



## Media Statement

23 June 2015

It is important that our stakeholders and the public have a balanced and complete view of how we remunerate our CEO and senior management.

We have a pay-for-performance philosophy that measures and rewards short-term, mid-term and long-term performance. Short-term performance is measured through a balanced scorecard approach which rates individuals against financial and non-financial KPIs. Mid-term performance is rewarded by a value-sharing bonus which is dependent on the overall economic profit of the group i.e. excess return over risk-adjusted cost of capital. This is a true measure of value creation for our shareholders and is not linked in any way to the vagaries of the stock market. It is important to note that this bonus can be clawed back if Singtel does not continue to deliver sustainable value. Lastly, there is a long-term incentive scheme in the form of performance shares to reinforce the delivery of long-term growth measured by total shareholder returns in relative and absolute terms.

Singtel's total shareholder return for this year's award was 25% compared to 11% for the STI and 12% for the MSCI Asia Pacific Telco index. Our compensation framework ensures an alignment between compensation and performance. The increase in total compensation to the CEO of 11% (19% cash component) reflects the out performance against various plans and their targets, and not profits alone.

As a large and complex business that operates across the region, our compensation is benchmarked against comparable businesses. Three quarters of our earnings come from overseas and this diversification has helped create considerable shareholder value.

We would encourage the media to take a considered view of remuneration matters in striving for higher standards of corporate governance in Singapore.

Simon Israel  
Chairman, Singtel