



SINGAPORE TELECOMMUNICATIONS LIMITED
(Company Registration No. 199201624D)

33rd Annual General Meeting to be held on 29 July 2025
Responses to substantial and relevant questions

Singapore Telecommunications Limited ("Singtel") would like to thank shareholders and the Securities Investors Association (Singapore) ("SIAS") who submitted their questions in advance of our Annual General Meeting ("AGM") which will be convened and held in a wholly physical format, at the Cassia Main Ballroom, Level 3, Sands Expo & Convention Centre, 10 Bayfront Avenue, Singapore 018956 on Tuesday, 29 July 2025 at 10.00 a.m. (Singapore time).

Due to some overlaps in the questions received, we have grouped related and similar questions together and will not be responding to every question individually. Please refer to our responses in Appendix 1.

Mr Yuen Kuan Moon, Group CEO, will also be covering some of these questions/topics in greater depth in his presentation during the AGM. The presentation slides will be made available on Singtel's website at the URL <https://www.singtel.com/about-us/investor-relations/stock-exchange-announcements> and the SGX website at the URL <https://www.sgx.com/securities/company-announcements> on 29 July 2025.

Dated: 24 July 2025

Board/Management

1. **With respect to Optus and the A\$100 million penalty it has recently offered to pay for unconscionable conduct, please explain what measures are in place to ensure management oversight to avert predatory practices that target indigenous and other vulnerable local communities. I understand that Singtel aspires to be a responsible global entity.**
 - Optus acknowledges the impact that the sales misconduct case has on its customers and reputation. We take these matters seriously and are committed to doing better.
 - Under the leadership of Optus' new CEO, Stephen Rue, we have taken decisive actions to address lapses that includes reshaping our executive team, embedding a stronger culture of compliance and governance, and simplifying processes to deliver better customer outcomes.
 - We have launched several interrelated streams of work focused on customer protection, particularly for those most vulnerable. We have introduced new sales remuneration rules, strengthened oversight, and improved how we monitor, detect and prevent misconduct. We are also transitioning select franchise stores back under Optus' control to improve consistency and accountability.
 - Across the business, we are embedding a culture of transparency, accountability and action because we know rebuilding trust takes time, consistency and requires real changes.
 - The Singtel Group has put in place a strong governance model across its operating subsidiaries, including Optus. The Boards and committees of the Operating Companies ("OpCos") have direct oversight of the OpCos' businesses. Over the last few years, Optus' governance has been further enhanced by bringing in new directors and establishing a number of board committees to further support the strong governance and oversight of Optus' operations. The Optus Board comprises industry stalwarts, including John Arthur who was appointed in 2023, Nicky Tan in 2024 and Michaela Browning in 2025. The Optus Board has also established additional Board committees with defined accountabilities, which include the Optus Audit Committee (chaired by John Arthur) and the Risk Committee (chaired by Nicky Tan).
 - In addition to these measures, Optus has also brought on board a new but experienced management team. This includes Stephen Rue as CEO (former CEO of NBN Co), Kathrine Dyer as COO, Tony Baird as Chief Technology Officer, Felicity Ross as Chief Corporate Affairs and Marketing Officer, Anthony Shier as Chief Customer Officer – Consumer and shortly they will be joined by Pieter van der Merwe as Chief Security & Risk Officer. The full profiles of Optus' Directors and Management are detailed on Optus' website at: <https://www.optus.com.au/about/corporate/executive-profiles>.
2. **First, I would like to thank Mr Yuen Kuan Moon for his leadership and for helping to build confidence in Singtel's shares during his tenure as CEO. That said, I note that the total aggregate remuneration paid to all Key Management Personnel - including the CEO - amounted to approximately S\$29.3 million. In this context, could the Board, specifically the ERCC, clarify the following:**
 - a) **Has the ERCC considered peer companies of similar financial size and operational complexity - at both the Group and Operating Company levels - when determining overall compensation (not just base salary) for Key Management?**
 - b) **If so, could the ERCC disclose examples of comparable compensation packages from these peer companies that were used as benchmarks?**
 - c) **If not, could the ERCC explain why such peer comparisons are only applied to base salary and not to total compensation, which includes cash bonuses and share awards?**

- As disclosed in Singtel's Annual Report 2025 (page 75), the Executive Resource and Compensation Committee (ERCC) engaged Willis Towers Watson, an independent remuneration consultant, to conduct a comprehensive Executive Remuneration Benchmarking exercise for Singtel's senior management team, including the Group CEO and other Key Management Personnel.
 - The benchmarking covered all components of total remuneration, including fixed pay, short-term incentives (cash bonuses) and long-term incentives (such as share awards). Peer comparisons were made with companies of comparable financial scale and operational complexity, encompassing both Singapore-listed firms and regional/global peers in relevant industries.
 - This robust and market-aligned benchmarking process ensures that our remuneration framework remains competitive while promoting performance, accountability, and long-term shareholder value.
3. **The annual report states that "Allen & Gledhill (A&G) provides legal services to, and receives fees from, the Singtel Group". In this regard, can the Board / relevant Board committee clarify on the following points:**
- a) **Has the Nominating Committee (i.e. Corporate Governance and Nominations Committee) applied Practice Guidance 2 (Board Composition and Guidance) of the Code of Corporate Governance in its assessment of whether Ms Tan Tze Gay continues to be considered an independent director of the Group?**
 - b) **What were the total fees paid by the Group to A&G for legal services in each of the most recent financial years? Have any such fees exceeded S\$200,000 per financial year?**
 - c) **Were these legal services and associated legal fees agreed on an arm's length basis?**
 - d) **Has Ms Tan Tze Gay recused herself from any discussions or decisions relating to the appointment or engagement of A&G by the Group?**
- The Corporate Governance and Nominations Committee ("CGNC") took into account Practice Guidance 2 in its assessment of whether Ms Tan Tze Gay continues to be considered an independent director of the Group. In particular, the CGNC considered the fact that Ms Tan does not hold a 5% or more interest in Allen & Gledhill (A&G). In any event, the legal services provided by A&G to the Singtel Group and associated legal fees (which were neither material nor significant in the context of both A&G and the Singtel Group during the financial year under review) were agreed on an arms' length basis and Ms Tan was not involved in any discussions or decisions relating to the appointment or engagement of A&G by the Singtel Group.
4. **Why did the board and management choose to do a share buyback over special dividend or a combo share buyback and special dividend, to return excess capital to shareholders?**
- The Board and Management carefully considered various capital return options and determined that a share buyback enhances long-term shareholder value.
 - While special dividends are typically one-off in nature, Singtel's inaugural Value Realisation Share Buyback (VRSB) programme offers a more sustained and strategic approach. It complements our existing dividend framework—which includes both the core dividend (70%–90% of underlying net profit after tax) and the Value Realisation Dividend (VRD) of 3–6 cents per share annually.

- The buyback programme is also designed to be accretive to earnings per share and dividend per share as we intend to cancel the shares that are bought back.

5. Why is there inadequate or lack of representation of disabled and racial minority communities in your Board and Senior Management (Singtel has committed to promote diversity and has received shareholder funds from Singapore citizens of all communities)?

- Singtel is committed to board and leadership diversity as a core governance principle. Since 2016, we have adopted a Board Diversity Policy to ensure a broad mix of perspectives, skills, experience, gender, age, ethnicity, and background. Diversity is a key criterion in Board succession planning. Ultimately, Board and Senior Management appointments are made based on merit and the collective capability to meet evolving business and market demands.
- In terms of specific minority groups like persons with disability, our approach to ensuring a diverse stakeholder lens takes the form of active engagement in the disability sector in terms of policy, inclusive employment and community.
- Singtel has been a long-standing advocate in the disability sector, including:
 - Serving on the 3rd Singapore Enabling Master Plan committee to shape national strategies for the disability sector, and on National Council of Social Service's 4ST Strategic and Implementation Committee to shape the social services transformation roadmap which includes the disability sector.
 - Co-founding and co-chairing the Singapore Business Network on Disability (SBNoD) in 2015 to mobilise corporate support for inclusive employment, in partnership with SG Enable. SBNoD now has over 40 corporates actively involved.
 - Pioneering the Enabling Innovation Centre at the Enabling Village in 2015 to train persons with disabilities in tech and contact centre skills and promote workplace assistive technologies.
 - Donating over S\$60 million since 2002 to support the education of children with special needs.
- This multi-pronged stakeholder engagement strategy strengthens our inclusive culture.

6. What are the measures in place to protect and incentivise whistleblowers?

- Singtel has a robust whistleblower programme that protects and encourages individuals, both employees and external parties, to report suspected misconduct, fraud, or unethical behaviour. These reports can be made through secure, confidential and independently managed channels in Singapore and Australia.
- We are committed to protecting whistleblowers' identities and ensuring there is no retaliation, to foster a speak-up culture across the Group. All reports are reviewed and investigated by an independent team. Where allegations are substantiated, firm actions are taken which can include employee dismissal, vendor disqualification, or escalation to authorities. The programme is reviewed annually, and ongoing training and communication efforts are in place to reinforce trust, accountability, and ethical conduct.
- In FY2025, 100 reports were received via whistleblower channels. An additional 78 allegations were surfaced through other channels such as compliance checks and law enforcement investigations. Of these combined cases, 72 cases were substantiated, while 37 cases remained under investigation as at 31 March 2025.

Group

7. Can the Board/Management comment on its current position and strategic intentions regarding the Group's holdings in Singapore Post Limited, particularly in light of SingPost's recent divestment of its Australian business and the governance concerns arising from recent scandals involving key management?

- As a holder of a 22% stake, we encourage the SingPost board and management to ensure the sustainability of the business and to continue to explore value creation opportunities for shareholders. For example, we were supportive of the recent divestment of their Australian business, allowing them to concentrate on their core Singapore market. Moreover, we support the company's recent efforts for board renewal and look forward to support the newly appointed directors as they search for a CEO. We also have a non-executive, non-independent director on SingPost's Board as our representative.
- In issues related to corporate governance, Singtel expects that SingPost will address all issues related to corporate governance and ensure stakeholder interests are protected.

Connectivity Business

8. Can you provide an update on Optus regarding the November 2023 outage in Australia and efforts to restore customer trust?

- Since the outage, Optus has conducted a review of its systems and processes and has made important changes to strengthen the reliability and performance of the network.
- Optus has already paid a A\$12 million penalty for the incident, effectively bringing this matter to a close.
- There is an extensive program of work underway to reset Optus' relationships with critical stakeholders, including government and media, and to engage with the industry on key policies and regulatory issues that shape its operations. Optus is also strengthening communications with customers and the community on key issues important to them including:
 - Customer first connectivity - which means seamless and exceptional services, products and experiences that put people first.
 - Network resilience - ensuring consumers can rely on the security and the performance of Optus' network.
 - Community - building real connections that matter and make a difference to the local communities and businesses Optus serves.
 - Digital safety - Providing the guidance, expert advice and protections that help customers navigate the ever-changing global environment.
- Rebuilding trust and strengthening reputation is an ongoing priority for Optus management and we are already seeing some improvements in Optus' reputation metrics.

9. Compared to pre-Covid, Optus' revenue is lower by ~9%, while EBIT is lower by 65%. Why hasn't EBIT recovered close to pre-Covid levels?

- Optus' EBIT has been impacted from a combination of structural and market-specific factors that have reshaped the Australian telco landscape over the past few years.

- Fixed line profitability has declined due to the migration of customers to the National Broadband Network, while the rise of new players in both the fixed line and new entrants to the MVNO markets has led to significantly increased competition.
- That said, Optus is now on a recovery path. In FY25, Optus delivered a 55% increase in EBIT, driven by improvements in its mobile business and disciplined cost management.
- Going forward, in FY2026, Optus is expected to be a key driver of the Group's EBIT, supported by ongoing cost reduction efforts, rational pricing in mobile and broadband sectors, and further streamlining of the product portfolio.

Growth engines

10. How are NCS and Nxera going to achieve the target of 20% EBITDA contributions to the Group by FY 2028? Through acquisitions?

- NCS and Nxera are both executing multi-pronged strategies to scale profitably and sustainably under the Singtel28 plan. The increase in EBITDA contribution will be supported by a combination of organic growth, strategic partnerships, and targeted acquisitions.
- NCS is expanding across Asia Pacific and deepening its presence in Gov+ and Enterprise segments. It is actively improving profitability through cost-to-serve optimisation, offshoring, automation, and delivery margin improvements. Previous acquisitions have helped strengthen its digital and cloud capabilities, and NCS continues to invest in AI and digital resilience.
- Nxera is on track to double its EBITDA by end-2028, driven by new data centre builds in Singapore, Thailand, Batam and Johor within these couple of years. It is seeing strong customer demand and is investing in infrastructure that can support advanced AI workloads. Strategic partnerships, including with KKR, are enabling Nxera to grow via efficient use of capital, given the capital-intensive nature of the business.

11. Can the Board elaborate on its strategy for continually investing into the highly competitive digital banking sector, specifically through ventures like GXS Bank? How do such ventures align with and complement the Group's core telecommunications business? Is the Board considering a future IPO or spin-off of such digital ventures as a means to unlock shareholder value and allow these businesses to pursue independent growth trajectories?

- Singtel's investment in GXS Bank represents a strategic extension of its telco ecosystem. GXS Bank is able to leverage this advantage to deliver differentiated products to both retail and small-medium enterprise customers, creating value for both Singtel and GXS.
- This ecosystem-first approach creates natural touchpoints for customer acquisition and reduces customer acquisition costs that traditional banks typically face. By embedding banking services within existing customer journeys within our Singtel apps, GXS can offer more personalized financial products based on rich ecosystem data. As part of a regional network of digital banks outside of Singapore, GXS works closely with GXBank, its digital bank subsidiary in Malaysia and Superbank, a digital bank in Indonesia, to expand banking opportunities to the larger population of underserved individuals and businesses in these markets. GXS is complementary to Singtel's core business and is expected to breakeven as a group by end 2026.
- There are currently no announced plans for an IPO or spin-off of GXS Bank. Having said that, we will consider all options to unlock shareholder value and act in the interests of shareholders at all times.

Sustainability

- 12. Referring to the Group's latest sustainability report, it is noted that more than 50% of all reported staff grievances and whistleblower reports originate from Optus. Could the Board clarify the reasons behind this disproportionately high volume for such cases against Optus? Specifically, are there any systemic or cultural issues within Optus been identified as contributing factors?**
- The Singtel Group, including Optus, places strong emphasis on ethical conduct and responsible business practices across all levels of staff and contractors. Regular training is conducted on topics such as anti-bribery and corruption, fraud identification, and ethical decision-making.
 - In addition, employees, contractors, and suppliers are consistently reminded of the channels available to escalate concerns, including independently operated whistleblower hotlines. All reports are treated seriously and are thoroughly investigated by our Internal Audit, Employee Relations, and Fraud teams.
 - Optus contributes approximately half of the Group's revenues, with proportional contributions reflected in related metrics, including whistleblower cases. Operating across a larger geographic distribution in Australia also means we have to strengthen our governance and investigations. Optus has also actively promoted a 'speak up' culture through its formal behaviours.
 - The organisation has undergone significant transformation, led by management initiatives and efforts, and the Optus Board closely monitors these matters and ensures that culture and conduct audits are undertaken regularly to assess whether reported issues are isolated or indicative of broader systemic challenges.
- 13. The Group's sustainability report notes that only 71% of employees recognise opportunities for personal and professional development, compared to 82% who see meaningful value in their work. This suggests that approximately 29% (or around 7,000 employees) do not perceive clear development pathways within the organisation. Given that a strong sense of purpose is already present among most employees, what specific measures are being taken to close this gap and enhance development opportunities? Closing this gap would not only improve employee satisfaction and retention but also contribute to long-term value creation and stronger returns for all stakeholders.**
- While 71% see opportunities, it does not imply that the 29% do not as they may not have sufficiently reflected on where these opportunities are.
 - We have in place various upskilling schemes. Through our corporate learning academies, including Singtel 8George, NCS Dojo, OptusU, and the Data Centre Academy, we offer targeted programmes across four key areas: Personal Excellence, Tech Acceleration, Leadership Excellence, and Future Readiness. Our programmes also cover personal financial literacy, mental well-being, physical well-being and learning festivals/events.
 - The Group invests around S\$20 million in training each year, and over 820,000 training hours were completed in FY2025, averaging about 39 hours per employee.
 - To further support career growth, we have launched the BIG Marketplace, a Group-wide platform that connects employees to internal roles, short-term projects, and skills-based learning. We have also removed grade and tenure restrictions to widen employees' access to more opportunities. This has led to about 25% increase in internal applications and more roles being filled from within the organisation.

- These efforts are designed to build a culture of continuous growth, improve employee satisfaction, and support long-term value creation for all stakeholders.
- The Singtel Group measures employee engagement annually through the Your Voice Survey (YVS), which forms part of our leadership KPIs. For FY2025, the Group registered an overall employee engagement score of 72%, placing us above the global average.