

Corporate Governance

Performance Share Award (PSA)

The Performance Share Award (PSA) has a three-year performance period from 1 April 2014 to 31 March 2017. Shares are allocated according to the following performance conditions:

- 50% based on SingTel Group's Relative Total Shareholder Return (Relative TSR) – TSR relative to the MSCI Asia Pacific Telecommunications Index; and
- 50% based on SingTel Group's Absolute Total Shareholder Return

(Absolute TSR) – Absolute TSR achieved against predetermined targets.

Details of the PSA vesting schedule are shown in Figure B below.

The above performance conditions were chosen as they are key drivers of shareholder value creation and aligned to the Group's business objectives.

Special provisions for vesting and lapsing of awards apply for events such as the termination of employment, misconduct, retirement

and any other events approved by the ERCC. Upon occurrence of any of the events, the ERCC will consider, at its discretion, whether or not to release any award, and will take into account circumstances on a case-by-case basis, including (but not limited to) the contributions made by the employee.

SingTel employees are prohibited from entering into transactions in associated products which limit the economic risk of participating in unvested entitlements under SingTel's equity-based remuneration schemes.

Figure A: Restricted Share Award (RSA) Vesting Schedule

Group NPAT (50%)		Group FCF (50%)	
Performance	Vesting Level ^	Performance	Vesting Level ^
Stretch	130%	Stretch	130%
Target	100%	Target	100%
Threshold	50%	Threshold	50%
Below Threshold	0%	Below Threshold	0%

^ For achievement between these performance levels, the percentage of shares under this tranche that will vest would vary accordingly.

Figure B: Performance Share Award (PSA) Vesting Schedule

Relative TSR (50%)		Absolute TSR (50%)	
Performance*	Vesting Level ^	Performance	Vesting Level ^
–	–	Stretch	200%
≥ +7.00%	100%	Target	100%
+2.00%	50%	Threshold	30%
< +2.00%	0%	Below Threshold	0%

* Percentage outperformance against the MSCI Asia Pacific Telecommunications Index.

^ For achievement between these performance levels, the percentage of shares under this tranche that will vest would vary accordingly.