

# Corporate Governance

Driving long-term value  
with responsible stewardship  
and accountability

## CORPORATE GOVERNANCE STATEMENT

StarHub is dedicated to upholding the highest standards of corporate governance. We firmly believe that a robust and sound governance framework is the foundation for long-term sustainable holistic performance in a purpose led organisation. This foundation facilitates the creation of value for all our stakeholders, advancing our talent, culture and sustainability aspirations, solidifying customer and investor confidence, and ultimately increasing total shareholder returns. Transparency, accountability and integrity are the cornerstones of all we do, and are reflected in our focus on robust stewardship, effective risk management and governance practices.

# CORPORATE GOVERNANCE REPORT 2022

This report describes our corporate governance framework, practices and policies for the financial year ended 31 December 2022 (FY2022) with reference to the principles and provisions of the Code of Corporate Governance (Code) issued by the Monetary Authority of Singapore on 6 August 2018. **We are pleased to confirm that StarHub has complied with all principles and provisions of the Code for FY2022.**



As a reflection of StarHub's commitment to corporate governance, we have received the following recognitions in FY2022:

**Investors' Choice Awards 2022  
by Securities Investors  
Association (Singapore)**  
Most Transparent Company  
(Communications category)

**ASEAN Corporate Governance  
Scorecard 2021**  
Recognised amongst ASEAN Asset Class  
(Singapore) top publicly listed companies

**Singapore Apex  
Corporate Sustainability  
Awards 2022**  
Sustainable Business Winner

**Singapore Governance and  
Transparency Index 2022**  
**34<sup>th</sup>**  
out of 489 SGX-listed companies

**Corporate Knights  
Global 100 for 2023**

**Equileap 2022  
Gender Equality Report  
& Ranking**

Ranked  
**7<sup>th</sup>**  
in Singapore for policies and  
commitment to gender equality

**Institutional Shareholder Services  
group of companies (ISS)  
Governance Quality Score 2022**  
Achieved best possible score of

**"1"** for low Governance risk

**World's most  
sustainable  
Telecommunication  
Service Provider**  
(Fixed and Wireless)

Ranked  
**34<sup>th</sup>**  
amongst the world's most  
sustainable corporations

**CDP Climate Change  
Assessment 2022**  
**A-**  
leadership score

**IR Magazine Forum & Awards  
– South East Asia 2022**  
Best Investor Event

# Corporate Governance



## 1. BOARD MATTERS

### A. THE BOARD'S CONDUCT OF AFFAIRS

#### Board Duties

The Board oversees the business performance and affairs of the StarHub Group (Group) and is responsible for its long-term success. The Board guides and works closely with Management to ensure the alignment of interests of the Board and Management with that of shareholders particularly, and with stakeholders more broadly.

#### The Board's key roles and responsibilities are:



Set StarHub's values and standards (including ethical standards) and corresponding corporate culture, to ensure that our obligations to shareholders and stakeholders are well-understood and duly met;



Ensure regular and transparent communications with shareholders and guide Management to manage relationships with identified key stakeholder groups, including staff, customers, suppliers and business partners;



Provide proactive and focused leadership and guidance to Management and steer the Group in the appropriate strategy and corporate plan;



Regularly review the performance of Management and the remuneration framework of the Board and Management, and perform succession planning for the Board and Management;



Review and approve key operational and business initiatives, annual budgets, major funding and investment proposals, acquisitions and divestments;



Consider sustainability in steering the Group's strategy and corporate plan, and ensure adoption of environmental, social and governance (ESG) factors; and



Establish a framework of prudent and effective controls supported by clear and robust procedures and delegated authorities, which enables risks to be assessed and managed to safeguard shareholders' interests and StarHub's assets;



Ensure the Group's compliance with all relevant laws and regulations (including legal, regulatory and financial compliance), ethical standards and the implementation of related policies and processes, and ensure proper accountability.



Ensure that the necessary financial and human resources are in place for the Group to meet its objectives;



The Board has established a framework on approval and authorisation limits for capital and operating expenditure, interested person transactions 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 approval and authority sub-limits for delegation to various Management levels to optimise operational efficiency when undertaking the day-to-day running of the business.

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

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

### Access to Management, Advisers and Information

In furtherance of their duties, the Directors are given access to independent professional advice at StarHub's expense. At least once a year, non-executive Directors (NED) meet to discuss, *inter alia*, Management's performance without the presence of Management. **In FY2022, a NED meeting and an independent non-executive Directors' (ID) meeting were held, as chaired by the Chairman and the Lead Independent Director respectively.**



In FY2022, StarHub transitioned to an improved Board management solution (Board Portal). All Directors have direct access to the Board Portal, which allows the Directors to securely access and read Board and Board Committee materials electronically at their convenience, in a more sustainable manner. Aligned with StarHub's green practices, written resolutions are now circulated to the Board via the Board Portal, for secure reading and approval. The Board Portal also provides relevant information and up-to-date policies that will help Directors discharge their duties, including:

- + Board meeting information and Board papers;
- + Information on Directors' statutory and other duties and responsibilities;
- + Terms of Reference of the respective Board Committees and Board policies;
- + Insider trading policy and Directors' share trading policy of StarHub securities;
- + Key industry news; and
- + Business performance updates.

At least five business days prior to each Board or Board Committee meeting, Management provides the Directors with timely and relevant information pertaining to matters on the agenda, save for sensitive matters to be tabled at the meeting itself. All sensitive Board materials that are communicated electronically are encrypted with passwords to safeguard their security.

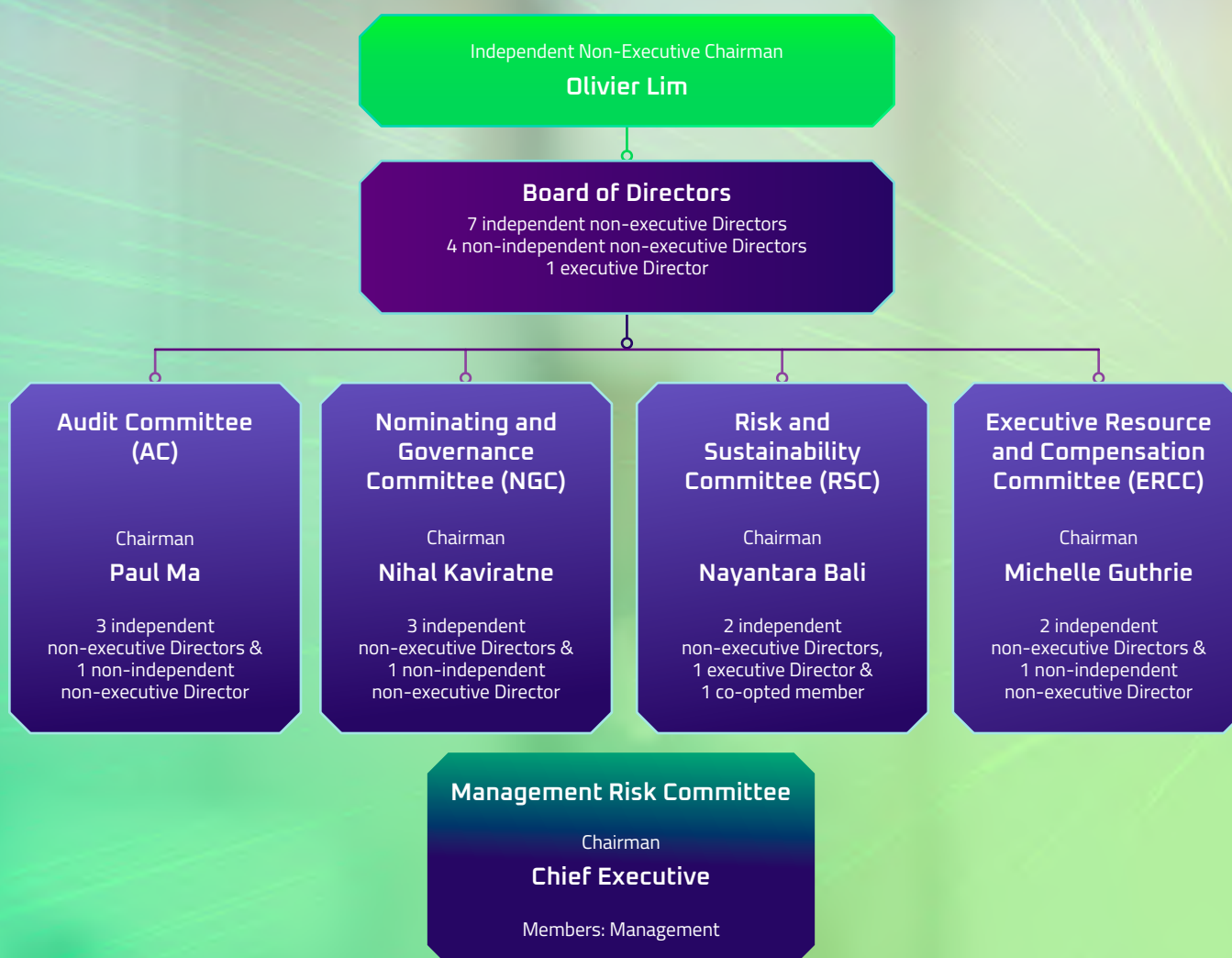
The Chief Executive provides a quarterly report on the state of the business, including analysis of trends and actionable insights. Any material variance between budgets and actual results are disclosed and discussed. Other related business reports and updates are also provided to the Board regularly and upon request by the Board. Collectively, this enables the Directors to keep abreast of key issues and developments in the business and the industry as well as challenges and opportunities for the Group, enabling sound decisions.

Management is available to answer any queries raised by the Directors and to provide additional information as needed. Frequent dialogue and interactions take place between Management and the Directors, facilitating a good understanding of StarHub's operations and related information.

# Corporate Governance

## Delegation to Board Committees

The Board has constituted the following principal Board Committees to assist the Board in the discharge of its functions.



*Note: Composition reflected is as at 30 March 2023.*

The composition of the Board Committees and their specific responsibilities and authority are set out in the relevant sections of this report. Each committee has clear written Terms of Reference setting out its composition, authorities and duties, which are available on the StarHub Investor Relations (IR) website. A 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 Committee Chairmen provide updates to the Board at Board meetings, on key matters discussed and/or decisions made at the last-held meeting of each Board Committee. For matters which require the Board's approval, the Board Committees would also recommend the course of action to the Board for its consideration and decision. Minutes of the Board Committee meetings are made available to the Board for its information.

## Board Meetings

Board and Board Committee meetings for the upcoming financial year are scheduled in advance before the end of the current financial year to enable Directors to plan and attend the meetings according to the respective meeting schedules.

For FY2022, the Board held a total of five meetings, including the annual Board Strategy meeting to review and discuss in detail the Group's strategic direction, and to consider the Group's budget for the upcoming financial year. The annual Board Strategy meeting

provided a key opportunity to discuss, challenge and develop the Group's strategy, alongside Management. Additional Board meetings were also convened to consider urgent proposals or matters which required the Board's approval.

Directors' attendance at Board and Board Committee meetings, the Annual General Meeting (AGM) and the Extraordinary General Meeting (EGM) held in FY2022, is set out in the table below. There was full board attendance at the AGM and EGM, as well as for all scheduled Board meetings, save for one meeting which one Director did not attend.

**Table 1: Directors' Attendance at Board/General Meetings During FY2022**

	AGM & EGM	Board Meetings	Board Committee Meetings			
			AC	NGC	RSC	ERCC
<b>No. of Meetings Held</b>	<b>1</b>	<b>5</b>	<b>4</b>	<b>2</b>	<b>2</b>	<b>4</b>
Steven Terrell Clontz <sup>(a)</sup>	1	5	–	2	–	–
Olivier Lim <sup>(b)</sup>	1	4	–	1	–	–
Nikhil Eapen	1	5	–	–	2	–
Paul Ma	1	5	4	–	2	–
Nihal Kaviratne	1	5	4	2	–	–
Nayantara Bali	1	5	–	–	2	–
Michelle Guthrie	1	5	–	–	–	4
Ng Shin Ein	1	5	4	–	–	–
Lionel Yeo	1	5	–	2	–	4
Teo Ek Tor <sup>(c)</sup>	1	5	3	–	–	–
Stephen Miller	1	5	–	–	2	4
Naoki Wakai	1	4	–	–	–	–
Ahmad Al-Neama	1	5	–	–	–	–

<sup>(a)</sup> Mr Steven Terrell Clontz retired from the Board with effect from 1 January 2023. Prior to his retirement, he had attended all convened Board meetings as well as the AGM and EGM in FY2022.

<sup>(b)</sup> Mr Olivier Lim was appointed as a Director and a member of the NGC on 12 February 2022. He attended all Board and NGC meetings that were held after his appointment.

<sup>(c)</sup> Mr Teo Ek Tor was appointed as a member of the AC on 12 February 2022. He attended all AC meetings that were held after his appointment.



# Corporate Governance

## Board Orientation and Continual Training & Development

All newly appointed Directors participate in a comprehensive orientation programme that is bespoke for the Group's business and operations, including the opportunity to meet with the Chief Executive and Management, to be given an overview of 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 Company Secretaries facilitate the newly appointed Directors' understanding of their Board and Board Committee membership details, director fees, statutory and other duties and responsibilities. Arrangements are also made for newly appointed Directors without prior experience as a director of a listed company on the SGX-ST, to undergo mandatory training conducted by the Singapore Institute of Directors on their roles and responsibilities. Mr Olivier Lim, who was appointed to the Board on 12 February 2022, is experienced as a director of a SGX-ST listed company, and accordingly was not required to complete the said mandatory prescribed training.

The Board recognises that ongoing professional development is important for the Directors to serve effectively and contribute to the Board. The Directors are encouraged to continually develop and refresh their professional knowledge and skills, and to 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, internal briefings as well as external seminars are arranged for the Directors. In addition, the Company Secretaries and members of Management also provide regular updates to the Directors during Board meetings, as well as through emails and the Board Portal, on key industry, technology, legal, regulatory, accounting and sustainability updates which affect the Group. These include updates from the management of subsidiaries such as Ensign, Strateq Group and JOS Group.

In FY2022, the professional development programmes attended by the Directors included the following:

Topic	Courses Attended
Sustainability	<p>All Directors have completed the mandatory sustainability training as required by the enhanced SGX-ST sustainability reporting rules. In this regard, Directors each attended one of the following approved courses:</p> <ul style="list-style-type: none"> <li>+ Sustainability Education Online Programme (by Cambridge and Earth-on-Board)</li> <li>+ Environmental, Social and Governance Essentials (by Singapore Institute of Directors)</li> <li>+ Sustainability In-Person Director Programme (by Cambridge and Earth-on-Board)</li> </ul> <p>In addition to the mandatory training, some Directors also attended other sustainability-related courses such as the Climate Implications for the Board seminar by Climate Governance Singapore.</p>
Technology	<p>Directors also attended specialised technology-related sessions by global technology companies, covering consumer, enterprise and cloud, as well as detailed training on Cloud and IT by Management.</p>
StarHub	<p>Under StarHub's Project LIFE (Learn In Frontline and Enhance), Directors were given the opportunity to join sales colleagues at StarHub stores to observe the interaction with customers, and provide feedback as a basis for future enhancements.</p>
Corporate Governance	<p>A number of Directors also attended corporate governance-related courses organised by the Singapore Institute of Directors and the Securities Investors Association (Singapore).</p>

In addition, the Directors are free to conduct independent or collective discussions with Management and subject matter experts on any areas of interest or concern.

## Company Secretaries

The Directors have separate and independent access to the Company Secretaries, who are qualified lawyers and trained in company secretarial practices. The Company Secretaries administer, attend and prepare minutes of all Board and Board Committee meetings (except for the ERCC) and are responsible for ensuring that board procedures are adhered to, and that the Group's Constitution and applicable laws and regulations are complied with. Working closely

with the Chairman, they advise the Board on all legal and corporate governance matters, and facilitate good communication within the Board and Board Committees, as well as between the Board and Management. The Company Secretaries are the primary channel of communication between StarHub and the SGX-ST and the Accounting and Corporate Regulatory Authority (ACRA). They also facilitate the orientation of new Directors and assist in arranging training for the Directors. The appointment and removal of the Company Secretaries are subject to the Board's approval.

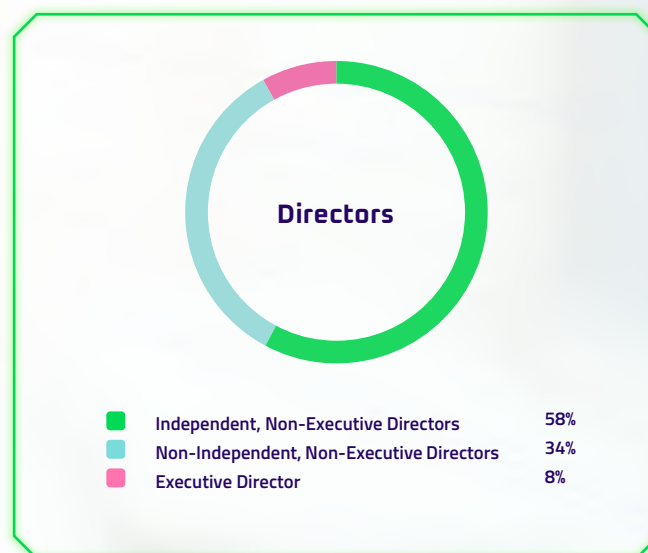
## B. BOARD COMPOSITION AND GUIDANCE

Independent, Non-Executive Directors	Non-Independent, Non-Executive Directors	Executive Director
<b>Mr Olivier Lim</b> (Chairman)	<b>Mr Teo Ek Tor</b>	<b>Mr Nikhil Eapen</b> (Chief Executive)
<b>Mr Nihal Kaviratne</b> (NGC Chairman and Lead Independent Director)	<b>Mr Stephen Miller</b>	
<b>Mr Paul Ma</b> (AC Chairman)	<b>Mr Naoki Wakai</b>	
<b>Ms Nayantara Bali</b> (RSC Chairman)	<b>Mr Ahmad Al-Neama</b>	
<b>Ms Michelle Guthrie</b> (ERCC Chairman)		
<b>Ms Ng Shin Ein</b>		
<b>Mr Lionel Yeo</b>		

### Board Size and Composition

As of 30 March 2023, the Board comprises 11 NEDs and 1 Executive Director (ED), the majority of whom are IDs. In FY2022 and the financial year ending 2023 (FY2023), as part of a continual Board refresh, the following changes were made to the Board and Board Committees:

- + Mr Steven Terrell Clontz retired from the Board of Directors, and as a member of the NGC, with effect from 1 January 2023.
- + Mr Olivier Lim was appointed as an independent NED and a member of the NGC on 12 February 2022, and was subsequently appointed as independent Chairman of the Board on 1 January 2023.
- + Mr Teo Ek Tor was appointed to the AC on 12 February 2022.
- + Mr Stephen Miller retired from the RSC with effect from 1 January 2023, and was appointed a member of the NGC on 1 January 2023.
- + Ms Nayantara Bali was appointed as Chairman of the RSC on 1 January 2023.





# Corporate Governance

In addition, the following changes will be made to the Board and Board Committees within FY2023:

- + Mr Nihal Kaviratne will retire from the Board of Directors at the conclusion of the AGM on 21 April 2023.
- + Mr Olivier Lim will be appointed as Chairman of the NGC on 21 April 2023.
- + Ms Nayantara Bali will be appointed as a member of the AC on 21 April 2023.

The Chairman of the Board, Mr Olivier Lim, is regarded an ID within the meaning of the Code and SGX-ST Listing Rule 210(5)(d)(i).

The Board, through the NGC, reviews the size and composition of the Board annually to ensure its overall effectiveness. The current Board size is 12, and this is expected to reach 11 within FY2023 with the above changes to the Board.

The Board has put in place a set of Board Composition Governance Guidelines. The Guidelines set out the principles governing the Board's approach towards Board size, Director recruitment, Board refresh and Director retirement by rotation, and serve as guidance to the Board in the continual Board refresh.

## Board Diversity

In FY2022, the Group put in place a Board Diversity Policy which sets out the Group's policy, framework and targets pertaining to diversity on the Board. The NGC is responsible for setting and continually reviewing the Board Diversity Policy, which has been approved by the Board. The Board Diversity Policy:

- + Addresses gender, skills, experience (local and international), age, ethnicity, geography and other relevant aspects of diversity, recognising that diversity is multi-dimensional in nature; and
- + Includes a measurable target to be achieved within an appropriate timeline.

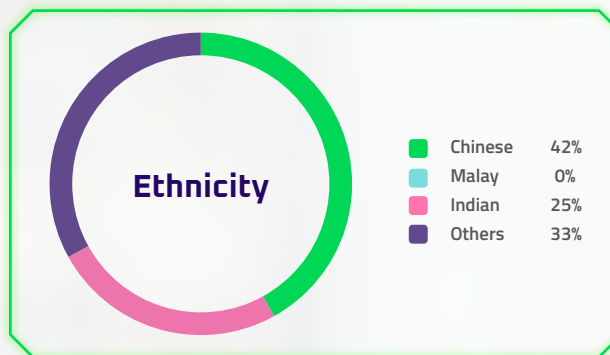
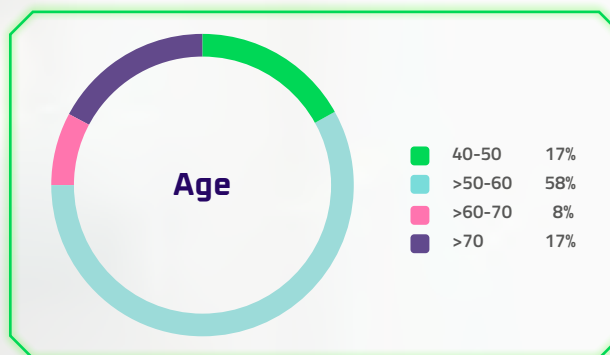
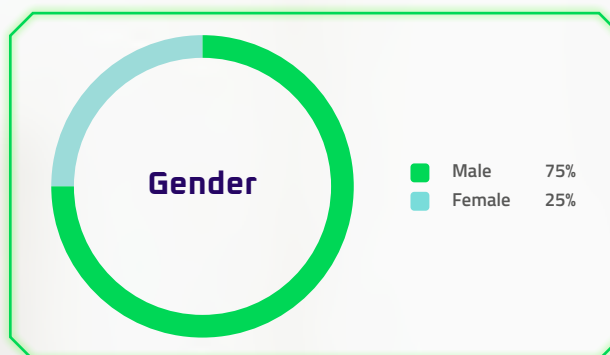
**In particular, the Board believes that gender is an important aspect of diversity and targets to maintain a minimum of 25% female representation on the Board within the next 3 to 5 years, recognising that the Board's needs will change over time.**

Since FY2018, the Board has three female Directors on the Board (including the RSC Chairman and the ERCC Chairman), which equates to a 25% female representation on the Board. The continual Board refresh also reflects an improved age diversity – the Directors' age range has broadened, with Directors' ages ranging from 43 to 79.

The current composition of the Board serves StarHub's needs and plans within the context of current plans and future strategy. It reflects StarHub's firm belief that a well-balanced, diverse and inclusive Board will contribute positively in overseeing the delivery of the Group's strategy, bringing fresh perspectives and providing constructive challenges to Management. The Board consists of Directors who are business leaders and professionals of high calibre and integrity, with a broad range of core competencies and

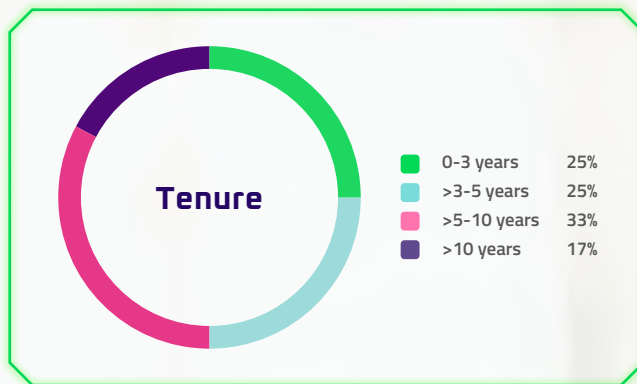
experience in enterprise and banking, accounting and finance, investment, risk management, legal, regulatory, technology, cybersecurity, business and industry knowledge, management and strategic planning experience, sustainability as well as customer-based experience and knowledge. The immense network of contacts across various industries has proven invaluable to StarHub.

Collectively, the Board constantly seeks to identify areas of focus and maintain an optimal mix of diversity. In this regard, the NGC has developed a skills matrix as one criterion for Director appointments, which is reviewed by the Board on an annual basis. The skills matrix covers areas of expertise considered to be optimal for the Board given the evolving business landscape in which the Group operates.



## Board Tenure

The tenure of the Directors as a whole, and the IDs in particular, is actively managed by the Board. Since 2017, there has been a constant refresh of the Board. Of the 12 Directors on the Board, 6 Directors have served for 5 years or less, with 2 Directors having served for more than 10 years. Amongst the 7 IDs, the majority have a tenure of 5 years or less.



## Lead Independent Director

The Lead ID, Mr Nihal Kaviratne, is also the NGC Chairman, and has been serving as the Lead ID since 1 October 2018. His role includes:

- + Ensuring he is available to shareholders for consultation and direct communication, where contact via the normal channels of the Chairman, the Chief Executive or the Chief Financial Officer (CFO) is inappropriate or has failed to resolve their concerns;
- + Serving as a liaison between the Chairman and the IDs;
- + Providing a channel to IDs for confidential discussions on any concerns and to resolve conflicts of interest as and when necessary; and
- + Having the authority to call for and lead meetings of IDs without the presence of Management and provide feedback to the Chairman as appropriate.

Mr Nihal Kaviratne will retire from the Board of Directors on 21 April 2023. As Mr Olivier Lim has been appointed as an independent Chairman, there will be no replacement for a Lead ID.



*The individual profiles of the Directors can be found in the Board of Directors and Directors' Particulars sections on pages 56 to 61 and pages 62 to 63 of the Annual Report respectively.*

## C. CHAIRMAN AND CHIEF EXECUTIVE

StarHub has a clear division in responsibilities between the leadership of the Board and Management. The Chairman and the Chief Executive are separate persons, ensuring an appropriate balance of powers, increased accountability and greater capacity for the Board to make independent decisions. No single individual has unfettered powers of decision-making within the Group.

The independent Chairman, Mr Olivier Lim, is unrelated to the Chief Executive. 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 open interaction and constructive debate at the Board level;
- + Ensures that the Directors receive complete, adequate and timely information. He works with the Chief Executive 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 all Board decisions;
- + Facilitates the effective contribution of NEDs; and
- + Promotes high standards of corporate governance.

The Chief Executive, Mr Nikhil Eapen, 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.

# Corporate Governance

## D. BOARD MEMBERSHIP

The NGC has been delegated responsibility to review and make recommendations to the Board regarding Board composition. It leads and facilitates the Director nomination process based on written Terms of Reference that set out its authority and duties.

Nominating and Governance Committee	
Membership	Key Responsibilities
<p><b>Mr Nihal Kaviratne,</b> NGC Chairman and Lead ID <sup>(1)</sup></p> <p><b>Mr Olivier Lim,</b> non-executive Chairman of the Board <sup>(2)</sup></p> <p><b>Mr Lionel Yeo,</b> ID</p> <p><b>Mr Stephen Miller,</b> NED <sup>(3)</sup></p> <p>The NGC comprises four NEDs, with the majority (including the NGC Chairman) being IDs. During FY2022, the NGC held two meetings.</p>	<ul style="list-style-type: none"> <li>+ Lead and facilitate a formal and transparent process for the selection, appointment and re-appointment of Directors to the Board and Group company boards</li> <li>+ Regularly review the size, structure and composition (including the skills, qualification, experience and diversity) of the Board and Board Committees and the succession plans for Directors, including development and maintenance of a skills matrix, and recommend changes to the Board</li> <li>+ Conduct an annual review of the independence of individual Directors</li> <li>+ Implement and oversee the annual evaluation of the performance and effectiveness of the Board and Board Committees, including the communication of the results of such evaluations to the Board</li> <li>+ Review the adequacy of the Group's corporate governance policies and where appropriate, recommend to the Board any proposed changes to such policies from time to time</li> <li>+ Work with the RSC to ensure thought leadership and action on sustainability, particularly in relation to governance, and with the ERCC on Chief Executive succession and appointment</li> <li>+ Ensure that new Directors receive the requisite training, and review training and professional development programmes for the Board</li> </ul>

<sup>(1)</sup> Mr Nihal Kaviratne will retire from the Board of Directors at the conclusion of the AGM on 21 April 2023, including stepping down from the NGC, and will be succeeded as Chairman of the NGC by Mr Olivier Lim.

<sup>(2)</sup> Mr Olivier Lim was appointed as an NGC member on 12 February 2022, and will be appointed as Chairman of the NGC upon Mr Nihal Kaviratne's retirement on 21 April 2023.

<sup>(3)</sup> Mr Stephen Miller was appointed as an NGC member on 1 January 2023.

### Process and Criteria for New Board Appointment and Re-election

In proposing candidates for appointment or re-election as Directors, the NGC considers several factors, including (a) the composition, the diversity and the need for progressive renewal of the Board, (b) each candidate's competencies, commitment, contribution and performance (including attendance, preparedness, participation and candour) and (c) potential conflicts of interest. This ensures that the Board composition reflects an appropriate mix having regard to skills, experience, expertise, diversity and independence, which enables the Board to stay engaged and agile in meeting the needs of the Group. External consultants can be engaged to assist with the selection process if necessary. All new appointments to the Board are also subject to the approval of StarHub's industry regulator, the Infocomm Media Development Authority of Singapore.

In FY2022, one new Director – Mr Olivier Lim – was appointed to the Board. Mr Olivier Lim was subsequently appointed as Chairman of the Board on 1 January 2023.

In accordance with StarHub's Constitution, all Directors who are appointed by the Board during the course of the financial year are required to retire and offer themselves for re-election by shareholders at the first AGM of StarHub after their appointment. In line with the Code and SGX-ST Listing Rule 720(5), StarHub also requires all Directors to retire and offer themselves for re-election by shareholders at least once every three years, if the Board, on the recommendation of the NGC, deems it appropriate that they remain in office.



## Board Independence

The NGC assesses the independence of each Director annually, and as and when circumstances require. Evaluation of director independence is an important factor for NGC's annual review of the composition of the Board. To facilitate the assessment, StarHub has adopted an annual verification procedure on director independence, conflicts of interest, interested person transactions and other commitments that could compromise a Director's independence. Directors are required to provide sufficient information for the evaluation of his/her independence, including their professional engagements, positions and directorships, and notify the Board of any changes in such information.

Director independence is assessed based on the independence criteria under the Code and SGX-ST Listing Rule 210(5)(d), as well as other factors and circumstances that may potentially affect the status or perception of a Director's independence, in the overall evaluation from the standpoint of both StarHub and the Directors.

When assessing objectivity and independent judgement, the NGC and the Board consider, *inter alia*, the approach, character and attitude of each Director and the value each Director brings, 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;
- + Has been employed by StarHub or any of our related corporations during the financial year in question or in any of the previous three financial years;
- + Has an immediate family member who is employed or has been employed by StarHub or any of StarHub's related corporations for the past three financial years, and whose remuneration is determined by the ERCC; or
- + Has any material contractual relationship with the Group other than as a Director.

The NGC also 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 SGX-ST Listing Rule 210(5)(d), and similarly provides its views to the Board for the Board's determination. The NGC has considered and is of the view that as of 31 December 2022, all the IDs are sufficiently independent and are able to objectively exercise their judgement in the best interests of the Group.

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.

Pursuant to the new amendments made to SGX-ST Listing Rule 210(5)(d) and the Code, a director who has been a director of the company for an aggregate period of more than nine years may only be considered independent until the conclusion of the annual general meeting for the year ending 31 December 2023. As at 30 March 2023, one ID, namely Mr Nihal Kaviratne, has served on the Board for more than nine years. In compliance with the then-in-force regulations, namely SGX-SG Listing Rule 210(5)(d)(iii), Mr Kaviratne's continued appointment as an ID was approved in separate resolutions at the 2021 AGM by (a) all shareholders, and (b) all shareholders excluding shareholders who also serve as Directors or the Chief Executive (and their associates).

As Mr Nihal Kaviratne will be retiring from the Board of Directors at the conclusion of the AGM on 21 April 2023 and all remaining IDs have a tenure of less than nine years, StarHub will maintain full compliance with SGX-ST Listing Rule 210(5)(d) and the Code.



*The individual independent status of the Directors can be found in the Board of Directors section on pages 56 to 61 of the Annual Report.*

## Board's Time Commitment

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 NGC 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 in FY2022, and will continue to do so in FY2023. Although no maximum limit has been formally set by the Board on the number of listed company board representations a Director may hold, **the NGC is of the view that all Directors have fully discharged their duties as Directors of StarHub based on the time and attention devoted by each Director, their individual abilities and their respective contribution of skills, knowledge and experience as well as 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.



*The attendance record can be found on page 75 of this report and the principal commitments and directorships in any listed companies currently held by the Directors can be found in the Directors' Particulars section on pages 62 to 63 of the Annual Report.*

# Corporate Governance

## E. BOARD PERFORMANCE

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

For FY2022, the Board engaged the assistance of Aon Solutions Singapore Pte Ltd (Aon Solutions) 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 following:

- + Adequacy of the Board composition, including the Board size, the degree of Board independence, the mix and diversity of skills, experience, gender, knowledge and background of the Board and the Board's diversity policy for board refresh;
- + Information management and Board processes, including adequacy and timeliness of information provided to the Board, insights by industry experts, and appropriate thresholds for escalating information surrounding material strategic or operational issues to the Board;
- + Sustainability and Environmental, Social & Governance (ESG), including appropriate consideration for a holistic view of material stakeholder and ESG objectives for StarHub's long-term sustainability;
- + Managing StarHub's performance and the Board's role in providing stewardship for the organisation and steering growth;
- + Effectiveness of Board Committees and time spent on activities including strategy, execution and performance management;
- + Chief Executive performance and ongoing succession planning for the Chief Executive and Management;
- + Director development and management, including training and evaluation; and
- + Reviewing the Group's risk management processes and addressing new or disruptive risks.

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

The annual review process facilitates consideration by the Board on its membership and renewal. The results of the evaluation are collected, analysed and presented to the NGC, in consultation with the Chairman, and thereafter to the Board. The NGC reviews and recommends to the Board the follow-up actions required to strengthen the Board's leadership in order 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.



## 2. STRATEGIC MATTERS

With the increasing complexity of the industry, the Board takes the view that the entire Board should be allowed more time to consider and deliberate upon the strategic direction and focus of the Group. This would additionally improve efficiency in discussions across Board and Board Committee meetings. Since the dissolution of the Strategy Committee from 1 January 2022, strategic matters have been tabled at Board meetings directly, to facilitate participation and deliberation by the entire Board.

The annual Board Strategy meeting provides the Board with an opportunity to engage closely with Management for a more in-depth focus on the Group's overall strategy. In August 2022, a full day Board Strategy meeting was held offsite.





### 3. REMUNERATION MATTERS

#### A. PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

The ERCC ensures the due implementation of a formal and transparent procedure for developing policies on executive remuneration and determining the remuneration packages of individual Directors.

##### Executive Resource and Compensation Committee

Membership	Key Responsibilities
<p><b>Ms Michelle Guthrie,</b> ERCC Chairman and ID</p> <p><b>Mr Lionel Yeo,</b> ID</p> <p><b>Mr Stephen Miller,</b> NED</p> <p>The ERCC comprises three NEDs, with the majority (including the ERCC Chairman) being IDs. During FY2022, the ERCC held four meetings.</p>	<ul style="list-style-type: none"> <li>+ Succession planning and performance review for the Chief Executive, the CFO and other key management personnel. Potential candidates for immediate, medium and long-term needs are identified each year</li> <li>+ Working collaboratively with the NGC on the Chief Executive appointment process and terms of appointment</li> <li>+ Assessing and approving candidates for key executive appointments</li> <li>+ Overseeing the development of Management, reviewing succession plans for key positions in the Group and overseeing the development of key and talented executives</li> <li>+ Ensuring the implementation of a formal and transparent procedure for developing policies on executive remuneration and determining the remuneration framework of the Directors to be recommended to the Board, and thereafter to shareholders, for approval</li> <li>+ Reviewing and recommending the remuneration package and service contract terms of the Chief Executive and key management personnel</li> <li>+ Assessing and approving restricted stock awards and performance share 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</li> <li>+ Overseeing and supporting employee value proposition put in place by Management</li> <li>+ Working with the RSC on sustainability practices with regards to employee inclusion, welfare, diversity and other consistent initiatives</li> </ul>

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

- + General remuneration framework for the Group and specific remuneration packages for key management personnel (as defined in the Code); and
- + Remuneration framework for the Board (including Director's fees, allowances and share-based awards) to be recommended to shareholders for approval.



# Corporate Governance

The ERCC's review and recommendation process covers all aspects of remuneration for employees, Management and Directors, including Directors' fees, employee salaries, allowances, bonuses, share-based incentives and awards, as well as benefits-in-kind and termination terms. The framework and packages are linked to:

- + The performance of the Group and the relevant individual;
- + Industry practices and compensation norms; and
- + The need to attract key management personnel in order to ensure the continual development of talent and the renewal of strong leadership for StarHub.

## B. LEVEL AND MIX OF REMUNERATION

The ERCC ensures that the remuneration paid to the Chief Executive and key management personnel is closely 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 reward the Group and individual performance that supports strategic priorities of the business and promotes activities that help the business to successfully implement its strategy 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 Chief Executive is present at all ERCC discussions on the compensation and incentive policies for StarHub's key personnel (such as share-based incentives, bonus framework, salary and other incentive schemes), save for discussions which relate to the Chief Executive's own compensation, terms and conditions of service or the review of his performance, for which he absents himself.

The ERCC has access to expert professional advice on the remuneration policies of the Board and executives. The ERCC has appointed Aon Solutions as its remuneration consultant for FY2022 and is satisfied that the independence and objectivity of Aon Solutions is not affected by any relationship between StarHub and Aon Solutions.

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

## C. DISCLOSURE ON REMUNERATION

### Non-Executive Directors' Remuneration

The payment of board remuneration in cash and shares has been a practice at StarHub, to align NEDs' interests with those of shareholders and the long-term interests of the Group. NEDs receive 70% of their board remuneration in cash and the remaining 30% in share awards granted pursuant to the StarHub Restricted Stock Plan.

#### + Cash Component

Each NED receives a retainer fee. Overseas Directors are also entitled to a travel allowance. NEDs who serve on Board Committees receive additional retainer fees. In view of the greater responsibilities of the Board Chairman, the Lead ID and the Chairman of each Board Committee, they also receive a higher fee than the other members of the Board and the respective Board Committees.

#### + Share Component

Pursuant to the StarHub Restricted Stock Plan, the share awards are granted as fully-paid StarHub shares without any vesting conditions attached. Nonetheless, in order to align NEDs' interests with those of shareholders, NEDs who receive the share awards are required to hold a minimum number of StarHub shares with a value equivalent to the lower of (a) their prevailing annual retainer fee or (b) the aggregate of 100% of the total number of StarHub shares awarded for the financial year ended 31 December 2011 and each subsequent financial year thereafter, and 50% of the total number of StarHub shares awarded from the financial years ended 31 December 2007 to 31 December 2010. NEDs can only dispose of all their StarHub shares one year after ceasing to be a Director. The number of StarHub shares to be awarded to a participating NED will be determined by reference to the volume weighted average price of a StarHub 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 StarHub shares to be awarded will be rounded down to the nearest hundred, with cash to be paid in lieu of the remaining StarHub shares.

The total NEDs' remuneration for FY2022 amounts to S\$1,694,360 and will be subject to shareholders' approval at the upcoming AGM in FY2023.

Mr Nikhil Eapen, who is an ED, receives remuneration as the Chief Executive, and does not receive a fee for serving on the Board and Board Committees.

**Table 2: Annual Fees for the Board and the Board Committees for FY2022**

Annual Fees for the Board		
Board Chairman		\$189,000
Lead ID		\$108,000
NED		\$90,000

Additional Annual Fees for the Board Committees		
Type of Committee	Chairman	Member
Audit Committee	\$60,000	\$35,000
Nominating and Governance Committee	\$42,000	\$22,000
Risk and Sustainability Committee	\$42,000	\$22,000
Executive Resource and Compensation Committee	\$42,000	\$22,000

# Corporate Governance

## Breakdown of Directors' Remuneration

The following shows the composition of Directors' remuneration for FY2022:

**Table 3: Directors' Remuneration for FY2022**

Name of NED	NEDs' Remuneration		
	Cash-based (\$)	Share-based (\$)	Total (\$)
Steven Terrell Clontz	168,700	72,300	241,000
Olivier Lim	68,992	29,568	98,560
Paul Ma	120,400	51,600	172,000
Nihal Kaviratne	136,500	58,500	195,000
Michelle Guthrie	120,400	51,600	172,000
Nayantara Bali	78,400	33,600	112,000
Ng Shin Ein	87,500	37,500	125,000
Lionel Yeo	93,800	40,200	134,000
Teo Ek Tor	84,560	36,240	120,800
Stephen Miller <sup>(a)</sup>	107,800	46,200	154,000
Naoki Wakai <sup>(a) (b)</sup>	70,000	-	70,000
Ahmad Al-Neama	70,000	30,000	100,000

## Directorship on Subsidiary

Teo Ek Tor <sup>(c)</sup>	54,000	-	54,000
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<sup>(a)</sup> Cash component of fees are payable to Director's employer company.

<sup>(b)</sup> Mr Naoki Wakai had declined the share award. He will only receive the cash component of his remuneration. Mr Wakai does not hold any StarHub shares.

<sup>(c)</sup> Fees are payable to Mr Teo Ek Tor as a NED of Ensign InfoSecurity Pte. Ltd., a subsidiary of StarHub, in respect of the period from 1 January 2022 to 31 December 2022.



Details of the share awards granted by StarHub to the Directors under the StarHub Restricted Stock Plan can be found in the Directors' Statement section on pages 178 to 186 of the Annual Report.



## Chief Executive and Key Management Personnel Remuneration

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

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

### + Fixed Component

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

### + Variable Cash Component

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

#### *Annual Variable Bonus*

The AVB is a cash-based incentive for the Chief Executive and key management personnel that is linked to the achievement of annual performance targets.

Individual performance objectives which are aligned to the overall strategic, financial and operational goals of the Group are set at the beginning of each financial year, and are cascaded down to a select group of key management personnel, creating alignment between the performance of the Group and the individual.

While the performance objectives are different for each executive, they are assessed on the same principles across the following broad categories of targets:

- Business outcomes (65% weightage); and
- Customer, Process and People outcomes (35% weightage).

The target AVB for the Chief Executive and key management personnel is pre-set at a fixed percentage of their annual base salary, and subsequently adjusted based on the Group's performance at the end of each financial year. The final AVB payout can range from 0 to 2.25 times of the target AVB.

#### *EVA Incentive Plan (EIP)*

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

Under the EIP, a notional EVA bank account is set up for each key management personnel, into which the annual EVA incentive declared and earned by him for each year is credited. One-third of the accumulated EVA incentive, comprising the EVA incentive 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 each individual's EVA bank account, 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. This mechanism encourages the Chief Executive 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 FY2022 had met the pre-determined targets, the resulting annual payout under the EIP was adjusted accordingly to reflect the performance level achieved.

### + Share-based Compensation

#### *StarHub Performance Share Plan (PSP)*

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

Pursuant to the PSP, the ERCC has decided to grant contingent awards of StarHub shares on an annual basis, conditional on meeting targets set for a three-year performance period. The performance measures used in PSP grants during FY2022 are:

- Absolute Total Shareholder Return (Absolute TSR) against Cost of Equity hurdles (i.e. measure of Wealth Added);
- Relative Total Shareholder Return (Relative TSR) against customised MSCI APAC Telco and GICS Global Telco Peer List; and
- Transformation KPIs reflective of the strategic growth objectives of StarHub.

A minimum threshold performance is required for any StarHub shares to be released to the recipient at the end of the performance period. The actual number of StarHub shares released will depend on the achievement of set targets over the performance period. For the performance measure of Absolute TSR, the achievement factor ranges from 0 to 1.5 times of 30% of the conditional award. For the performance measure of Relative TSR, the achievement factor ranges from 0 to 1.5 times of 30% of the conditional award. For the performance measure of Transformation KPIs, the achievement factor ranges from 0 to 1.5 times of 40% of the conditional award.

# Corporate Governance

The final PSP award is conditional on the vesting of the StarHub shares under the Restricted Stock Plan 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 FY2020 based on the performance period from FY2020 to FY2022. The resulting shares vested were adjusted accordingly to reflect the performance level achieved.

### **StarHub Restricted Stock Plan (RSP)**

The RSP has been 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 of StarHub shares on an annual basis, conditional on the achievement of annual Return on Invested Capital targets. The objective of the RSP is aligned to the overall financial performance of the Group and wealth creation for shareholders. The RSP acts as a medium-term incentive mechanism that drives business performance while retaining StarHub's key talent to drive shareholder value.

A minimum threshold performance is required for any StarHub shares to be released to the recipient at the end of the performance period. The actual number of StarHub shares released will depend on the achievement of the pre-determined target performance levels over the performance period, to be determined by the ERCC at the end of the performance period and capped at 1.0 times of the conditional award. The StarHub shares will be released in three equal tranches of 33⅓% per tranche over three consecutive years.

The Group has attained an achievement factor which is reflective of meeting the pre-determined target performance levels for RSP awards granted in FY2022 based on the performance period of FY2022. The resulting shares vested were adjusted accordingly to reflect the performance level achieved.

### + **Market-related Benefits**

The benefits provided are comparable with local market practices.



## Remuneration of the Chief Executive and Top Five Key Management Personnel

The details of the remuneration of the Chief Executive and the top five key management personnel (who are not Directors or the Chief Executive) are set out in Table 4 below (in bands of \$250,000 and percentage terms) for the services rendered by them to the Group for FY2022.

**Table 4: Remuneration of Chief Executive and Top 5 Key Management Personnel**

	Fixed <sup>(1)</sup> (\$)	Variable <sup>(2)</sup> (\$)	Benefits <sup>(3)</sup> (\$)	Share-based Compensation <sup>(4)</sup> (\$)	Total (\$)
<b>Chief Executive</b>					
Nikhil Eapen	1,119,980	1,131,815	119,908	1,066,088	3,437,791
Total paid, including shares vested based on actual performance					<b>2,503,543</b>

### Top 5 Key Management Personnel

	Fixed <sup>(1)</sup> (%)	Variable <sup>(2)</sup> (%)	Benefits <sup>(3)</sup> (%)	Share-based Compensation <sup>(4)</sup> (%)	Total (%)	Remuneration bands <sup>(6)</sup>
Dennis Chia	40	34	3	23	100	D
Johan Buse	40	30	3	27	100	C
Tan Kit Yong	45	32	4	19	100	B
Veronica Lai	47	29	4	20	100	B
Ayush Sharma <sup>(5)</sup>	35	41	4	20	100	A
Total including contingent shares granted but not vested, subject to performance <sup>(5)</sup>					<b>\$6,115,315</b>	
Total paid, including shares vested based on actual performance					<b>\$5,657,547</b>	

<sup>(1)</sup> Fixed refers to base salary, annual wage supplement and fixed allowances earned for FY2022.

<sup>(2)</sup> Variable refers to any applicable one-off incentive payments as well as incentives paid and accrued for the year pursuant to the AVB scheme and EIP for FY2022.

<sup>(3)</sup> Benefits are stated on the basis of direct costs to StarHub, and include non-cash benefits such as leave and medical scheme.

<sup>(4)</sup> Share awards granted under the RSP and the PSP are subject to pre-determined performance targets set over one-year and three-year performance periods respectively. The figures shown are based on the fair value of the StarHub shares at 100% of each of the RSP and PSP conditional awards, which 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 eight financial years ended 31 December 2015 to 31 December 2022, the average number of StarHub shares vested to participants of the RSP and the PSP has been less than 100% of the conditional awards granted.

<sup>(5)</sup> Refers to total remuneration including contingent shares granted but not vested, subject to performance.

<sup>(6)</sup> 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 \$1,250,001 and \$1,500,000 per annum.

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

<sup>(6)</sup> Mr Ayush Sharma joined StarHub with effect from 1 June 2022. Accordingly, the amount of actual compensation received was based on the period from 1 June 2022 to 31 December 2022.

If any key management personnel of StarHub (including the Chief Executive) 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 individual 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 is appropriate, based on the specific facts and circumstances of the case. No such fraud or misconduct occurred in FY2022.

During FY2022, there was no employee of the Group who was a substantial shareholder of StarHub or an immediate family member of a Director, the Chief Executive or a substantial shareholder of StarHub, and whose remuneration exceeds \$100,000 per annum.



# Corporate Governance



## 4. ACCOUNTABILITY AND AUDIT

The Board provides a balanced and informed assessment of the Group's performance, position and prospects to shareholders in the Group's quarterly business performance updates and half-yearly operating performance and financial results which are released via SGXNET, together with the associated press releases and accompanying presentation slides.

For the half year 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.

The Chief Executive updates the Board through quarterly reports on the state of the business, including key performance and financial highlights, issues and priorities which Management is focused on, and the longer-term challenges which Management is addressing to ensure StarHub stays committed on value creation for customers, employees and shareholders. Other related business reports and updates are also provided to the Board regularly and upon request by the Board, to keep the Board informed of the key business initiatives and the latest market developments and trends as well as challenges and opportunities for the Group.

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

### A. RISK MANAGEMENT AND INTERNAL CONTROLS

The Board provides oversight to the management of risk and internal controls of StarHub Group. To safeguard shareholder interests and Group assets, it reviews the adequacy of the Group's risk management system and internal controls with the support from the Risk and Sustainability Committee (RSC) and the Audit Committee (AC).

The RSC inventorises all risks, but may direct oversight of certain categories of risks to be allocated to the appropriate Management and Board bodies that the RSC may identify to be the most appropriate for reviewing and overseeing such risks, as follows:

Board Oversight	Main Board
Management Oversight	Whole of StarHub Management
Risk Inventory	<b>Strategic</b> <ul style="list-style-type: none"> <li>+ Ability to grow</li> <li>+ Customer experience</li> <li>+ Expand to new / adjacent businesses or diversify the business</li> <li>+ Competition / disruption</li> <li>+ Network Transformation / including 5G</li> </ul>
Sustainability Inventory	<ul style="list-style-type: none"> <li>+ Review and endorse Environmental, Social and Governance (ESG) framework and report</li> <li>+ Ensure ESG is central to overall business strategy</li> </ul>

	Audit Committee	Risk and Sustainability Committee	Executive Remuneration and Compensation Committee	Nominating and Governance Committee
	Finance	Management Risk Committee / Sustainability/ Operations	Chief Executive / HR	Chief Executive
	<p><b>Financial</b></p> <ul style="list-style-type: none"> <li>+ Accounting</li> <li>+ Disclosures</li> <li>+ Reporting</li> <li>+ Treasury and tax</li> <li>+ Internal audit</li> </ul> <p><b>Compliance</b></p> <ul style="list-style-type: none"> <li>+ Listing and statutory</li> <li>+ Business and processes</li> <li>+ Control self-assessment</li> <li>+ Fraud and whistle blowing</li> </ul>	<p><b>Operations</b></p> <ul style="list-style-type: none"> <li>+ Business continuity</li> <li>+ Cyber posture – potential breach; insurance; requirements; breach management</li> <li>+ Cyber regulatory – Critical Information Infrastructure (CII) needs; governance; reporting</li> <li>+ IT transformation</li> <li>+ Physical risks – data centres/ infrastructure etc.</li> </ul>	<p><b>Talent and Organisational Design</b></p> <ul style="list-style-type: none"> <li>+ Leadership strength</li> <li>+ Succession planning</li> <li>+ Employee Value Proposition</li> </ul>	<p><b>Board Composition</b></p> <ul style="list-style-type: none"> <li>+ Board strength</li> <li>+ Compliance with listing regulatory requirements</li> </ul> <p><b>CEO appointment</b> (working with the ERCC)</p>
	<ul style="list-style-type: none"> <li>+ TCFD Reporting (working with the RSC)</li> <li>+ Control assessments</li> </ul>	<ul style="list-style-type: none"> <li>+ TCFD Reporting (working with the AC)</li> <li>+ SGX 27 Metrics</li> <li>+ Target setting, execution and monitoring</li> <li>+ External verification - limited assurance</li> <li>+ Energy and climate change</li> <li>+ Circularity</li> <li>+ Green ICT solutions</li> <li>+ Online safety</li> <li>+ Data privacy and cybersecurity</li> <li>+ Product and Service Quality</li> <li>+ Digital inclusion and CSR</li> <li>+ Supply chain management</li> <li>+ Responsible selling</li> </ul>	<ul style="list-style-type: none"> <li>+ Sustainability linked compensation framework</li> <li>+ Talent Management (including equality, diversity and inclusion)</li> <li>+ Health and Safety</li> </ul>	<ul style="list-style-type: none"> <li>+ Governance framework (working with the RSC)</li> <li>+ Business conduct and ethics</li> <li>+ Stakeholder engagement</li> <li>+ Board Diversity, capability building and training</li> </ul>

# Corporate Governance

The RSC has full capacity to review risk matters within its Terms of Reference, while having access to Management for support and resources. It has the discretionary capacity to extend invitations to any Director or executive to attend its meetings.

In relation to sustainability matters, the RSC oversees responsibilities for the Group's sustainability vision, strategy, initiatives, policies and practices.

Risk and Sustainability Committee	
Membership	Key Responsibilities
<p><b>Ms Nayantara Bali</b> <sup>(1)</sup>, RSC Chairman</p> <p><b>Mr Nikhil Eapen</b>, ED</p> <p><b>Mr Paul Ma</b>, ID</p> <p><b>Mr Peter Kaliaropoulos</b>, co-opted RSC member</p> <p>During FY2022, the RSC held two meetings.</p>	<ul style="list-style-type: none"> <li>+ Review the types of business risk that the Group undertakes in achieving its business strategy, and the appropriate risk management framework and policies for managing StarHub's risks</li> <li>+ Provide oversight in the design, implementation and monitoring of the risk management framework and internal controls for operations, compliance and information technology, and ensure that action plans to mitigate the identified risks are put in place</li> <li>+ Review the adequacy and effectiveness of StarHub's system of risk management and internal controls for operations, compliance and information technology</li> <li>+ Review the adequacy and effectiveness of policies and procedures for timely risk identification and remediation, including disclosure requirements for regulatory compliance</li> <li>+ Oversee and review the development and implementation of the Group's sustainability commitments, strategies, targets, initiatives and policies, and how these could be integrated into the Group's general operations, stakeholder engagement and commercial objectives</li> <li>+ Regularly review the Group's sustainability framework based on the three pillars of Environmental, Social and Governance, to ensure the relevance and achievability of the framework, review the communications elements of the sustainability topics and manage and report to the Board on all sustainability-related matters</li> <li>+ Review and oversee the development and assurance progress, and recommend the annual Sustainability Report to the Board for approval</li> <li>+ Oversee and review the management of the Group's impacts on economy, environment and people through identification, assessment and monitoring of material sustainability topics, risks and opportunities</li> <li>+ Provide guidance on cybersecurity, data ethics and governance to ensure appropriate controls and measures are in place</li> <li>+ Set and instil in StarHub an appropriate risk-awareness culture for effective risk governance</li> <li>+ Ensure that all Group material risks are identified and inventorised, and direct oversight of certain categories of risks to be allocated to the appropriate management and Board Committee that the RSC may identify to be most appropriate</li> <li>+ Work with the ERCC on employee engagement issues and the NGC on governance issues</li> </ul>

<sup>(1)</sup> Ms Nayantara Bali was appointed as Chairman of the RSC on 1 January 2023, on the retirement of Mr Stephen Miller as Chairman and a member of the RSC.



The RSC is supported by the Management Risk Committee (MRC), which comprises key members of Management. The MRC assumes the execution and advisory role in overseeing the implementation of the Group's enterprise risk management programme, the corporate insurance programme as well as the facilitation of the self-assessment exercise required of business units on an annual basis. The MRC actively seeks to understand current and emerging risks that are crucial to business, while ensuring that they are managed to an acceptable level across the organisation. It also maintains oversight on cybersecurity, data ethics and governance, and sustainability. The MRC regularly updates the RSC on matters pertaining to oversight, assessment and implementation of organisational resilience and ensures timely actions and decisions are attended to key issues.



Further details on StarHub's approach to sustainability can be found in the Sustainability Report on pages 112 to 176 of the Annual Report.

## Enterprise Risk Management System and Internal Controls

The Group's Enterprise Risk Management (ERM) programme adopts a holistic and structured approach towards risk management that is embedded into the Group's key business activities and decision-making processes. The programme is integrative and multi-disciplinary, focusing on risks and opportunities that are pertinent to the Group's primary business operations while aligning to the Group's strategic priorities. StarHub strives to incorporate risk management in everyday corporate affairs across all levels and adopts a disciplined yet pragmatic approach to managing risks.

To optimise the management of risk, the RSC has identified top risks of the Group for tracking and monitoring. These risks are strategic, operational, regulatory/legal, information technology, governance, human resource and financial. In consultation with the Board and other Board Committees, the identified risk areas are mapped and assigned to the corresponding Board Committees for oversight, assessment and control. The RSC maintains the oversight and provides guidance on the identified top risks, which are subject to rigorous discussions at bi-annual MRC and RSC meetings.

Independent external and internal audits are conducted to assess the effectiveness of the Group's internal financial controls. The AC has the responsibility for reviewing audit findings along with the adequacy of actions taken by Management in addressing the matters raised in the auditors' recommendations. Material findings are then reported to the Board.

To ensure corporate assets are protected and public concerns are appropriately addressed, the Group maintains a crisis management plan as part of its business continuity management programme, which is regularly reviewed by the MRC.

**StarHub is committed to effective corporate governance driven by a robust enterprise-wide risk management framework and internal controls to safeguard stakeholders' interests and StarHub's assets.** This is achieved by ensuring the necessary resources are available for those tasked with managing and improving the corporate risk management framework. StarHub seeks to achieve the key outcomes of such a framework, namely, to have a thorough understanding of the Group's significant and emerging risks, and to ensure the exposures of these risks are within acceptable tolerances that reflect StarHub's values, objectives and commitments.

For FY2022, the Board has received written assurance from:

- + The Chief Executive and the CFO that 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
- + The Chief Executive, the CFO, MRC members along with other key management personnel that the risk management and internal controls systems are adequate and effective to address the financial, operational, compliance, information technology risks as well as the risk management objectives which the Group considers applicable to its present business landscape and operational context.

In view of the Group's current risk management system and internal controls, the reviews of Management as supported by internal and external audit findings, together with the relevant written assurance from the Chief Executive, the CFO, MRC members and other key management personnel, **the Board (with the concurrence of the RSC and the AC) is of the opinion that as at 31 December 2022, the risk management system and internal controls of the Group are adequate and effective to address the financial, operational, compliance, information technology risks as well as the risk management objectives which the Group considers applicable to its present business landscape and operational context.**

Though the Board acknowledges that the Group has an adequate and effective risk management system and internal controls, there can be no absolute assurance that the Group will not be adversely impacted by unforeseen events since these are often unpredictable in nature, which could be exacerbated by material errors, human lapses and irregularities. However, the Board considers corporate prudence supported by appropriate risk counter-measures and internal controls as fundamental when conducting business affairs.



Further details on StarHub's approach to enterprise risk management can be found in the Risk Management section on pages 103 to 109 of the Annual Report.

# Corporate Governance

## B. AUDIT COMMITTEE

The AC oversees the effective governance of the Group's financial reporting and internal controls to ensure quality and integrity of its financial statements and the adequacy of related disclosures. The internal auditors and the external auditors both report to the AC.

Audit Committee	
Membership	Key Responsibilities
<p><b>Mr Paul Ma,</b> AC Chairman and ID</p> <p><b>Mr Nihal Kaviratne,</b> Lead ID <sup>(1)</sup></p> <p><b>Ms Ng Shin Ein,</b> ID</p> <p><b>Mr Teo Ek Tor,</b> NED <sup>(2)</sup></p> <p>The AC comprises four NEDs, with the majority (including the AC Chairman) being IDs. During FY2022, the AC held four meetings and a private session with the external auditors and internal auditors without Management being present.</p>	<ul style="list-style-type: none"> <li>+ Reviewing and approving quarterly business performance updates and half yearly financial results announcements and financial statements, before recommending to the Board for approval</li> <li>+ Monitoring compliance with relevant statutory and listing requirements to ensure the integrity of the Group's financial statements and reporting, including the relevance and consistency of the accounting principles adopted</li> <li>+ Providing oversight in the design, implementation and monitoring of the system of internal controls (financial controls, compliance with laws and regulations, and information technology (Financial Controls)), working with the RSC as required</li> <li>+ Reviewing and reporting to the Board at least annually on the adequacy and effectiveness of the Group's Financial Controls</li> <li>+ Reviewing the adequacy, effectiveness, 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)</li> <li>+ Reviewing the scope and results of the internal audit and the independence and objectivity of the internal auditors</li> <li>+ 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</li> <li>+ Making recommendations to the Board on the proposals to shareholders for the appointment, re-appointment and removal of the external auditors, and approving the remuneration and terms of engagement of the external auditors</li> <li>+ 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</li> <li>+ Reviewing reports made under StarHub's Whistle Blowing Policy, and where appropriate, directing the investigation of such matters and any follow-up actions to be taken</li> </ul>

<sup>(1)</sup> Mr Nihal Kaviratne will retire from the Board of Directors, including from the AC, at the conclusion of the AGM on 21 April 2023, and will be succeeded on the AC by Ms Nayantara Bali.

<sup>(2)</sup> Mr Teo Ek Tor was appointed as an AC member on 12 February 2022.

The AC members are appropriately qualified to discharge their responsibilities and collectively have strong and recent accounting and related financial 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 the Singapore Institute of Directors).

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 to attend its meetings, and to require Management to provide it with reasonable resources to enable it to discharge its functions properly. After each AC meeting, the AC Chairman reports to the Board on significant matters which have been discussed.

### Key Audit Matters (KAMs)

The significant areas of audit focus in relation to the financial statements for FY2022 are (a) revenue recognition, (b) acquisition of MyRepublic Broadband Pte Ltd (MyRepublic Broadband) and (c) valuation of non-financial assets. During FY2022, 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.

In assessing the KAMs, the AC took into consideration the appropriateness of:

- + Revenue recognition policies and assumptions adopted;
- + Key assumptions applied in determining the fair value of identified assets acquired and liabilities assumed arising from the acquisition of MyRepublic Broadband; and
- + Assumptions and estimates made in valuation of non-financial assets.



*Significant matters that were discussed with Management and the external auditors have been included as KAMs in the Independent Auditors' Report on pages 187 to 192 of the Annual Report.*

### C. EXTERNAL AUDIT

The AC has performed a review of the independence and objectivity of the external auditors, as well as the fees paid for and type of non-audit services provided by the external auditors to StarHub and the Group during FY2022. The AC meets with the external auditors without the presence of Management, at least annually.

The audit and non-audit fees paid/payable to KPMG LLP and its network firms (KPMG) for FY2022 are \$1.1 million and \$0.3 million respectively, as disclosed in Note 24.3 to the Financial Statements for FY2022. The non-audit fees as a percentage of the total fees paid to KPMG for FY2022 would be 28.6%. The non-audit services mainly included tax compliance and advisory services. These constitute permissible non-audit services under the Accountants (Public Accountants) Rules – Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (Accountants Rules). Audit fees refer to fees from audit of financial statements only, while non-audit services refer to all services excluding audit and audit related services permissible under the Accountants Rules.

The AC has evaluated the potential threats to KPMG's independence and objectivity arising from the provision of non-audit services by KPMG to the Group, and the appropriate safeguards that were put in place to mitigate such threats. Such safeguards included:

- + having the non-audit services undertaken by a separate and different KPMG team from the audit team, with no overlap of lead partners on the respective team;
- + StarHub taking management responsibility and decision for the results of the work performed by KPMG;
- + obtaining the AC's approval prior to engaging KPMG to provide any non-audit service that results or may result in the aggregate non-audit services fees exceeding 50% of the Group's total audit and non-audit fees to KPMG for the relevant financial year. When giving its approval, the AC had to be satisfied that the provision of non-audit services does not impinge on the independence of the auditors; and
- + reporting to the AC on a quarterly basis, the nature and extent of non-audit services procured, and the fees to be incurred, both for individual non-audit services and in aggregate, relative to the total audit and non-audit fees of the Group.

In addition, the AC has requested information on and reviewed KPMG's policies and processes for maintaining independence and monitoring compliance with relevant requirements, and KPMG has confirmed its independence as auditors of the Group.



# Corporate Governance

Based on the independence review, **the AC is satisfied that the nature and extent of such non-audit services provided to the Group would not compromise the independence and objectivity of KPMG and that Rules 712 and 715 of the SGX-ST Listing Manual have been complied with.**

Accordingly, and having regard to the adequacy of the resources and experience of the external auditors and the audit engagement partner and staff assigned to the audit, **the AC has recommended to the Board that KPMG be nominated for re-appointment as the Group's external auditors at the upcoming AGM of StarHub.** To further maintain the independence of KPMG and in accordance with Rule 713 of the SGX-ST Listing Manual, the AC ensures that the audit partner in-charge of the Group is rotated every five years. The current audit partner-in-charge had been appointed with effect from 1 January 2021. None of the Directors (including the AC members) or Management is or has in the past two years been a former partner, director or employee of the Group's external auditors.

The AC has also reviewed the appointment of different auditors for its subsidiaries pursuant to Rule 716 of the SGX-ST Listing Manual. **The Board and the AC have confirmed that they are satisfied that the retention of: (a) Deloitte & Touche LLP (Deloitte) as the auditors of Ensign; and (b) PricewaterhouseCoopers LLP (PwC) as the auditors of MyRepublic Broadband, would not compromise the standard and effectiveness of the audit of the Group.**

Deloitte, through its member firms, has provided non-audit tax advisory services to Ensign during FY2022. The Audit and Risk Committee of Ensign has carried out a review of Deloitte's independence, and it is satisfied with Deloitte's independence. Deloitte has further confirmed its independence, within the meaning of regulatory and professional requirements. Appropriate safeguards were also established to address any potential independence threats arising from the provision of non-audit services to Ensign as well as the Group. Such safeguards included (a) assigning a separate and different Deloitte team from the audit team for the provision of non-audit services to Ensign and/or the Group, (b) undertaking an independent internal quality control review with respect to the audit of Ensign and (c) obtaining the StarHub AC's approval before any engagement of Deloitte to perform non-audit services where the total non-audit fees exceed or may exceed 50% of the Group's total audit and non-audit fees for the relevant financial year.



PwC, through its member firms, has carried out the internal audit function of the Group (excluding Ensign) and provided non-audit services to certain subsidiaries of the Group. PwC has confirmed its independence within the meaning of regulatory and professional requirements, and appropriate safeguards were established to address any potential independence threats arising from the provision of non-audit services to MyRepublic Broadband as well as the Group. Such safeguards included (a) assigning a separate and different PwC team from the audit team for the provision of non-audit services, (b) ensuring that both the audit and non-audit services team do not place any reliance on work performed by each other, and (c) obtaining the AC's approval before any engagement of PwC to perform non-audit services.

StarHub's auditor, KPMG, has reviewed the audit work of Deloitte and PwC as part of its overall review of the StarHub subsidiaries' audited financial statements in order to express an opinion on the Group's consolidated statements.

For the Strateq and JOS Groups, they use the same auditors as StarHub, namely KPMG.



*Details of the aggregate amount of external auditors' fees paid for FY2022 and the breakdown for the audit and non-audit services are set out in Note 24.3 to the Financial Statements of the Annual Report.*

## D. INTERNAL AUDIT

The internal audit function of the Group (excluding Ensign) for FY2022 was carried out by PricewaterhouseCoopers Risk Services Pte. Ltd., an independent firm. The internal auditor is guided by the Standards for the Professional Practice of Internal Auditing, prescribed by the Institute of Internal Auditors.

The internal auditor reports to the AC functionally, and to the Chief Executive and the CFO administratively. The appointment, termination and remuneration of the internal auditor are approved by the AC. The internal auditor has unfettered access to all of StarHub's documents, records, properties and personnel, including access to the AC. The AC meets with the internal auditors without the presence of Management, at least annually.

The internal auditor adopts a risk-based auditing approach in developing the annual internal audit plan, which focuses on material internal controls across the Group's business, including financial, operational, compliance and information technology controls. 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.

PwC, though its member firm, also provided external audit services to MyRepublic Broadband. As noted above, appropriate safeguards were established to address any potential independence threats arising from the provision of internal audit services to MyRepublic Broadband as well as the Group.

Ensign maintains an in-house internal audit function, which reports to the Ensign AC. The Ensign internal audit function has unfettered access to all of Ensign's documents, records, properties and personnel, including access to the Ensign AC. The Ensign AC meets with the internal audit function at least annually. The Ensign internal audit report is reviewed by the AC as part of its overall review of the internal audit function of the StarHub Group.

The AC reviews the adequacy, effectiveness, scope and independence of the internal audit function (including the Ensign in-house internal audit function) annually. **For FY2022, the AC is satisfied that StarHub and Ensign maintained an effective internal audit function that is adequately staffed and independent of the audited activities, and that the internal auditor has appropriate standing within StarHub and Ensign respectively to perform its function effectively.**

## E. INTERESTED PERSON TRANSACTIONS

**Interested person transactions (IPTs) entered into by any of the Group entities are governed by the Shareholders' Mandate for Interested Person Transactions (IPT Mandate) as approved by shareholders** annually at StarHub's EGM, as well as the disclosure and shareholder approval requirements under Chapter 9 of the SGX-ST Listing Manual.

StarHub has established review procedures 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 are (b) fair and reasonable. StarHub will also consider factors such as specification compliance, track record, experience and expertise, as well as preferential rates or discounts for bulk purchases. An authorised senior officer who does not have any conflict of interests in relation to the IPT will determine whether the IPT terms and pricing are fair and reasonable. Where possible, competitive quotations or tenders for purchase transactions are procured. StarHub has also put in place procedures to identify interested persons and record and monitor the IPTs entered into by the Group.

All IPTs are subject to review and approval by the appropriate approving authority, including the AC, based on pre-determined threshold limits under the IPT Mandate. If any Director, AC member or authorised reviewing officer has a conflict of interests in relation to an IPT, he or she will abstain from reviewing that particular transaction.

The IPTs are reviewed by the internal auditors on a quarterly basis, and the quarterly audit reports on all such IPTs are provided to the AC. IPT disclosures are made via SGXNET announcements on a half yearly and annual basis at the same time as the Group's half-yearly and full-year results announcements.

**In FY2022, 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 companies.**

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 FY2022.



*Further details on StarHub's IPTs for FY2022 can be found in the Interested Person Transactions and Material Contracts section on page 283 of the Annual Report.*



# Corporate Governance



## 5. SHAREHOLDER RIGHTS AND ENGAGEMENT

StarHub respects shareholders' rights and promotes the fair and equitable treatment of all shareholders. StarHub keeps all our shareholders sufficiently informed of our corporate affairs and activities, including any changes to the Group or our 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 and on the StarHub IR website. StarHub recognises that the timely release of relevant information is central to good corporate governance and assists shareholders to make informed investment decisions.

### A. SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

#### General meetings

All shareholders are entitled to attend and vote at StarHub's general meetings and are afforded the opportunity to participate effectively in the general meetings. If shareholders are unable to attend, they 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 Act 1967, shareholders who are nominee companies, custodian banks or Central Provident Fund agent banks may appoint more than two proxies to attend, speak and vote at the upcoming AGM and at subsequent general meetings.

Notices of general meetings, together with the annual reports or circulars, are generally issued to all shareholders (including foreign shareholders) at least 14 days prior to the scheduled meetings. This provides ample time for shareholders to review the documents ahead of the meetings and appoint their proxies to attend the meetings if they wish. As part of StarHub's commitment towards more environmental-friendly and sustainable practices, StarHub makes our annual reports and circulars available online on the StarHub IR website.

StarHub encourages shareholder participation at general meetings. Shareholders are given the opportunity to seek clarification or direct questions on matters relating to the proposed resolutions. Each specific matter is proposed as a separate resolution, and sufficient information in relation to each resolution is provided to enable

shareholders to vote. An independent scrutineer validates the voting results. At each AGM, the Chief Executive presents an update on the Group's business performance over the preceding financial year. All Directors (in particular the Board Chairman and the respective Chairmen of the Board Committees) together with Management and the external auditors, are present at general meetings.

#### 2022 AGM and EGM

In FY2022, arising from the COVID-19 situation and in accordance with the various legislative measures passed to allow alternative arrangements for general meetings of companies, the AGM and EGM were convened and held by electronic means. Shareholders were afforded the opportunity to participate by:

- + Observing and/or listening to the AGM and/or EGM proceedings via "live" audio-visual webcast or "live" audio-only stream;
- + Submitting questions in advance as well as "live" at the meetings; and
- + Voting "live" at the AGM and EGM respectively, or voting by appointing the Chairman of the AGM and Chairman of the EGM as proxy to vote on their behalf.

Substantial and relevant questions submitted by shareholders were answered prior to the AGM and EGM, and questions asked during the meeting were answered "live" during the AGM and EGM. 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. The minutes record substantial and relevant comments and questions from shareholders, and responses from the Board and Management.

#### 2023 AGM and EGM

In line with the revocation of the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, and guidance by the SGX-ST, the AGM and EGM in FY2023 will be held in person, to give shareholders the opportunity to engage directly with the Board and Management. Details of the 2023 AGM and EGM are set out in a separate announcement released on SGXNet.



## B. ENGAGEMENT WITH SHAREHOLDERS

StarHub remains committed to providing timely, fair, relevant and accurate information regarding the Group's performance, progress and prospects as well as major industry and corporate developments and other relevant information to shareholders and the investment community to enable them to make informed investment decisions.

StarHub solicits and considers the views of shareholders via (a) regular and timely analyst and media briefings throughout the year, (b) frequent interactions between the Management, the StarHub IR team and both retail and institutional investors through investor roadshows and conferences organised by major brokerage firms, the SGX-ST and events organised by StarHub, including an Investor Day on 7 December 2022, and (c) third-party independent perception studies commissioned by StarHub. The StarHub IR team promptly provides feedback garnered from the investment community to senior management and the Board. As part of the Board's annual evaluation exercise conducted by an independent third-party provider, the Board solicits shareholder feedback via one-on-one interviews conducted by Aon Solutions to understand shareholders' perspectives on the effectiveness of the Board on matters relating to shareholder engagement, corporate governance and company management practices.

Apart from SGXNET announcements and the Annual Report, the regularly updated StarHub IR website at IR.starhub.com, 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 such as the corporate group structure. Investors may also elect to be notified of any new updates via an email alert service. New material price-sensitive information such as financial results are released via SGXNET before being posted on the StarHub IR website or the conduct of any media or analyst conferences. This ensures fair and non-selective disclosure of information to all shareholders.

In line with amendments to Rule 705 of the SGX Listing Manual, StarHub had adopted half-yearly announcement of its financial results. The half-year and full-year financial results will contain detailed financial statements, key business drivers and management commentaries on the financial performance of the Group. They will be announced within 45 and 60 days from the end of each respective financial period. Voluntary quarterly business updates containing critical financial and operational data will be published for the first and third quarter of the financial year to give investors insight into the Group's interim business performance.

Shareholders may direct their queries and concerns to the StarHub IR team using the contact particulars listed on the StarHub IR website, and the StarHub IR team will respond promptly and effectively. The StarHub IR team is also prompt in keeping Management fully apprised of shareholder views and sentiments.

Dividends were declared on a half-yearly basis in FY2022, and shareholders were informed of the dividend payments in the respective half year financial results announcements via SGXNET and the StarHub IR website. In determining the dividend, the Board balances the need for a satisfactory return to shareholders against StarHub's investment requirement to ensure sustainable growth. StarHub is committed to its dividend policy to pay out at least 80% of net profit attributable to shareholders (adjusted for one-off, non-recurring items) as dividends, payable on a semi-annual basis. **Taking into consideration short-to-mid term business conditions (including the impact of COVID-19), cash flow and investment requirements, as well as results reaped from the ongoing business transformation initiatives, StarHub expects to declare a dividend per share of at least 5.0 cents for FY2023.**



## 6. MANAGING STAKEHOLDERS RELATIONSHIPS

### Engagement with Stakeholders

**As hybrid meeting arrangements become the norm following COVID-19, StarHub continues to maintain effective stakeholder communication by holding our engagements in different modes, making ourselves more accessible and for greater flexibility.** Events such as Investor Day 2022 have been held physically, while others such as employee townhalls continue to be held virtually. Active engagement with stakeholders enables us to understand our stakeholders' needs, gain better insights on our business risks and opportunities, and create value for all. Our key stakeholders' views have been identified through a stakeholder mapping exercise and are reviewed annually to assess their potential impact on our business. We promote and manage our stakeholder relations through regular and proactive engagement with our stakeholders, at the corporate level and functional divisions across the Group. In FY2022, the Group's key areas of focus in relation to the management of stakeholder relationships included continuing our digital transformation and providing more flexible and customised engagement to connect stakeholders' interests to our business goals.



*Further details on StarHub's communication with our shareholders and other stakeholders can be found in the Investor Relations section and Sustainability Report on pages 110 to 111 and 112 to 176 of the Annual Report respectively.*

# Corporate Governance



## 7. OTHER CORPORATE GOVERNANCE PRACTICES AND POLICIES

### A. DEALINGS IN SECURITIES

#### Insider Trading Policy

StarHub has adopted an enhanced insider trading policy with respect to dealings in StarHub securities by the Directors and Group employees. The policy imposes trading blackout periods which exceed the requirements of the SGX-ST Listing Manual, pursuant to which:

- + All Directors and Group employees are prohibited from dealing in StarHub securities during the period:
  - (a) commencing two weeks prior to the announcement of the Group's business performance update for each of the first and third quarters of our financial year and ending on the date of announcement of the relevant business performance update; and
  - (b) commencing one month prior to the announcement of the Group's half-yearly and 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 business performance updates and the half-yearly and full-year results are prohibited from dealing in StarHub securities during the period commencing one month prior to the announcement of each of the Group's business performance updates and financial results and ending on the date of announcement of the relevant update or results.

All Directors, Management and Group employees are notified by email prior to the commencement of each trading blackout period and upon the lifting of the restrictions after the announcement of the respective business performance updates and financial results. The policy discourages trading on short-term considerations and reminds Directors, Management and Group employees of their obligations under insider trading laws.

#### Share Trading Policy

In addition, in order to facilitate compliance by the Directors and Management, StarHub has adopted a share trading policy which requires them to give prior notice of their intended dealing in StarHub securities to the Chairman and Chief Executive through the Company Secretaries.

StarHub also prohibits the acquisition of any StarHub shares pursuant to our Share Purchase Mandate where a price-sensitive development has occurred or been the subject of a decision, until the development has been publicly announced.

For the issue of new StarHub securities, while the SGX-ST Listing Manual permits the Board to seek a general mandate from shareholders to allot and issue up to 20% of StarHub's total issued share capital other than on a *pro rata* basis to existing shareholders, the Board has continued to voluntarily limit such mandate to 15% only.

In addition, for the specific mandate from shareholders to allot and issue StarHub shares under the RSP and the PSP, the Board has limited the aggregate number of StarHub shares available for grant under the RSP and the PSP 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.

### B. WHISTLE BLOWING POLICY

StarHub adopts a zero-tolerance policy against 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 in a responsible manner, anonymously or otherwise, any concern or complaint in relation to any irregularity, inappropriate behavior, legal or ethical violation or other serious breaches of internal processes. Such reporting channels have been communicated, and include a dedicated whistle blowing email and a direct channel to the AC Chairman and the General Counsel (via email and/or mail).

All complaints will be promptly and thoroughly investigated 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, who will decide 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 due protection against reprisals or victimisation. The Group's Whistle Blowing Policy is available on StarHub's intranet and corporate website for easy access by all employees and the public.



### C. EMPLOYEE CODE OF CONDUCT AND RULES ON BUSINESS CONDUCT

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

- + Employee Code of Conduct and Ethics;
- + Anti-Corruption, Corporate Gift and Hospitality Policy;
- + Supplier Code of Conduct;
- + Responsible Sourcing Policy;
- + Management and Staff Diversity Policy;
- + Purchasing Procedure; and
- + Request for Proposal/Tender Procedure.

These policies and procedures cover (a) business conduct (including employees' compliance with anti-corruption and anti-bribery laws), (b) conduct in the workplace, (c) protection of StarHub's assets, proprietary and confidential information as well as intellectual property, (d) conflicts of interest, (e) anti-corruption and anti-bribery, (f) diversity of Management and staff, (g) non-solicitation of customers and employees and (h) 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. Given the importance of sustainability, StarHub also adopted the Responsible Sourcing Policy, which is aligned with the UN principles for universally recognised principles on human rights, including labour rights, the environment and corruption.

The Employee Code of Conduct and Ethics, the Management and Staff Diversity Policy, the Purchasing Procedure and the Request for Proposal/Tender Procedure are available on StarHub's intranet, while the Anti-Corruption, Corporate Gift and Hospitality Policy, the Supplier Code of Conduct and the Responsible Sourcing Policy are available on StarHub's intranet and corporate website for easy access by all employees and the public.

In addition, employees are also required to undergo a mandatory Code of Conduct e-learning course, and complete an annual declaration which includes the declaring of any potential, apparent or actual conflict of interest between their official duties at StarHub Group, and any other persons or interests.

### D. DOCUMENT CLASSIFICATION POLICY

StarHub's confidential information is one of its most important assets. To this end, StarHub has established a Document Classification Policy to guide employees on how to properly classify and apply the adequate level of protection on the information and documents they are entrusted with that relate to the Group's business, activities and operations. This helps to safeguard such information and documents, and ensures that only appropriate persons have access on a need-to-know basis.

### E. CYBERSECURITY AND DATA PROTECTION

**Cybersecurity and data protection remain key strategic priorities for StarHub, particularly with the acceleration of digital transformation, adoption of cloud technology and new hybrid working model.**

Appropriate cybersecurity and data protection frameworks have been put in place to safeguard our networks/systems and customer and employee data and sensitive and/or confidential information from security risks and breaches, as well as to ensure the Group's compliance with all applicable laws, including the Cybersecurity Act 2018, the Personal Data Protection Act 2012 (PDPA) and sector-specific cybersecurity requirements imposed by the Infocomm Media Development Authority such as the Telecommunications CyberSecurity Code of Practice and the Broadcast CyberSecurity Code of Practice. These cybersecurity and data protection frameworks, which include policies, procedures, guidelines and checklists, are continually enhanced to enable StarHub to address the evolving cyber threats landscape and protect against cybersecurity and compliance risks.

As part of its best practices relating to cybersecurity, StarHub undergoes periodic audits by third party assessors as well as periodic risk assessment to ensure all potential risks are within an acceptable level. The Group continually executes our cybersecurity posture improvement plan from a 'People, Process and Technology' perspective:

**People:** Various cybersecurity virtual workshops and phishing email campaigns are conducted to strengthen our employees' awareness of cybersecurity risks. All StarHub employees are required to go through a series of cybersecurity e-learning modules covering different topics to fortify the last layer of security defense.

**Process:** The existing cybersecurity governance framework has been reviewed and revised. Amongst other things, StarHub has implemented a vulnerability disclosure program (VDP) to enable security researchers to report potential vulnerabilities to StarHub via a publicly accessible website. In FY2023, StarHub will launch a new Bug Bounty Program (BBP) to augment the existing VDP. The BBP will leverage on security professionals and experts to uncover security vulnerabilities in StarHub's Information Technology (IT) applications.

**Technology:** StarHub has implemented different technology stacks to strengthen multilayer defense for both external and internal threats.



# Corporate Governance



The Group, including Ensign, also provides end to end support for all segments within the enterprise sector, including for large enterprises, government, small and medium-sized enterprises, and retail consumers.

As a Critical Information Infrastructure (CII) owner, StarHub continues to strengthen its security posture in compliance with applicable regulatory requirements.

**StarHub has renewed its certification with the Data Protection Trustmark (DPTM)**, which is a voluntary enterprise-wide certification for organisations to demonstrate accountable data protection practices. Adapted from the PDPA, international benchmarks and best practices, the DPTM certification framework requires organisations to have sound data protection policies and practices to manage and protect personal data in accordance with the certification framework.

StarHub also conducts regular reviews of its data protection frameworks and awareness programs to ensure the Group's compliance with all applicable data protection laws and regulations. Notably in FY2022, newly acquired subsidiary companies' data protection processes and management programmes were assessed and improved.



*Further details on StarHub's approach to cybersecurity and data protection can be found in the Data Privacy & Cybersecurity and Online Safety sections of the Sustainability Report on pages 140 to 141 of the Annual Report.*



## F. COMPLIANCE LEAVE POLICY

StarHub has voluntarily put in place a Compliance Leave Policy as an additional risk mitigation measure to enhance corporate governance. The policy is applicable 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 as well as purchasing of goods and services. Under the policy, relevant employees are required to go on mandatory block leave for a period of at least five consecutive working days per calendar year, thereby allowing covering officers to fully step into their duties and act as an additional check and balance against any breaches.

## G. WORKPLACE SAFETY AND HEALTH

StarHub is committed to making continual efforts to support the health, safety and welfare of all our employees in carrying out business activities and operations. In FY2022, StarHub put in place hybrid working arrangements on a permanent basis, allowing greater flexibility and balance for employees. StarHub's Workplace Safety and Health (WSH) Committee continually enhances our work health and safety programme by reviewing policies and procedures to incorporate best practices, in line with applicable laws such as the Workplace Safety and Health Act and regulations.



*Further details on StarHub's approach to workplace safety and health can be found in the Health, Safety and Well-being section of the Sustainability Report on pages 144 to 147 of the Annual Report.*