

CORPORATE GOVERNANCE REPORT

As at 31 March 2022

The Board of Directors (the “Board”) and Management of Singapore Life Holdings Pte. Ltd. (the “Company”) and its subsidiaries (the “Group”) are committed to high standards of corporate governance in its dealings with all stakeholders, including policyholders.

Since the designation of the Company as a financial holding company by the Monetary Authority of Singapore (“MAS”) on 30 November 2020, the Company has adopted the corporate governance practices that conform with the Insurance (Corporate Governance) Regulations 2013 and any exemptions thereto (collectively, the “CG Regulations”), as well as the MAS Guidelines on Corporate Governance for Financial Holding Companies, Banks, Direct Insurers, Reinsurers and Captive Insurers which are incorporated in Singapore issued on 3 April 2013 (the “MAS CG Guidelines”).

This corporate governance report (the “Report”) sets out the corporate governance practices for financial year (“FY”) 2021 which conformed with the CG Regulations and MAS CG Guidelines.

BOARD MATTERS

Principle 1: The Board’s Conduct of Affairs

The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company.

The primary function of the Board is to provide entrepreneurial leadership and direction within a framework of prudent and effective controls which enable risks to be assessed and managed. The Board is responsible for organizing and directing the affairs of the Company in a manner that is most likely to meet the Company’s objectives and promote the success of the Company for the benefit of its shareholders. This is done in a way, which is consistent with its constitution (the “Constitution”), applicable regulatory requirements and current corporate governance practice and to safeguard customers’ interests.

The Board’s Terms of Reference (“TOR”) set out its role and responsibilities as well as reserved matters requiring its approval. These include business plans, appointment or termination of any member of Senior Management, material litigation, guarantees, capital expenditure, financing, shareholder transactions, risk management, target solvency ratio and brand.

The Board ensures that corporate governance frameworks and systems are in place across the Group and that they remain relevant and effective.

All Directors have objectively discharged their duties and responsibilities at all times as fiduciaries in the interests of the Company. Directors with conflicts of interest recuse themselves from discussions and decisions involving these issues of conflict.

The respective TOR of the Board and the Board Committees give clear guidelines on matters which require the Board’s or Board Committees’ approval, as well as matters for which the Board or Board Committees must be informed on a regular basis.

Board Committees

The Board has established a separate Audit Committee (“AC”), Risk Committee (“RC”), Digital and Technology Committee (“DTC”), Nomination Committee (“NC”) and Remuneration Committee (“RemCo”) with clear written TOR, to assist in carrying out more effectively, its oversight of the operations and business affairs of the Group. The Board Committees are also actively engaged in assisting the Board to ensure compliance with good corporate governance practices. The chairpersons

of these Board Committees report on the decisions and significant matters discussed at the respective Board Committees to the Board on a quarterly basis. The duties and responsibilities of the various Board Committees are set out in this Report. The Board may form other Board Committees from time to time. The composition and details of the principal duties and responsibilities of the Board Committees are set out in the Report.

Board/Board Committee Meetings and Attendance

The Board and Board Committees meet at least four times a year to review the performances of the business and of executive officers¹ (the “Executive Officers”), key activities and to consider business proposals of a significant nature. At the request of any Director, the secretary of the Company (the “Company Secretary”) may call an additional Board or Board Committee meeting as and when necessary. The Constitution permits Directors to participate via audio or video conference.

The Board meets at least annually to review and deliberate on strategy with Senior Management. The strategy meeting in FY 2021 was held in November 2021 during which the Board and Senior Management held in-depth discussions and the Board endorsed the Company’s strategic direction and objectives.

The table below sets out the number of meetings of the Board and Board Committees held by the Company and attended by each Director throughout 2021.

	Board	Audit Committee	Risk Committee	Digital and Technology Committee	Nomination Committee	Remuneration Committee
No. of meetings held in 2021	7	6	5	4	7	7
Raymond Ferguson	7	-	-	3	7	7
Pearlyn Phau ⁽ⁱ⁾	3	-	-	-	-	-
Walter de Oude	7	-	-	4	-	-
Dr Teh Kok Peng	7	-	-	-	2	7
Dato’ Dr Nirmala Menon	7	6	5	4	-	-
Maya Hari	7	-	-	4	5	6
Shirish Apte	6	6	5	4	-	-
Yap Chee Keong ⁽ⁱⁱ⁾	2	2	2	-	-	-
Mel Carvill ⁽ⁱⁱⁱ⁾	-	-	-	-	-	-
Dominic John Picone	7	-	5	4	7	7
David Gelber	7	6	-	-	-	-
Kenji Yoneda	7	6	5	-	6	7
Randy Lianggara ^(iv)	2	-	-	-	2	3

(i) Appointed as Executive Director and Group Chief Executive Officer (“CEO”) on 19 July 2021. She attended all Board and Board Committee meetings

(ii) Appointed as Independent Non-Executive Director on 25 August 2021

(iii) Appointed as Independent Non-Executive Director on 21 February 2022

(iv) Appointed as Non-Executive Director on 25 August 2021

Induction and Continuous Professional Development

Upon appointment, each Director is provided with a formal letter of appointment and a copy of the Onboarding Pack (which includes information on a broad range of matters relating to the role, duties and responsibilities of a Director). Newly appointed Directors are inducted into the Company and briefed on its structure and principal activities, strategies, responsibilities of key management

¹ The Company’s Executive Officers are the Group CEO, the direct reports of the Group CEO on the Company’s Executive Committee, and the direct reports of the Group CEO who perform control job functions as defined by the Insurance (Corporate Governance) Regulations 2013. Any employee directors would be expected to fall within this definition.

personnel, financial and governance practices. They are also issued with the Constitution, Board and Board Committees TOR and are expected to be familiar with the terms and the Company's corporate governance principles.

All Directors are given continuous professional training, funded and arranged by the Company, to ensure that they are equipped with the appropriate skills and knowledge to perform their roles on the Board and the Board Committees effectively. Throughout their tenure in office, Directors are also regularly updated on the Company's businesses and the regulatory and industry specific environment in which the Company operates. Directors are encouraged to attend training and professional development programmes which include forums and dialogues with experts and senior business leaders on issues facing boards and board practices.

Principle 2: Board Composition and Guidance

There is an appropriate level of independence and diversity of skills and backgrounds in the Board's composition. No one individual has dominated the Board's decision making.

Board Composition and Independence

As at the date of this Report, the Board comprises:

Mr Raymond Ferguson (Chairman and Independent Non-Executive Director)

Ms Pearlyn Phau (Executive Director and Group CEO)

Mr Walter de Oude (Founder Director, Non-Executive Director)

Dr Teh Kok Peng (Independent Non-Executive Director)

Dato' Dr Nirmala Menon (Independent Non-Executive Director)

Ms Maya Hari (Independent Non-Executive Director)

Mr Shirish Apte (Independent Non-Executive Director)

Mr Yap Chee Keong (Independent Non-Executive Director)

Mr Mel Carvill (Independent Non-Executive Director) (appointed on 21 February 2022)

Mr Dominic John Picone (Non-Executive Director)

Mr David Gelber (Non-Executive Director)

Mr Kenji Yoneda (Non-Executive Director)

Mr Randy Lianggara (Non-Executive Director)

The Board conducts a review and determines the independence of its Directors on an annual basis. Under the CG Regulations, an independent Director in the Company is one who is (i) independent from management and business relationships with the Group; (ii) the substantial shareholders of the Company; and (iii) has not served for more than nine years on the Board. He/She is also independent in conduct, character and judgement.

Under the CG Regulations, the Board is required to be formed from a majority of independent Directors. Seven out of 13 Board members are Independent Directors. Mr Raymond Ferguson, Dr Teh Kok Peng, Dato' Dr Nirmala Menon, Ms Maya Hari, Mr Shirish Apte, Mr Yap Chee Keong, and Mr Mel Carvill are Independent Directors. No alternate Director is appointed. Key information regarding Directors is available on the Singlife website. The Board is of the view that the current Board and its Board Committees are able to facilitate effective decision-making, taking into account the scope and nature of the operations of the Group.

The Directors bring a wide range of commercial and financial experience to the Board. Together, they possess competencies in finance, business/management, actuarial science and strategy. The Non-Executive Directors constructively challenge and help develop the Company's strategy. They also review business performance, including the performance of Senior Management, against the agreed goals and objectives. The Board, through its NC, assesses the diversity of its members' competency

profiles, including gender representation, and determines the collective skills required for the Board and the Board Committees to discharge their responsibilities effectively.

Principle 3: Chairman and Chief Executive Officer

There is a clear division of responsibilities between the leadership of the Board and Management. No one individual represents a considerable concentration of power.

The roles and responsibilities of the Chairman and Group CEO are separate and distinct and are set out in the Board approved TOR.

The Chairman is an Independent Director responsible for the leadership of the Board, the management of Board meetings and the business undertaken at the Board meetings. His principal responsibilities include approving the agenda of the Board, monitoring the quality and timeliness of the flow of information to the Board, and promoting effective communication and constructive relationships between the Board and Senior Management.

The Group CEO is an Executive Director responsible for the overall management of the Company and the implementation of the Company's strategies and plans, as well as oversight of the day-to-day operations of the Company. She is assisted by Senior Management, which comprises the Group Management Committee, in the execution of these responsibilities.

The Board has not appointed a lead Independent Director as the Chairman and the CEO are separate individuals. Although the Board does not have a lead Independent Director, the Independent Directors make up more than half of the Board. As such, the Board is satisfied that there is a strong independent element to contribute to effective decision making in the best interests of the Company. The Independent Directors are available to shareholders as a channel of communication between shareholders and the Board and/or Senior Management. Lead by the Chairman, the Independent Directors meet at least annually without the presence of the other Directors and Management.

Principle 4: Board Membership

There is a formal and transparent process for the appointment and re-appointment of Directors to the Board

Process for Appointment of New Directors

The Company has established the NC to make recommendations to the Board on all appointments. As of the date of this Report, the NC comprises Mr Raymond Ferguson (Chairman), Dr Teh Kok Peng, Ms Maya Hari, Mr Mel Carvill (appointed on 21 February 2022), Mr Dominic John Picone, Mr Kenji Yoneda and Mr Randy Lianggara. The majority of the NC members, including the Chairman, are Independent Directors.

The NC identifies candidates and reviews nominations for appointment or re-appointment and determining the criteria applied in identifying a candidate. Issues to be considered for appointment or re-appointment include composition and progressive renewal of the Board and each Director's competencies, commitment, contribution and performance (e.g. attendance, preparedness, participation and candour) including, if applicable, as an Independent Director. An Independent Director shall hold office for a term of three years, to be renewed every three years subject to, among others, meeting independence criteria under CG Regulations.

The NC reviews and considers the appointment and resignation of Directors, Group CEO, Group Chief Financial Officer ("GCFO"), Group Chief Risk Officer ("GCRO"), Appointed Actuary and Certifying Actuary and other Senior Management candidates as defined by its TOR.

The NC conducts annual assessment of the independence of Directors and determines whether each Director remains qualified for office. The NC has determined that the Company's Independent Directors are currently Mr Raymond Ferguson, Dr Teh Kok Peng, Dato' Dr Nirmala Menon, Ms Maya Hari, Mr Shirish Apte, Mr Yap Chee Keong and Mr Mel Carvill. A member of the NC would recuse himself or herself when the NC deliberates upon his or her independence.

Directors may serve on multiple boards, if they are able to demonstrate satisfactory time commitment to their roles at the Company.

The NC evaluates the balance of skills, knowledge and experience of the Board and Senior Management and identifies the roles and capabilities required, taking into account the environment in which the Company operates. All Directors shall fulfill the fit and proper criteria in accordance with the CG Regulations and the MAS CG Guidelines.

The NC is also responsible for the oversight of talent development throughout the Company, including a sufficient pipeline of talent available to achieve the Company's current and future strategy.

Principle 5: Board Performance

There is an annual assessment of the effectiveness of the Board as a whole and its Board Committees and the contribution by each Director to the effectiveness of the Board.

It is intended that the evaluations of the Board and Directors are conducted annually by the NC. Each Director is expected to evaluate the Board's performance and its Board Committees, the contribution by the Chairman and hold them to account. The assessment of the contributions of individual Directors to the effectiveness of the Board will also be performed annually. A member of the NC would recuse himself or herself when the NC deliberates upon his or her performance.

For FY 2021, given that the Board was newly formed on 30 November 2020, and there were numerous director movements, a formal assessment will be postponed to 2022.

Principle 6: Access to Information

Directors are provided with complete, adequate and timely information prior to meetings and on an on-going basis to enable them to make informed decisions and discharge their duties and responsibilities.

The Board is provided with relevant information on a timely basis prior to Board and Board Committee meetings. This enables Directors to make informed decisions to discharge their duties and responsibilities. In addition to receiving complete, adequate and timely information on Board affairs and issues requiring the Board's decision, the Board also receives information on an ongoing basis.

Management provides the Board with ongoing reports relating to the operational and financial performance of the Company, as well as updates on market developments and trends. In line with the Company's ongoing commitment to minimise paper waste and reduce its carbon footprint, Board papers and related materials are uploaded onto a secure online portal at least one week prior to each Board or Board Committee meeting, to allow Directors to prepare for the meetings and to enable discussions to focus on any questions or issues that they may have or identify. This initiative enhances information security as the papers are made available through an encrypted system.

Directors have direct access to the Company Secretary and to Senior Management at all times. Directors also meet regularly with Senior Management where appropriate.

The Company Secretary supervises and advises the Board on all governance issues, corporate and administrative matters, as well as facilitating orientation of new Directors and assisting with professional development of existing Directors as required. She is also responsible for, among other things, ensuring that Board procedures are observed and that the Company's Constitution and applicable laws and regulations are complied with. The Company Secretary assists the Chairman in ensuring good information flows within the Board and its Board Committees.

The Company Secretary or secretary of the respective Board Committees attends all Board and Board Committee meetings and prepares minutes of proceedings. The appointment and removal of the Company Secretary is subject to the approval of the Board as a whole.

Directors have the right to seek independent professional advice as and when necessary to enable them to discharge their duties

REMUNERATION MATTERS

Principle 7: Procedures for Developing Remuneration Policies

There is a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual Directors.

The Board has established a RemCo which makes recommendations to the Board on the overall remuneration policy for the Company and the employment, remuneration, reward and benefits of the Company's Executive Officers.

As at the date of this Report, the RemCo comprises Dr Teh Kok Peng (Chairman), Mr Raymond Ferguson, Mr Mel Carvill (appointed on 21 February 2022), Ms Maya Hari, Mr Dominic John Picone, Mr Randy Lianggara, and Mr Kenji Yoneda. The majority of the RemCo members, including the Chairman, are Independent Directors, to ensure that the Company's remuneration policy does not give rise to conflicts of interest between the Company's objectives and the remuneration of Executive Officers. In addition, the RemCo includes at least one member from the Company's RC, to ensure that remuneration practices do not create incentives for excessive or inappropriate risk taking.

Development of policies and approval of Executive Officers' remuneration outcomes

The RemCo approves the remuneration framework for the Executive Officers, which includes:

- approach to base pay on appointment and promotion;
- executive benefits, including cash allowances and benefits-in-kind;
- the bonus framework for rewarding Executive Officers for delivering short-term objectives; and
- the long-term incentive, which aligns Executive Officers to the Company's long-term interests.

The remuneration framework for Executive Officers is formulated to ensure that Executive Officers are compensated in line with their individual performance and the performance of Company. It is designed to incentivize the achievement of the Company's short to mid-term business plans and the Company's long-term strategic goals, underpinned by the Company's Purpose and Values, all within a framework of prudent and responsible risk management. The Executive Officers are expected to achieve both financial and non-financial objectives, which are agreed with the Board every year.

The RemCo endorses Executive Officers' pay outcomes annually and determines packages upon hire. It also endorses the remuneration packages for Independent Directors.

External advisors

The RemCo does not have an appointed independent advisor. During 2021, the RemCo received ad-hoc external support from the following list of advisors, all of whom are considered independent.

Name of advisor	Advice provided
Willis Towers Watson	Benchmarking information
Aon McLagan	Benchmarking information
Mercer	Benchmarking information
TSMP Law	Legal advice related to reward and the role of directors

Termination packages for Executive Officers

Executive Officers who leave the Company by means of (i) resignation or poor performance, or (ii) who are dismissed, do not receive termination payments. Executive Officers whose roles are made redundant are offered a non-contractual payment for loss of office on the same terms as other employees.

Principle 8: Level and mix of remuneration

The level and structure of remuneration are aligned with the long-term interest and risk policies of the Company, and are appropriate to attract, retain and motivate the Directors and Executive Officers

Overall level of remuneration for Executive Officers

The Company offers remuneration packages to Executive Officers at a level needed to recruit and retain individuals with appropriate skills and experience. Base salaries are reviewed annually with changes effective on 1 April each year. Key factors influencing increments are overall affordability, external market data, and internal equity. The Company benchmarks Executive Officers' salaries against the Insurance, Banking and High-Tech sectors. The Company targets salary positioning around the median of these sectors, considering the candidate's experience and expertise.

Linking Executive Officers' remuneration outcomes to corporate and individual performance

A significant portion of the remuneration package for Executive Officers is linked to Company and individual performance, through the Annual Bonus and Management Equity Incentive Plan ("MEIP").

Annual Bonus

The on-target bonus for Executive Officers ranges from 45% of salary (for the less senior Executive Officers) and rises to 100% of salary for the Group CEO. The overall bonus pool for 2021 was determined based on Embedded Value and Value of New Business performance metrics, with a quality of earnings underpin which incorporated Risk, Digital, People and EGS metrics. This approach was developed with the Board and the Company's shareholders to ensure that remuneration outcomes are aligned with the interests of shareholders and promote the long-term success of the Company.

For 2022 a balanced scorecard approach has been agreed.

Allocations from the bonus pool were made by the Group CEO (for the other Executive Officers) and the Chairman (for the Group CEO) based on the achievement of personal objectives linked to each Executive Officer's area of work. These recommendations are reviewed and endorsed annually by the RemCo prior to payment.

Management Equity Incentive Plan

The MEIP is a long-term incentive plan for critical executive level management. MEIP awards have a five-year time horizon, with tranches vesting annually. Awards are option based, so that Executive Officers only benefit from the MEIP if the Company's valuation increases between the time of grant and the vest date, strongly aligning Executive Officers to shareholders' interests. In addition, to further align Executive Officers to shareholders' interests, 50% of the options are subject to an Embedded Value performance condition. The remaining 50% of options are subject to time-based vesting conditions.

Remuneration of Independent Directors

The Company's Independent Directors are paid Directors' fees which are reviewed regularly. Considerations such as the Director's effort, time spent, and responsibilities are considered during the review.

Role		All-in (US\$)	Annual retainer (S\$)
Board Chairman		300,000	-
Board		-	100,000
First Board Committee	Member	-	40,000
Additional Board Committee	Member	-	20,000
Board Committee	Chairman	-	20,000
Attendance fee for each day of attending any Board and/or Board Committee meeting		-	1,000

Principle 9: Disclosure on Remuneration

The Company provides disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration, to its shareholders.

The Company's major shareholders all have representatives on the Company's RemCo. This ensures that decisions related to remuneration of the Company's Executive Officers are disclosed to major shareholders, including:

- the total annual remuneration of the Company's Executive Officers, broken down by the various elements of pay (base salary, benefits, and annual bonus);
- the Company's performance and how this translates to Annual Bonus outcomes, including a summary of the metrics used to determine performance, both at the Company and individual level; and
- the Company's approach to the allocation of long-term incentives under the Company's MEIP.

The remuneration of the Independent Directors is disclosed to the Board, which includes representatives of each of the Company's shareholders.

Public Disclosure of Remuneration

After careful consideration, the Company has decided not to publicly disclose information on the remuneration of Executive Officers. The Company is of the view that the disadvantages to the Company's business interests would far outweigh the benefits of such disclosure, in view of the disparities in remuneration in the industry and the competitive pressures that are likely to result from such disclosure.

ACCOUNTABILITY AND AUDIT

Principle 10: Accountability

The Board presents a balanced and understandable assessment of the Company's performance, position and prospects.

The Company recognizes the importance of providing the Board with accurate and relevant information on a timely basis. It provides financial and business updates on the performance and position of the Company to the Board on a quarterly basis, as well as any significant events which have occurred or affected the Company during the year.

Principle 11: Risk Management and Internal Controls

The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls to safeguard the interests of the Company and its shareholders.

The Board is responsible for promoting the long-term success of the Company for the benefit of shareholders, as well as other stakeholders including employees and customers. This includes ensuring that an appropriate system of risk governance is in place throughout the Company. To discharge this responsibility, the Board has established frameworks for risk management and internal control using a 'three lines of defence' model and reserves for itself the setting of the Company's risk appetite.

The Company has established the RC to assist the Board in its oversight of risk, reviewing the Company's risk appetite and risk profile, reviewing the effectiveness of the Company's risk management framework, reviewing the scenarios and stress tests used to assess economic and regulatory capital and liquidity, ensuring due diligence appraisals are carried out on strategic or significant transactions, and monitoring the Company's regulatory requirements. As of the date of this Report, the RC comprises Mr Yap Chee Keong (Chairman), Mr Dominic John Picone, Dato' Dr Nirmala Menon, Mr Kenji Yoneda and Mr Shirish Apte. The majority of the RC members, including the Chairman are Independent Directors.

The RC also considers the appointment or resignation of the GCRO prior to putting its recommendation to the Board and to participate jointly with the Group CEO in the determination of the objectives of the GCRO and the evaluation of his/her overall performance and levels of achievement.

The RC reports directly to the Board. The risk management function is led by the GCRO who also reports regularly to the RC and the Board. At least once a year, and at any other time as the RC shall see fit, the RC meets separately with the GCRO without the presence of Management.

In-depth monitoring of the establishment and operation of prudent and effective controls in order to assess and manage risks associated with the Company's operations is delegated to the RC which reports regularly to the Board. However, the Board retains ultimate responsibility for the Company's systems of risk management and internal controls and has reviewed their effectiveness for the year.

A robust assessment was conducted by the RC of the key and emerging risks facing the Company, including those that would threaten its business model, strategy, future performance, solvency and liquidity.

The frameworks for risk management and internal controls play a key role in the management of risks that may impact the fulfilment of the Board's objectives. They are designed to identify, assess and

manage, rather than eliminate, the risk of the Company failing to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or losses. These frameworks, which are regularly reviewed by the Board, were in place for FY 2021.

Based on internal controls established and maintained by the Company, independent assessments performed by internal and external auditors, and reviews performed by Management and various Board Committees (the RC and AC), the Board is of the view that the internal controls and risk management systems currently in place were adequate as at 31 December 2021. The Board has received assurance from the Group CEO and the GCFO that the Company's risk management and internal control systems are effective, the financial records of the Company have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances.

Risk Management

The Company seeks to optimise its performance, subject to remaining within risk appetite and meeting the expectations of stakeholders, employees and customers. This is achieved by embedding rigorous and consistent risk management across the Company. The Group Risk Management Policy ("RMP") which is approved by the Board, outlines the Company's risk strategy, risk management principles, risk appetite, culture, governance arrangements, accountabilities of the three lines of defence, as well as the enterprise-wide approach to managing risks. In addition, the Company has adopted an Integrated Assurance Framework ("IAF") which ensures there is a robust process for identifying and prioritizing key risks, defining and evaluating controls, monitoring risk trends, assessing risk against appetite and reporting or escalating key risks to which it is, or could be, exposed.

Risk Appetite

The Company's risk appetite is reviewed annually and approved by the Board. It outlines the type of risks that the Company selects and manages in the pursuit of returns, the risks it accepts but seeks to minimise, and the risks that it aims to avoid or transfer away. The risk appetite framework comprises the overarching risk appetite statements, the risk preference and the operating risk appetite/tolerance. Material risks are retained where this is consistent with the Company's risk appetite framework and its philosophy towards risk-taking. The Company's current approach is to accept risk where it believes it can manage well and generate adequate returns from, and/or where it can control the risk within appetite with effective operational controls.

Risk Management Processes

The Company has a robust risk management process, which enables it to identify, measure, monitor, manage and report on key and emerging risks which may impact the business strategy, achievement of financial targets, solvency position, liquidity, regulatory and reputational risks. The risk management framework is supported by a set of policies and standards, which set out the mandatory control requirements. The IAF provides the robust process to ensure the Company adequately manages and controls the key risks consistent with the approved risk appetite.

Risk-Based Decision Making

For all material business propositions, the business owners must identify and document the key risks and risk mitigating actions and assess the residual risk exposure against the risk appetite. All material business propositions must be supported by an independent GCRO opinion to the Board for decision making. Examples of material business propositions include business acquisitions, new distribution arrangement, changes to the target capital level, changes to reinsurance strategy, changes to the strategic asset allocation, material outsourcing arrangement and major information technology changes initiatives.

Risk Culture

The Company's culture underpins all aspects of the risk management framework. The effectiveness of risk management and internal controls depend on the judgements, decisions and actions of the Company's people. Their judgements, decisions and actions are shaped by the Company's values and culture as much as the strategies, policies, tools, governance arrangements and processes defined in this framework. The Board requires Management to maintain a healthy and sustainable risk culture which helps the Company's employees live good risk management day to day, driving decisions that appropriately balance risk and reward, and ensuring that good customer outcomes are achieved. All employees have risk and control goals included in their individual annual performance goals.

Risk & Control Function

The Company has a risk management function (the "Risk Function"), which is to support the business to develop fit-for-purpose risk management processes and systems, provide review and challenge the adequacy of risk management and controls and provide independent risk opinion to support decision making. The Risk Function ensures that all key risks are captured in the enterprise risk register and monitors the key risk positions against the approved risk appetite. The GCRO provides a risk report to the RC on a quarterly basis.

Internal Controls

The Company has in place a robust operational risk and control framework, which includes the conduct of regular self-assessment of key operational risks and controls. The framework ensures clear Senior Management ownership and accountability of identified risks and key controls across all core business functions. Regular reports on the control environment are presented to the AC for review by Line Management. In addition, the Company has in place a compliance framework that ensures ownership and compliance with regulatory obligations. A review of the effectiveness of controls is carried out by internal and external auditors, with recommendations provided to the AC. In turn, the AC provides oversight over processes developed to address these recommendations in a timely manner.

The AC believes that the system of internal controls (which covers financial, operational, compliance and information technology controls) and risk management systems provide adequate assurance against material financial, operational and compliance risks for FY 2021.

Principle 12: Audit Committee

The Board has established an Audit Committee which discharges its duties.

The Company has established AC which, working closely with the RC, is responsible for monitoring the integrity of the Company's financial statements, the effectiveness of the system of internal controls and for monitoring the effectiveness, performance, independence and objectivity of the internal and external auditors.

As at the date of this Report, the AC comprises Mr Shirish Apte (Chairman), Dato' Dr Nirmala Menon, Mr Yap Chee Keong, Mr Mel Carvill (appointed on 21 February 2022), Mr David Gelber and Mr Kenji Yoneda. All of the members are Non-Executive Directors who are independent from management and business relationships under the CG Regulations. The majority of the members, including the Chairman are Independent Directors.

The AC also makes recommendations to the Board on the appointment, re-appointment, terms of engagement and remuneration of the external auditors.

For 2021, the aggregate amount of fees, including those relating to non-audit services, paid to the external auditors was not significant. The AC reviews the volume and nature of non-audit services provided by the external auditors to ensure that their independence and objectivity have not been impaired by the provision of those services.

At least once a year, and at any other time as the AC shall see fit, the AC meets separately with the the Head of Internal Audit (“Head of IA”) and the external auditors without the presence of Management.

The Company has an independent confidential reporting channel to support its whistleblowing process. Employees may, anonymously or in confidence, raise concerns about possible improprieties, whether in financial reporting or other matters. The Company does not tolerate retaliation against employees who speak out and employees will be protected when they speak out. The AC oversees and monitors the implementation of the whistle-blowing policies or procedures.

Principle 13: Internal Audit

The Company has established an effective internal audit function that is adequately resourced and independent of the activities it audits.

The internal audit (“IA”) function is a group-wide function reporting to the AC Chair. IA’s purpose is to help the Board, AC and Senior Management to protect the assets, reputation and sustainability of the Company by providing independent and objective assurance designed to add value and improve the Company’s operations. IA does this by assessing whether all significant risks are identified and appropriately reported by Senior Management and the Risk Function to the Board and AC; assessing whether they are adequately managed; and by challenging Senior Management to improve the effectiveness of governance, risk management and internal controls.

IA adopts a risk-based approach where audit work is prioritised and scoped according to an assessment of risk exposures, including not only financial risks, but operational, technology, compliance and strategic risks.

It also makes objective and appropriate recommendations to improve the entity’s control environment and to assist the business in achieving its strategies. The AC monitors, reviews and approves the annual IA plan.

The Head of IA is responsible for overseeing the IA function for the Company and is responsible for the operation of the whistleblowing policy. In consultation with the Company’s Group CEO, the AC recommends the appointment or dismissal of the Head of IA to the Board, and evaluation of his/her levels of achievement.

IA has direct and unlimited access to the Board chair, AC chair and RC chair. Further, IA has full, free and unrestricted access to all activities, records, property and personnel to complete their work. In carrying out its audits, IA conforms with The Institute of Internal Auditors’ (IIA) International Professional Practices Framework, including the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, the International Standards for the Professional Practice of Internal Auditing, and the Definition of Internal Auditing. IA undertakes its work in accordance with the approved audit methodology to ensure effective audit work is carried out.

SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Principle 14: Shareholder Rights

Principle 15: Communication with Shareholders

Principle 16: Conduct of Shareholder Meetings

The Company treats all shareholders fairly and equitably and actively engage its shareholders.

The Company treats all shareholders fairly and equitably to enable them to exercise shareholders' rights. It also recognises that regular, effective, timely and fair communication with its shareholders is essential to enable the shareholders to make informed decisions about the Company. The Company ensures that timely and adequate disclosures of material information are available to its shareholders.

The Board decides whether dividends are to be paid to the shareholders, after taking into consideration the capital required for the execution of the Company's business plans.

The Company encourages greater shareholder participation at general meetings of shareholders, to allow shareholders the opportunity to communicate their views on various matters affecting the Company. Minutes of general meetings would be prepared including substantial and relevant comments or queries from shareholders relating to the agenda of the meeting, and responses from the Board and Management. These are made available to shareholders upon their request.

ADDITIONAL INFORMATION

Digital and Technology Committee

The Company has established DTC which focus is partly centred around the technology differentiation strategy and future positioning; and on digitization, customer experience, artificial intelligence modelling, cyber security, data governance, and investment in technology framework. As at the date of this Report, the DTC comprises Ms Maya Hari (Chairman), Mr Raymond Ferguson, Mr Dominic John Picone, Dato' Dr Nirmala Menon, Mr Shirish Apte, Mr Walter de Oude and Mr Randy Lianggara. The majority of the DTC members, including the Chairman, are Independent Directors.

Related Party Transactions

Policies on related party transactions are established across all Singlife entities including the Company. Material transactions are disclosed in Note 26 of the Financial Statements. All related party transactions are conducted on reasonable commercial terms and carried out on an arm's length basis. Directors with conflicts of interest are excluded from the approval process of granting and managing related party transactions. Material related party transactions are reported to the AC for review and to the Board for approval.

Ethics and Code of Business Conduct

The Directors and Management are committed to promoting and maintaining values which emphasise integrity, honesty and proper conduct at all times in the business operations and dealings of the Group. The Company has adopted a Business Ethics Code that sets out the guiding principles and minimum standards expected of its employees. These include adhering to the highest standards of conduct and professional integrity. The Business Ethics Code also provides guidance on areas such as responsible stewardship of the Company's resources, the Company's position against fraudulent conduct, conflicts of interests and the appropriate disclosures to be made and maintaining confidentiality of information. The Business Ethics Code is available on the Company's intranet and is also part of employees' mandatory learning requirements every year.

The Company has a suite of policies in place for proper governance and management that staff have to comply with. All policies are prepared in accordance with the Company's risk management and

internal control systems and processes, including Management's self-assessment and independent audits.

The Company treats feedback and complaints from its customers seriously and has instituted channels for customers to provide feedback or complaints. The Company aims to resolve feedback and complaints professionally, fairly, promptly and diligently. These complaint handling procedures are clearly communicated to customers.