent Director.
- (c) Ms Michelle Lee Guthrie was appointed as non-executive Director on 25 August 2017.
- (d) Mr Naoki Wakai was appointed as non-executive Director on 30 August 2017. He had declined the share award and will only receive the cash component of his remuneration. Mr Wakai does not hold any share in StarHub.
- (e) Mr Takeshi Kazami stepped down from the Board with effect from 4 August 2017. Mr Kazami had earlier declined the share award and will only receive the cash component of his remuneration in the amount of \$33,101.60 for FY2017. Mr Kazami does not hold any share 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.

CEO/Executive Director and Key Management Personnel Remuneration

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

Remuneration for the CEO² 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 (AWS) 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 the 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, StarHub 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; and
- 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's performance at the end of each financial 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 Group's 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 EIP, one-third of the accumulated EVA performance bonus, comprising the EVA performance bonus declared for the current financial year and the balance brought forward from preceding financial years, is paid out in cash each financial year. The remaining two-thirds are carried forward in the individual key management personnel's EVA bank account. The balance in the EVA bank account will increase or decrease depending on StarHub's EVA performance in subsequent years. This mechanism encourages the CEO and key management personnel to work for sustainable EVA generation and 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 FY2017 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: StarHub 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.

(2) As an 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.

CORPORATE GOVERNANCE

How We Govern Ourselves (cont'd)

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 FY2017 are:

- Returns on Capital Invested (ROIC) growth; 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 ROIC, the achievement factor ranges from 0 to 1.5 times of 35% of the conditional award. For the performance measure of Absolute TSR, the achievement factor ranges from 0 to 1.5 times 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 not meeting the pre-determined target performance levels for PSP awards granted in FY2015 based on the performance period from 2015 to 2017.

StarHub 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 of the Group. It also aims to foster a share ownership culture among employees within the Group and to better align employees' incentives with shareholders' interests.

Pursuant to the RSP, the ERCC has decided to grant contingent awards on an annual basis, conditional on the achievement of annual performance targets. The objectives are aligned to the overall strategic, financial and operational goals of the Group.

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 the pre-determined target performance levels over the performance period, and will be determined by the ERCC at the end of the performance period,

capped at 1.0 times of the conditional award. The shares will be released in three tranches of 50%, 25% and 25% over three consecutive years.

The Group has attained an achievement factor which is reflective of not meeting the pre-determined target performance level for RSP awards granted in FY2016 based on the performance period from 2016 to 2017. However, the Group has attained an achievement factor which is reflective of meeting the pre-determined target performance levels for RSP awards granted in FY2017 based on the performance period of 2017. The resulting shares vested were adjusted accordingly to reflect the performance level achieved.

D. Market-related Benefits:

The benefits provided are comparable with local market practices.

Remuneration of the Top Five Key Management Personnel

The details of the remuneration of the top five key management personnel (who are not also Directors or the CEO) are set out in Table 3 below (in bands of \$250,000 and percentage terms for the services rendered by them to the Group for FY2017).

Table 3

	Fixed ⁽¹⁾ (%)	Variable ⁽²⁾ (%)	Benefits ⁽³⁾ (%)	Share-based Compensation ⁽⁴⁾ (%)	Total (%)	Remuneration bands ⁽⁵⁾
Dennis Chia	36	21	3	39	100	C
Chong Yoke Sin	27	6	2	65	100	C ⁽⁶⁾
Howie Lau	59	19	6	16	100	A
Jeannie Ong	39	19	3	39	100	B
Veronica Lai	41	18	4	37	100	B
Total including contingent shares granted but not vested, subject to performance					\$6,555,767	
Total paid, including shares vested based on actual performance					\$4,287,445	

(1) Fixed refers to base salary, Annual Wage Supplement and fixed allowances earned for FY2017.

(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 FY2017. 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 StarHub's employees for sustainable shareholder value creation over the medium term, with alignment to StarHub's strategic business objectives. A notional EVA bank account is set up for each senior executive, into which the annual EVA performance bonus earned by him for 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) Share awards granted under the StarHub Restricted Stock Plan (RSP) and the StarHub Performance Share Plan (PSP) are subject to pre-determined performance targets set over a one-year and three-year performance periods respectively. The figures shown are based on the fair value of the shares at 100% of each of the RSP and PSP conditional awards. They may not be indicative of the actual value at vesting which can range from 0% to 100% of the RSP conditional award and 0% to 150% of the PSP conditional award. Time-based share awards were also granted under the RSP, with a vesting period of two years.

(5) Remuneration bands:

"A" refers to remuneration between \$750,001 and \$1,000,000 per annum

"B" refers to remuneration between \$1,000,001 and \$1,250,000 per annum

"C" refers to remuneration between \$1,500,001 and \$1,750,000 per annum

(6) Dr Chong Yoke Sin joined StarHub with effect from 3 April 2017. Accordingly, the amount of actual compensation received was based on the period from 3 April 2017 to 31 December 2017. There was share-based compensation granted to Dr Chong Yoke Sin as a one-off time-based restricted award of 400,000 shares.

If an executive Director or any key management personnel of StarHub is involved in fraud or misconduct, which results in a 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 under 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. No such fraud or misconduct occurred in FY2017.

During FY2017, 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 SC comprises 6 non-executive Directors and a co-opted member who are independent of Management. The SC members possess deep knowledge of the converging info-communications and media industries in which the Group is operating in, and collectively have relevant expertise and experience in finance, mergers and acquisitions, legal, regulatory, technical, management, consumer enterprise and strategic planning experience. This enables the SC to fulfil its oversight responsibilities relating to the Group's intermediate and long-term strategy development and implementation.

The SC is assisted by the Management Investment Committee (MIC), comprising the CEO, Chief Financial Officer, Chief Marketing Officer and Chief Enterprise Business Group.

As part of the SC's key functions, the SC guides Management on the strategic planning process to ensure that the Group's strategic plan is developed with measurable goals and time targets, and is appropriately implemented. It reviews both organic and inorganic growth

opportunities, and evaluates the impact of external developments and factors, such as emerging or evolving competitive activity, disruptive technologies and regulatory developments, on the Group's strategy and execution. This enables the Group to adjust its strategic plan as needed accordingly.

The SC tracks the Group's progress against strategic goals; and provides constructive challenge and advice on the strategic options. These include the acquisition strategy, capital strategy, market capabilities and resource requirement, as well as the transformation strategy aimed at sustaining growth, competitiveness and innovation into the future.

During FY2017, the SC held 4 meetings (including a full-day strategy meeting).

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, together with the associated press releases and presentation slides relating to the financial results.

For FY2017, the Board has received written assurance from the CEO and the CFO that the financial statements give a true and fair view of the Group's operations and finances. For the quarterly financial statements, the Board provides a negative assurance confirmation to shareholders, in line with the requirements of the SGX-ST Listing Manual. 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.

StarHub has also procured the undertakings to comply with the SGX-ST Listing Rules from all Directors and executive officers, in compliance with SGX-ST Listing Rule 720(1).

Strategy Committee (SC)

Membership

- Mr Nihal Vijaya Devadas Kaviratne CBE, SC Chairman and independent Director
- Mr Steven Terrell Clontz, non-executive Chairman of the Board
- Mr Stephen Geoffrey Miller, non-executive Director
- Mr Liu Chee Ming, independent Director
- Ms Michelle Lee Guthrie, independent Director
- Mr Lim Ming Seong, non-executive Director
- Mr Nikhil O. J. Eapen, co-opted SC member

Key Responsibilities

- 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
- Providing constructive input and recommendations to the Board on any strategic matter reviewed by the SC which requires the Board's approval

CORPORATE GOVERNANCE

How We Govern Ourselves (cont'd)

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.

Risk Committee (RC)

Membership

Mr Stephen Geoffrey Miller, RC Chairman
Mr Tan Tong Hai, CEO and executive Director
Mr Paul Ma Kah Woh, independent Director

Key Responsibilities

- 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 StarHub's risk
- 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 identified risks where possible
- Review the adequacy and effectiveness of StarHub's risk management system and system of internal controls (including operational, compliance and information technology controls)
- Review policies and procedures for timely risk identification and containment
- Set and instill in StarHub an appropriate risk-aware culture for effective risk governance

The RC comprises 2 non-executive Directors who are independent of Management, as well as the CEO who is an executive Director. During FY2017, the RC held 2 meetings. 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.

In FY2017, the Group revamped its Enterprise Risk Management (ERM) programme to one that is centred on being inclusive, multi-disciplinary and focuses on risks and opportunities that are pertinent to the Group's business activities and that are aligned to the Group's strategic objectives. The Group seeks to embed risk management in its decision-making processes and key business activities at all levels and adopts a comprehensive and practical approach to mitigating the Group's risks.

To improve risk management and mitigation, StarHub has identified certain top risks for tracking and monitoring. These risks are aligned with the Group's strategic priorities, and were identified and prioritised in consultation with the RC and MRC. They are also supported by bottom-up risk assessments conducted by the respective business unit managers. The identified top risks are also subject to in-depth discussions at quarterly MRC meetings and bi-annual RC meetings.

The RC has authority to investigate any matter within its terms of reference, and has full access to and co-operation from 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 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 in accordance with the recommendations made by the external and internal auditors, and taking into account Management's views.

For FY2017, the Board has received written assurance from the CEO and the 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 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.

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 of the external and internal auditors and the relevant written assurance from the CEO and the 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 as well as the risk management objectives which the Group considers relevant and material to its current business environment and scope of operations.

The Board notes that the risk management system and internal controls of the Group provide 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 risk management system and internal controls 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

Audit Committee (AC)

Membership

Mr Paul Ma Kah Woh, AC Chairman and independent Director
Mr Nihal Vijaya Devadas Kaviratne CBE, independent Director
Ms Rachel Eng Yaag Ngee, lead independent Director
Mr Lim Ming Seong, non-executive Director

Key Responsibilities

- 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 on the adequacy and effectiveness of StarHub's internal controls (including financial controls, operational controls which impact financial controls, compliance with accounting and listing rules and regulations, as well as information technology controls relating to financial systems)
- 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 (taking into account 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 for Interested Person Transactions that is renewable annually
- Making recommendations to the Board on the proposals to the shareholders for 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, failure of internal controls or violation of any law that is likely to have a material impact on the Group's results
- Reviewing reports made under StarHub's Whistle Blowing Policy, and where appropriate, directing the investigation of such matters and the follow-up of any actions to be taken

The AC comprises 4 non-executive Directors, with a majority (including the AC Chairman) being independent Directors. The AC members are appropriately qualified to discharge their responsibilities and collectively have strong accounting and related financial and legal management expertise and experience. They keep abreast of changes to accounting standards and issues which affect the Group, through, *inter alia*, consultation with the external and internal auditors and seminars (including those organised by SID).

During FY2017, the AC held 4 meetings and met with the external auditors without Management at least once.

The significant areas of focus by the AC in relation to the financial statements for FY2017 are key areas of Management's estimates and judgement applied for key financial issues, including (a) revenue recognition, (b) accruals, (c) impairment assessment of goodwill, (d) valuation of trade receivables, (e) acquisition of Accel Systems & Technologies Pte. Ltd.

(ASTPL) - purchase price allocation and (f) critical accounting policies that might affect the integrity of the financial statements. During FY2017, the AC received updates from Management on the status of these areas, reviewed and discussed with the external auditors on the results of their audit, including their findings on the key areas of audit focus. Significant matters that were discussed with Management and the external auditors have been included as Key Audit Matters (KAMs) in the Independent Auditors' Report on pages 136 to 142 of the Annual Report.

In assessing the KAMs, the AC took into consideration the appropriateness of revenue recognition, basis and estimates in deriving accruals, appropriateness of the assumptions and estimates made in goodwill impairment assessment, estimates used in determining allowance for doubtful debts for trade receivables, as well as the key assumptions applied in purchase price allocation in the valuation of assets acquired and liabilities assumed in the acquisition of ASTPL. In addition to the views from the external auditors, subject matter experts, such as independent valuers, were consulted where necessary. The AC concluded that Management's accounting treatment and estimates in each of the KAMs were appropriate.

The AC has explicit authority to investigate any matter within its terms of reference, with full access to and co-operation from 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 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, as well as the volume and type of non-audit services provided by the external auditors during FY2017. The aggregate amount of external auditors' fees paid for FY2017 and the breakdown for the audit and non-audit services are set out in Note 22.3 to the Financial Statements of the Annual Report.

CORPORATE GOVERNANCE

How We Govern Ourselves (cont'd)

Based on such review, 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 with. The external auditors have also confirmed their independence. Accordingly, the AC has recommended to the Board that KPMG LLP be nominated for re-appointment as the Group's external auditors at the upcoming 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. None of the Directors (including the AC members) or Senior Management is or has in the past two years been a former partner, director or employee of the Group's external auditors.

Internal Audit

The internal audit function of the Group for FY2017 was carried out by two independent firms, RSM Risk Advisory Pte. Ltd. ("RSM") and PricewaterhouseCoopers Risk Services Pte. Ltd. ("PWC"). RSM ceased to be an internal auditor of the Group with effect from 2 May 2017 and PWC was appointed with effect from 5 January 2017. 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 the CFO administratively. The AC approves the appointment, removal, evaluation and compensation of the internal auditor. The internal auditor has unfettered access to all of 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 auditor's progress in executing the internal audit plan and any

major findings and corrective actions taken by Management.

The AC conducts a review of 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 audited activities.

During FY2017, the AC met with the internal auditor once without the presence of Management.

5. SHAREHOLDER RIGHTS AND RESPONSIBILITIES

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 to 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 SGXNET, which are also posted on the StarHub IR 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. Under StarHub's Constitution and pursuant to the Companies (Amendment) Act 2014, shareholders who are nominee companies, custodian banks or Central Provident Fund agent banks (Relevant Intermediaries) may appoint more than two proxies to attend, speak and vote at the upcoming AGM and at subsequent general meetings.

6. COMMUNICATION WITH SHAREHOLDERS

StarHub protects and facilitates the exercise of shareholders' 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 shareholders via: (a) periodic analyst and media briefings throughout the year, (b) regular meetings between the CEO, the StarHub IR team and institutional investors through international road shows and conferences organised by major brokerage firms and (c) third-party perception studies on StarHub.

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

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 dividends on a quarterly basis, and informs its shareholders of the dividend payments in the respective quarterly and full year financial results announcements via 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 and the annual reports are generally 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 appoint their proxies to attend the AGM if they wish. As part of StarHub's commitment towards more environmentally-friendly and sustainable practices, StarHub will discontinue the practice of mailing out CD-ROMs for our annual reports and circulars and will notify shareholders that the electronic documents are available on the StarHub IR website. Physical copies of StarHub's annual report and circulars will be made available upon request.

All Directors (in particular the Chairman of the Board and the respective Chairmen of the Board Committees) and 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 SGXNET on the same day of the general meeting.

Minutes of general meetings are made available on the StarHub IR website.

8. OTHER CORPORATE GOVERNANCE PRACTICES AND POLICIES

Interested Person Transactions

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 the disclosure and shareholder approval requirements under Chapter 9 of the SGX-ST Listing Manual. Review procedures have been established by StarHub to ensure that all IPTs are undertaken on an arm's length basis and on normal commercial terms, and are not prejudicial to the interests of StarHub and its minority shareholders. Under the review procedures, the IPT terms and pricing are to be (a) consistent with StarHub's usual business practices and policies and no more favourable to the interested persons than those extended to unrelated third parties; and (b) fair and reasonable. StarHub will also consider factors such as specification compliance, track record, experience and expertise, as well as preferential rates/ discounts for bulk purchase. An authorised senior officer who does not have any conflict of interest in relation to the IPT will determine whether the price and terms are fair and reasonable. Where possible, competitive quotations or tenders for purchase transactions are procured.

In FY2017, there were no IPTs or related party transactions that can be classified as financial assistance to entities other than StarHub's subsidiary companies as well as associated company, SHINE Systems Assets Pte. Ltd.

StarHub does not provide loans to Directors as a matter of corporate policy and therefore no loans have been provided by StarHub to the Directors in FY2017.

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. The policy imposes trading blackout periods which exceed the requirements of the SGX-ST Listing Manual, pursuant to which:

- All Directors and employees of the Group are prohibited from dealing in StarHub's securities during the period:

(a) commencing two weeks prior to the announcement of the Group's results for each of the first three quarters of its financial year and ending on the date of announcement of the relevant results; and

(b) commencing one month prior to the announcement of the Group's full year results and ending on the date of announcement of the relevant results.

- All 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 during the period commencing one month prior to the announcement of each of the Group's quarterly and full year results and ending on the date of announcement of the relevant 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.

In addition, StarHub has also adopted a share trading policy for Directors which requires Directors and Senior Management to give prior notice of their intended dealing in StarHub's securities to the Chairman, CEO and the Head of Investor Relations through the Company Secretary, in order to facilitate compliance by the Directors and Senior Management.

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.

While the SGX-ST Listing Manual permits the Board to seek a general mandate from StarHub's shareholders to allot and issue up to 20% of StarHub's total issued share capital, the Board has decided to limit the mandate to 15% only.

CORPORATE GOVERNANCE

How We Govern Ourselves (cont'd)

In addition, for the specific mandate from StarHub's shareholders to allot and issue Shares under the StarHub Performance Share Plan and the StarHub Restricted Stock Plan, the Board has limited the aggregate number of Shares available for grant under the StarHub Performance Share Plan and the StarHub Restricted Stock Plan to 8% of StarHub's total issued share capital (instead of the permitted 15% under the SGX-ST Listing Manual), taking into account any outstanding unvested share awards.

Whistle Blowing Policy

StarHub does not tolerate ethical and legal violations. The Group has instituted a robust procedure which provides accessible channels for employees and external parties (such as our customers, suppliers, contractors and other stakeholders who may have a business relationship with the Group) to report any concern or complaint in relation to any irregularity, inappropriate behavior, legal or ethical violation or other serious breaches of internal processes in a responsible manner. Such reporting channels include a dedicated whistle blowing email and the direct channel to AC Chairman and the General Counsel (via email and/or mail).

All complaints raised will be promptly and thoroughly investigated and the investigation will be dealt with in confidence and on a need-to-know basis. The investigation outcome together with a recommendation on the necessary actions to be taken will be reported to the AC Chairman and the General Counsel, for a decision on the appropriate course of action. On a quarterly basis, a consolidated report of all whistle blowing cases for the quarter (if any) will be submitted for review by the AC.

The Group's whistle-blowing policy aims to encourage the reporting of such matters in good faith, by lending confidence that employees and other persons making such reports will be treated fairly and accorded with due protection against any reprisals. 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 put in place the following:

- StarHub's Employee Code of Conduct and Ethics;
- Corporate Gift and Hospitality Policy;
- Terms & Conditions - Business Partner and Vendor Relationships;
- Purchasing Procedure; and
- Request for Proposal/Tender Procedure.

These policies and procedures 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, intellectual property, conflict of interest, non-solicitation of customers and employees, and workplace health and safety. In parallel, the Purchasing Procedure and Request for Proposal/Tender Procedure cover internal controls on tenders, vendor selection and purchasing to ensure transparency, objectivity and compliance.

The Employee Code of Conduct and Ethics, the Corporate Gift and Hospitality Policy, the Purchasing Procedure and the Request for Proposal/Tender Procedure are available on StarHub's intranet, while the Terms & Conditions - Business Partner and Vendor Relationships are available on StarHub's intranet and corporate website for easy access by all employees and members of the public.

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 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.

Compliance Leave Policy

StarHub has a Compliance Leave Policy which applies to employees who hold Senior Manager positions 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 for a period 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 corporate governance.

9. ACCOLADES AND AWARDS

As a testament to our unwavering commitment to continually uphold high standards of corporate governance, StarHub has been the proud recipient of numerous awards and accolades from the investment community over the years. In FY2017, StarHub was the only Singaporean company to be listed on Equileap's 2017 Gender Equality Global Report and Ranking, for our policies and commitment to gender equality. Other significant awards received by StarHub include the Best Stakeholder Engagement and Materiality in the Sustainable Business Awards Singapore 2017, the Most Profitable Company (*Transport/Storage/Communications Category*) in the The Edge Singapore Billion Dollar Club 2017, the Runner-up – Singapore Corporate Governance Award (*Telecommunication Services Category*) and the Sustainability Award in the SIAS 17th Investors' Choice Award.

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?	Not applicable.
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, as well as 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 transactions which exceed the relevant authorisation and approval limits.
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 nationality 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 during 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. Gender diversity is also considered in relation to the Board composition. Following the appointment of Ms Michelle Lee Guthrie in FY2017, the Board currently contains 2 female Directors out of 12 Directors. 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 maximize its effectiveness?	In proposing a Director as a candidate for appointment or re-election, the NC considers several factors, including the composition, the diversity and the need for progressive renewal of the Board, each candidate's competencies, commitment, contribution and performance (including attendance, preparedness, participation and candour) as well as potential conflicts of interest. This is to ensure that an appropriate balance of skills, experience, expertise and diversity is maintained, enabling the Board to stay engaged and agile in meeting the needs of the Group. External consultants are engaged to assist with the selection process if necessary.

CORPORATE GOVERNANCE

Disclosure Guide (cont'd)

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 the process for the selection and appointment of new Directors and re-election of incumbent Directors, with written terms of reference that clearly set out its authority and duties. It takes into account several factors, including the composition, the diversity and the need for progressive renewal of the Board, each candidate's competencies, commitment, contribution and performance (including attendance, preparedness, participation and candour) as well as potential conflicts of interest. This is to ensure that an appropriate balance of skills, experience, expertise and diversity is maintained, enabling the Board to stay engaged and agile in meeting the needs of the Group. External consultants are engaged to assist with the selection process if necessary. All new appointments to the Board are subject to the approval of StarHub's regulator, namely the Info-communications Media Development Authority of Singapore.
Guideline 1.6	(a) Are new directors given formal training? If not, please explain why.	Yes, new Directors are given formal training.
	(b) What are the types of information and training provided to (i) new directors and (ii) existing directors to keep them up-to-date?	<p>(i) StarHub has a comprehensive induction programme for all newly-appointed Directors that is bespoke for the Group's business and operations. Briefings are conducted by Management for the newly-appointed Directors to familiarise with the Group's business activities, strategic directions, financials, policies, governance practices, corporate culture as well as key regulatory, legal and industry developments which affect the Group. The induction program includes meetings with the CEO and Senior Management.</p> <p>(ii) Existing Directors are provided with regular updates on key legal, regulatory, industry and accounting changes which affect the Group. The updates are given by the Company Secretary and members of Senior Management during Board meetings, and through emails and the StarHub Board Portal. Directors are also encouraged to attend external seminars and trainings (including those conducted by StarHub's panel of law firms and the Singapore Institute of Directors in conjunction with the SGX-ST). In FY2017, the Directors participated in a Digital Transformation training session, organised by industry members.</p>
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?	StarHub has not prescribed a maximum number of listed company board representations that a Director may hold.
	(b) If a maximum number has not been determined, what are the reasons?	The NC is responsible for determining whether each Director is able to adequately devote sufficient time and attention to discharge 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.
	(c) What are the specific considerations in deciding on the capacity of directors?	The specific considerations are as set out in (b) above.

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 FY2017, the Board engaged the assistance of Aon Hewitt Singapore Pte Ltd as independent external consultants to facilitate the annual evaluation of the performance of the Board and the Board Committees. The evaluation process identifies key issues pertaining to the effectiveness, efficiency and functioning of the Board and the Board Committees, in particular (i) the adequacy of the Board composition, including the Board size, the degree of Board independence and the mix and diversity of skills, experience and knowledge of the Board, (ii) information management and Board processes, including level and timeliness of information provided to the Board, (iii) integrity and corporate social responsibility of StarHub, (iv) managing StarHub's performance, (v) the effectiveness of Board Committees, (vi) CEO performance and succession planning, (vii) Director's training and development and (viii) risk management. As part of the evaluation process, detailed questionnaires were completed by each Director, with feedback on the key areas. Individual interviews with each Director were carried out.</p> <p>Feedback and comments received from the Directors are reviewed by the NC in consultation with the Board Chairman, 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 Directors, of which half are non-executive independent Directors.
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.	There is no 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.
	(b) What are the Board's reasons for considering him independent? Please provide a detailed explanation.	Not applicable.
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 1 January 2018, three independent Directors, namely Mr Nihal Vijaya Devadas Kaviratne CBE, Mr Teo Ek Tor and Mr Liu Chee Ming, 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 for FY2017, Mr Kaviratne, Mr Teo and Mr Liu have each demonstrated the essential independence of mind and objectivity of judgement to act honestly and in the best interests of the Group in the discharge of their Directors' duties, and therefore considers them to be independent. When assessing objectivity and independent judgement, the NC and the Board would consider, <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. Mr Liu will be retiring as a non-executive Director and will not be offering himself for re-election at the AGM in 2018. The NC recommends, and the Board is of the firm view, that for FY2018, Mr Kaviratne and Mr Teo are independent in mind and objectivity. Three additional independent Directors, Mr Paul Ma Kah Woh, Ms Rachel Eng Yaag Ngee and Ms Michelle Lee Guthrie, were appointed between FY2015 and FY2017.

CORPORATE GOVERNANCE

Disclosure Guide (cont'd)

Guideline	Questions	How has the Company complied?
Disclosure on 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, the details of each Director's and the CEO's remuneration are fully disclosed.
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, the details of each key management personnel's remuneration are fully disclosed.
	(b) Please disclose the aggregate remuneration paid to the top five key management personnel (who are not directors or the CEO).	The aggregate remuneration paid to the top five key management personnel (who are not Directors or the CEO) is as disclosed in the Corporate Governance Report.
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
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 for the CEO (Executive Director) and key management personnel are competitive and relevant, aligned with shareholders' interests and promote the 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 based on realistic yet stretched levels each year to motivate them to achieve 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 CEO's and 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?	Not all performance conditions were met. The reason was due to declining performance of Total Shareholder Return (TSR).

Guideline	Questions	How has the Company complied?
Risk Management and Internal Controls		
Guideline 6.1	<p>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>	<p>Throughout the financial year, the Board receives monthly management and financial reports providing updates on key performance indicators and a financial analysis of 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. Collectively, such reports enable the Directors to constantly keep abreast of key issues and developments in the industry as well as challenges and opportunities for the Group, thereby facilitating informed and sound decisions.</p> <p>At least 5 business days prior to each Board and Board Committee meeting, Management provides the Directors with timely information that is relevant to matters on the agenda for the meeting, except for sensitive matters to be tabled at the meeting itself. 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 Board Committee Chairmen at Board meetings on key matters raised and/or decisions made at the last-held meeting of the respective Board Committees. For any matter which requires 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, SC, NC and RC are also circulated to the Board for its information, while the minutes of the meetings of the ERCC are available to the Directors on request.</p> <p>The Board has access to Management at all times to answer any queries raised by the Directors. Frequent dialogue and interactions take place between Management and the Directors.</p>
Guideline 13.1	<p>Does the Company have an internal audit function? If not, please explain why.</p>	<p>Yes, the Company has an internal audit function.</p>
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 internal controls and risk management systems (including financial, operational, compliance and information technology controls) established and maintained by the Group is made with the concurrence of the AC and the RC based on the reviews performed by Management as supported by audit findings of the external and internal auditors and the relevant written assurance from the CEO and the CFO.</p> <p>In assessing the adequacy and effectiveness of the 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>

CORPORATE GOVERNANCE

Disclosure Guide (cont'd)

Guideline	Questions	How has the Company complied?
Guideline 11.3	(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>Yes. For FY2017, the Board has received written assurance from the CEO and the CFO that: (i) 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 (ii) 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. In addition, Management has implemented an enhanced process to sign off assurance to the CEO and the CFO, in order 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> <p>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 of the external and internal auditors and the relevant assurance from the CEO and the 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 as well as risk management objectives which the Group considers relevant and material to its current business environment and scope of operations.</p>
Guideline 12.6	(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.	The aggregate amount of external auditors' fees for FY2017 and the breakdown for the audit and non-audit services are set out in Note 22.3 to the Financial Statements of the Annual Report.
	(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.	Non-audit fees amount to less than 50% of the total fees paid to the external auditor of StarHub in FY2017. The AC has also reviewed the volume and type of non-audit services provided by the external auditors. Based on such review, 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 with. The external auditors have also confirmed their independence.
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 through regular, effective and non-discriminatory communication including regular dialogues and timely disclosures of material and other pertinent information via SGXNET announcements.
	(b) Is this done by a dedicated investor relations team (or equivalent)? If not, who performs this role?	Yes, StarHub has a dedicated IR team.
	(c) How does the Company keep shareholders informed of corporate developments, apart from SGXNET announcements and the annual report?	<p>Apart from SGXNET announcements and the annual report, the StarHub IR website at www.starhub.com/ir, which is regularly updated, is the main source of information for shareholders. It houses all media releases, financial results, annual reports, SGXNET announcements, presentation materials, archived webcasts and conference calls, as well as other corporate information relating to the Group. Investors may also elect to be notified of any new updates via an e-mail alert service.</p> <p>The CEO and the StarHub IR team also have regular meetings with institutional investors 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 FY2017.

DIRECTORS' PARTICULARS

Director	Age in Year 2018	Principal Directorships/Chairmanships in other listed companies & other major appointments, both present and held over the preceding 3 years	
		Present Principal Directorships/Chairmanships & Appointments	Past Principal Directorships/Chairmanships & Appointments (from 31 Dec 2014 to 30 Dec 2017)
Steven Terrell Clontz	68	PSA International Pte Ltd STT GDC Pte. Ltd. Cloud9 Technologies, LLC CenturyLink, Inc. Commerce Topco, LLC	InterDigital, Inc. Jasper Technologies, Inc
Tan Tong Hai	55	StarHub Cable Vision Ltd. StarHub Internet Pte Ltd StarHub Mobile Pte Ltd StarHub Online Pte Ltd Chairman of Board of Governors – Nanyang Polytechnic	Board Member – Workforce Singapore
Paul Ma Kah Woh	71	Mapletree Investments Pte Ltd Mapletree Greater China Commercial Trust Management Ltd PACC Offshore Services Holdings Ltd	Mapletree Logistics Trust Management Limited National University of Singapore
Nihal Vijaya Devadas Kaviratne CBE	74	DBS Bank Ltd Olam International Limited Caraway Pte. Ltd. GlaxoSmithKline Pharmaceuticals Limited Bain & Company South East Asia (Indonesia)	PT TVS Motor Company Indonesia TVS Motor (Singapore) Pte. Ltd. SATS Ltd. Akzo Nobel India Limited
Rachel Eng Yaag Ngee	50	Olam International Limited SPH REIT Management Pte Ltd Certis CISCO Security Pte. Ltd. Board Member – Public Utilities Board Board Member – Singapore Institute of Technology	Governor – Raffles Girls' School (Secondary) Member of CMFAS Examination Board – The Institute of Banking & Finance Board Member – APREA (Asia Pacific Real Estate Association) Singapore Chapter
Teo Ek Tor	65	PrimeFounders Pte Ltd PrimePartners Group Pte Ltd PrimePartners Corporate Finance Pte Ltd Aris PrimePartners Asset Management Pte Ltd WhiteRock Medical Company Pte Ltd	–
Stephen Geoffrey Miller	55	Singapore Technologies Telemedia Pte Ltd Asia Mobile Holdings Pte. Ltd. STT GDC Pte. Ltd. Telechoice International Limited	–

DIRECTORS' PARTICULARS

(cont'd)

Principal Directorships/Chairmanships in other listed companies & other major appointments, both present and held over the preceding 3 years			
Director	Age in Year 2018	Present Principal Directorships/ Chairmanships & Appointments	Past Principal Directorships/ Chairmanships & Appointments (from 31 Dec 2014 to 30 Dec 2017)
Liu Chee Ming	67	Haitong Securites Co., Ltd OUE Hospitality REIT Management Pte. Ltd. OUE Hospitality Trust Management Pte. Ltd. STT GDC Pte. Ltd. Platinum Holdings Company Limited	Kader Holdings Company Limited Founder BEA Trust Co., Ltd. Japfa Ltd
Michelle Lee Guthrie	53	Australian Broadcasting Corporation Auckland International Airport Limited	Pacific Star Network Modern Times Group Plan International
Lim Ming Seong	71	CSE Global Limited First Resources Ltd Singapore Technologies Telemedia Pte Limited Amplus Communications Pte Limited STT GDC Pte. Ltd.	Singapore Technologies Kinetics Limited
Nasser Marafih	57	Ooredoo Q.S.C.	–
Naoki Wakai	53	President & CEO – NTT Singapore Pte Ltd.	Emerio Globesoft Pte Ltd NTT Communications (Vietnam) Ltd. NTT MSC Sdn. Bhd. (Malaysia) PT. NTT Indonesia

AWARDS AND INDUSTRY HONOURS

Advertising | Branding | Marketing

Hall of Fame Awards 2017

- **SILVER:** Best Use of Data Campaign of the Year (DataJump)

HWM+HardwareZone.com Tech Awards 2017

- Best Pay TV Service (Singapore)
- Seventh win in a row

Loyalty & Engagement Awards 2017

- **SILVER:** Best Partnership in a Loyalty Programme
- **SILVER:** Best Use of Technology (HubTreats)
- **BRONZE:** Most Innovative Loyalty Programme (HubTreats)

New York Festivals 2017

- **GOLD:** Sports Programme Promotion (US Open 2016)
- Nominated as a finalist in five other categories

PromaxBDA Asia Awards 2017

- **GOLD:** Best Sports Campaign
- Three **SILVERS:** Best Entertainment Campaign, Best Out-of-House Station Image and Best Use of Design

The Mob-Ex Awards 2017

- **BRONZE:** Best App – Consumer Brand (StarHub Go)

Technology

NetworkWorld Asia Readers' Choice Product Excellence 2017

- **WINNER:** IP Services Infrastructure, for the third consecutive year

Corporate

2017 Corporate Knights' Global 100

- Ranked 69th in the list of the world's most sustainable company
- Listed on the ranking for five consecutive years

Equileap's 2017 Gender Equality Global Report and Ranking

- Ranked 117th for its policies and commitment to gender equality
- Only Singaporean company to be listed

IR Magazine Awards & Conference – South East Asia 2017

- **SECOND RUNNER-UP:** Best Investor Event

National Volunteer & Philanthropy Centre's Inaugural Champions of Good 2017/18

- One of 45 companies recognised as catalysts of change for corporate giving

SIAS 18th Investors' Choice Award 2017

- **RUNNER-UP:** Corporate Governance Award (Telecommunication Services category)
- Sustainability Award

Singapore Computer Society's IT Leader Awards 2017

- **IT Professional of the Year:** Dr Lim Woo Lip

Sustainable Business Awards Singapore 2017

- **Best Stakeholder Engagement and Materiality:** StarHub

The Edge Singapore Billion Dollar Club 2017

- Most Profitable Company in the Transport/Storage/Communications category

A well-run Company overseen by a Board committed to corporate governance excellence and a strong management team that has rich experience in execution.



Our Investor Calendar FY2017

1Q17

- FY2016 results
- Singapore**
 - Investor Roadshows
 - HSBC ASEAN Conference
 - Maybank Kim Eng Invest ASEAN
 - Deutsche Bank Smart Nation Day
- Bangkok**
 - CLSA ASEAN Forum
- Hong Kong**
 - Credit Suisse Asian Investment Conference

2Q17

- 1Q17 Results
- Singapore**
 - Investor Roadshows
 - dbAccess Asia Conference
 - StarHub Smart Nation Tour for Deutsche Bank
 - Citi ASEAN C-Suite Conference

3Q17

- 1H2017 Results
- Singapore**
 - StarHub Smart Nation Tour for HSBC
 - Investor Roadshows
 - StarHub Smart Nation Tour for Sell-side Analysts
- Kuala Lumpur**
 - SGX-Maybank Kim Eng Conference
- Hong Kong**
 - CLSA Investors' Forum

4Q17

- 3Q17 Results
- London**
 - SGX-UBS Singapore Corporate Day
- Singapore**
 - UOB Kay Hian Asian Gems Conference
 - Investor Roadshows
 - Morgan Stanley APAC Summit
- Tokyo**
 - SGX- Maybank-Mizuho Singapore Corporate Day

In Conversation with **Jeannie Ong** CSPO

Q: Why should StarHub be part of any investors' portfolio?

A: We are a well-run Company overseen by a Board that is committed to corporate governance excellence; a strong management team that has rich experience in execution, backed by the team of talented StarHubbers who are passionate about our cause. We are the only local telco that pays dividends quarterly since 2005 and our dividend yield is one of the highest in the local market.

In addition, we have a strong balance sheet and we are able and willing to invest so that we can capture new growth areas. As of January 2018, we have made two major acquisitions (ASTL and D'Crypt), adding new capabilities that complements our enterprise offerings. This makes us the only real contender to the incumbent in the enterprise market. We made our name capturing

and holding our fair share of the mobile, TV and broadband markets. Coupled with our own nationwide fibre backbone and undersea submarine cable landing stations, we are ready to repeat the same feat in the enterprise market.

Lastly, we are focused on sustainability. We constantly measure and assess the impact of the landscape and stakeholders on the Company and vice versa. As our customers benefit from our better-quality services, we will be in a better position to deliver a long-term positive impact on our wider community with our focus on five key areas; the environment, supporting youth and social inclusion, partnering for innovation, improving customer experience and supply chain integrity.

Q: What is your approach in engaging the investment community?

A: We have put in place a comprehensive and proactive IR engagement programme. They include non-deal roadshows, investor conferences and one-on-one meetings held locally, regionally as well as in Europe and USA. Over the past year, we have chalked up more than 150 engagements with the investment community.

We also organise an 'Investor Day' whenever we have new technologies and strategies to share. For the year, we partnered with two foreign broking houses to organise 'StarHub Smart Nation' tours at 'Hubtricity'. We held one for the sell-side analysts too.

The investment community has largely seen us through 'consumer lens' and so there is a need to remind and educate them that the Enterprise business is our next growth engine. The tours allowed us to showcase our capabilities in cyber security, data analytics, connected buildings and smart retail services. It also provided the opportunity to introduce Dr Chong Yoke Sin, our Chief of Enterprise Business Group to the investors and hear her enterprise strategies. Lastly, we got to display Hubtricity.

Hubtricity is our recently launched 58,000 square feet innovation centre and converged operations cockpit. The centre demonstrates our extensive connectivity and deep competency in data analytics and cyber security. It is also a co-working space for partners and start-up companies to create solutions for a Smart Nation.

We always tell our investment story in a forthcoming manner, engaging investors through good and bad times to ensure consistency. We also ensure that we are always responsive and pre-emptive in our approach. Besides that, we are attuned to changing ways in how we are seen by the wider community.

For example, sustainability is no longer a 'nice-to-have' consideration. We are early in recognising this as we are now in our seventh annual sustainability report and have been part of Corporate Knights' Global 100 ranking of the world's 100 most sustainable companies for five consecutive years.

Over the past year, we have redefined our approach towards sustainability by looking at the supply chain management as we want to be mindful of the effect we have on our environment, community, partners, customers and employees.

Q: What are the top three questions usually asked by investors?

A: The top two questions are on the competitive and structural challenges, and the last is on our dividend payment policy.

Most sell-side analysts are bearish on the Singapore telco sector because of a fourth mobile entrant and the possible disruptions it may cause. But what they may have overlooked are the practical challenges that the new entrant is facing in rolling out their network in two countries simultaneously. Furthermore, we expect more MVNOs to come into play in 2018 and compete directly with the fourth entrant.

It is no secret that TV customers have changed the way that they are consuming content. Most are using OTT apps or visiting non-sanctioned websites to view content; from sports to movies to dramas. Offering

StarHub Go (OTT service) and the use of analytics to understand which content is valuable, are ways that we are managing the business. We are also working with content partners on various forums to protect their intellectual property rights.

Since 2005, the Company has been paying quarterly dividends based on the principle that the Board believes in returning cash to shareholders as soon as practical. As the info-communications industry tends to produce lumpy quarterly earnings and to provide certainty to investors, it makes sense for us to announce an absolute dividend payout amount at the beginning of the year rather than a payout ratio based on earnings.

To this end, the Board takes a forward three-year view of our earnings, free cash flow, growth prospects, investment needs and an optimal balance sheets. Our preference is to make sustainable dividend payments. The Board has recommended to pay four cents per quarter per ordinary share in FY2018.

Our Approach to Enterprise Risk Management

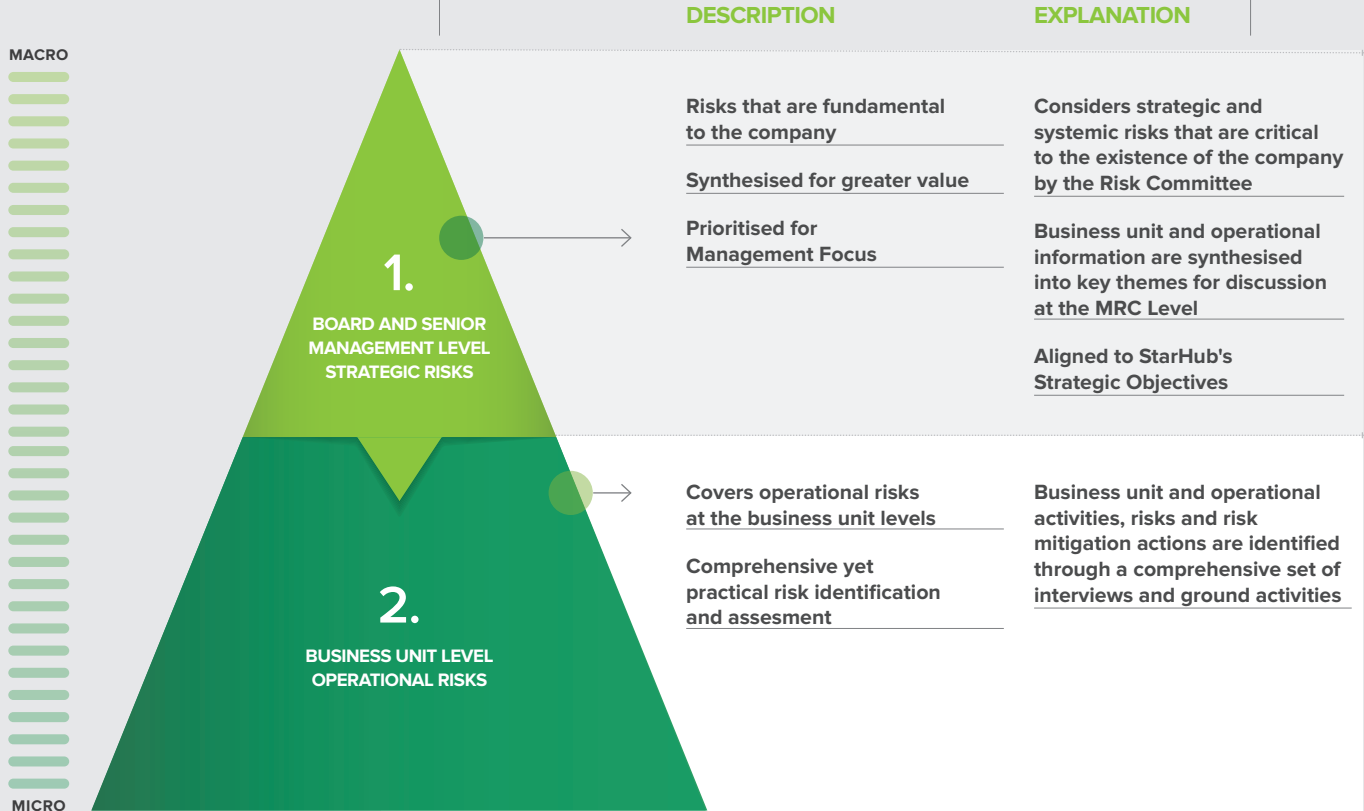
The StarHub Group’s Enterprise Risk Management (ERM) program is centered on being exhaustive, multi-disciplinary and focuses on risks and opportunities that are pertinent to our business activities both from an operational and execution basis as well as being aligned to our company’s strategic objectives. The Group seeks to embed risk management in its decision making processes and key business activities at all levels and adopts a comprehensive and practical approach to mitigating our risks.

StarHub’s Enterprise Risk Management Framework

Through our Enterprise Risk Management framework, we seek to:

- Achieve an accurate, comprehensive understanding of StarHub’s key risks and opportunities through a combined top-down and bottom-up approach to identifying and mitigating our risks;
- Identify and prioritise key risks and opportunities which are aligned to our business activities and strategic objectives;
- Promote a culture of risk management which entails awareness, accountability and ownership of risk and risk mitigation;
- Maintain consistent oversight of StarHub’s Top Risks at the Board and Management Levels.

These are illustrated in the diagram below:



StarHub's Top Risks

To improve risk management and mitigation, StarHub has identified Top Risks for tracking and monitoring. These risks are aligned with the company's strategic priorities, and were identified and prioritised in consultation with the Risk Committee and Management Risk Committee. They are also supported by bottom-up risk assessments conducted by the respective business unit managers.

Key risks are also subject to in-depth discussions at quarterly Management Risk Committee Meetings, bi-annual Risk Committee Meetings and other appropriate Board Committees.

StarHub's Risk Management framework has identified the following strategic risk parameters and is summarised in the table below:

KEY RISK	RISK DESCRIPTION	MITIGATION
Customer Experience	StarHub continues to face competition in retaining and attracting customers in the telecommunications, media and technology space as consumers have rising expectations of network capacity, coverage speeds, superior customer service and overall value for money.	<p>StarHub's focus is to be a leader in providing a superior customer experience across all of its service lines.</p> <ul style="list-style-type: none"> To help gauge StarHub's performance across customer touch points, StarHub adopts the Net Promoter Score (NPS) metric to measure satisfaction across a customer's journey. StarHub benchmarks itself against the Customer Satisfaction Index of Singapore (CSISG). In Q1'2017's edition of the CSISG survey, StarHub scored the highest in the Broadband and Pay TV sub-sector. StarHub utilises data analytics to gain insights and to better understand customer profiles, needs and behaviors. Through these insights, StarHub conducts targeted marketing and promotional activities to reward loyal customers and ensures that its offerings exceeds customer needs and expectations.
Trusted Provider	<p>StarHub needs to ensure availability and resilience of its network infrastructure and systems.</p> <p>Additionally, as custodians of customer data, StarHub needs to ensure adequate and effective data privacy and security measures are in place.</p>	<ul style="list-style-type: none"> StarHub has policies, guidelines and procedures in place to ensure that network infrastructure and information systems are up-to-date, reliable and secure. StarHub ensures strict compliance with Info-Communications and Media Development Authority of Singapore (IMDA) Resiliency Codes of Practices and is subjected to rigorous independent external audits on its network infrastructure. StarHub has a centralised Personal Data Protection Office with defined Personal Data and Protection procedures and guidelines to ensure strict compliance with legislations from the Singapore Personal Data Protection Act and to mitigate breach of data and privacy risks.

RISK MANAGEMENT

(cont'd)

KEY RISK	RISK DESCRIPTION	MITIGATION
<p>Growth in New and Adjacent Businesses</p>	<p>The increasingly saturated telecommunications market has seen a need for StarHub to extend out into new business areas to remain competitive and meet our customers' broader requirements. Such initiatives are challenged by crowded markets, competition from other potential investors, legal and regulatory restrictions and other socio-political factors.</p> <p>With the acquisition of new businesses, StarHub faces the challenge of identifying suitable targets, integrating newly acquired businesses into our operations, and generating synergies from these acquisitions.</p>	<ul style="list-style-type: none"> StarHub has entered into new areas such as cyber security, data analytics, over-the-top (OTT) and ICT managed services to generate additional sources of revenue. For example, StarHub's SmartHub "Analytics-as-a-Service" offering enables businesses to leverage big data analytics to gain valuable customer insights for better decision-making. StarHub has begun to look for investment opportunities to augment its existing business and to find new sources of revenue. More recently, StarHub acquired Accel Systems & Technologies in July 2017 and D'Crypt in January 2018 to strengthen its value proposition in the areas of cyber security, cryptographic and digital security, secure info-communications (ICT) and the Internet of Things (IoT); areas vital to Singapore's vision of a robust, secure Smart Nation platform. To mitigate risks associated with the acquisition of businesses, StarHub has implemented systematic processes in the evaluation and decision-making of investment leads. These are augmented with clear post-integration plans, with business and corporate involvement.
<p>Increasing Competition and Technological Disruption</p>	<p>StarHub operates in a highly competitive environment with the impending entry of a fourth Mobile Operator, Mobile Virtual Network Operators (MVNO) and OTT providers in the media distribution space.</p>	<p>StarHub differentiates itself through superior network performance and the provision of innovative products, solutions and offerings that protect and enable organisations.</p> <ul style="list-style-type: none"> To enhance its mobile network coverage and provide unparalleled network performance StarHub invested in acquiring 700MHz, 900MHz and 2.5GHz spectrum bands in the IMDA auction held in April 2017. StarHub has also rolled out 2.5GHz TDD-LTE technology in populated areas such as the CBD area, Orchard Road, Changi Airport, Marina Bay and the various transport hubs in Singapore. This allows significantly higher download and upload mobile data speeds in congested areas. StarHub has pledged its support to Singapore's Smart Nation vision by opening a 58,000 square feet innovation centre and converged operations cockpit named Hubtricity. This facility enables StarHub to showcase its deep competencies in data analytics and cyber security, accelerate innovation and support the tech start-up ecosystem. StarHub continues to enhance and refine its enterprise propositions by offering digital solutions such as Analytics-as-a-Service, cloud platforms, cyber security solutions and next-generation connectivity solutions such as connected buildings, connected cars and connected living.

KEY RISK	RISK DESCRIPTION	MITIGATION
People and Talent Management	<p>With increasing competition for talent from new entrants in the Telecommunications sector, StarHub continues to face the key risk of attracting and retaining talent.</p>	<ul style="list-style-type: none"> StarHub benchmarks its Human Resource practices by taking part in multi-industry studies such as the Aon Hewitt Best Employee Survey to identify key areas for improvement. Additionally, StarHub has its own internal employee experience surveys with follow-up focus group discussions to better understand and address employee concerns.
	<p>The increased pace of technological disruption, digitalisation of business processes and the ventures into new business environments have resulted in the need to attract and retain human talent with the skill sets and capabilities required to drive the business forward.</p>	<ul style="list-style-type: none"> StarHub continues to place strong emphasis on attracting, hiring and retaining talent with competitive remuneration packages, recognition and award and talent development programs. StarHub has a defined learning and development roadmap for its employees. Employees are encouraged to enrol in personal development courses conducted by internal and external training providers, aligned with their own development roadmap. StarHub has a robust succession plan in place to ensure leadership continuity and the transfer of necessary knowledge and information.
Cyber Security Threats to StarHub's Critical Information Infrastructure	<p>As owners of Critical Information Infrastructure (CII), StarHub is exposed to the spectrum of cyber security-related threats prevalent in the digital era.</p>	<ul style="list-style-type: none"> StarHub has implemented security policies, procedures and systems based on international standards such as ISO 27001. We will continue to benchmark ourselves against relevant frameworks to minimize the risk of security incidents.
	<p>A cyber incident on StarHub's Critical Information Infrastructure could potentially cause:</p> <ul style="list-style-type: none"> ▶ Disruptions to StarHub's network; ▶ Interruptions to services provided to customers; ▶ Leakage of sensitive and/or confidential information; and ▶ Significant regulatory fines and penalties. 	<ul style="list-style-type: none"> StarHub regularly conducts rigorous penetration testing and vulnerability assessments on its networks and systems to ensure that vulnerabilities detected and resolved in a timely and effective manner. StarHub has defined business continuity management procedures and disaster recovery plans and conducts regular crisis exercises to ensure operational readiness in the event of a disruption. StarHub has provided submissions to the government on the new Cyber Security Act and also implemented policies, procedures and training to ensure that StarHub is compliant with the new Act.
Evolving Regulatory and Legal Landscapes	<p>StarHub's business is subjected to the fast moving regulatory landscape that reflects the dynamic nature of the telecommunications industry. Apart from complying with prevailing legislations and regulatory requirements, radical regulatory and legislative changes may result in a significant impact to StarHub's business.</p>	<ul style="list-style-type: none"> StarHub's regulatory team reviews regulatory requirements on a consistent basis and proactively engages IMDA where necessary. StarHub's regulatory team has regular engagements with internal business units to provide advice on IMDA requirements and to monitor compliance with existing obligations. StarHub has robust internal policies, guidelines and procedures to ensure compliance with prevailing laws and regulations.