

COMPENSATION COMMITTEE ("CC")

TERMS OF REFERENCE

1. Composition

- 1.1 The CC should comprise at least three (3) directors of the Company. The majority of the CC members, including the CC Chairman, should be independent and all of whom should be non-executive directors.

2. Roles and Responsibilities

The CC was formed by the Board to carry out the following duties:-

Directors' Fees

- 2.1 To recommend for the Board's endorsement, policies and guidelines on the compensation of non-executive directors, before shareholders' approval is sought.

Appointment

- 2.2 Subject to paragraph 2.3 below, to approve policies and guidelines on the following for staff of all grades of the SingPost Group:
- (a) appointment, termination, retirement, re-employment and extension of employment;
 - (b) promotion;
 - (c) compensation (remuneration) and benefits in kind; and
 - (d) salary adjustment, allowances, bonuses, options, share-based incentives and awards.
- 2.3 To recommend for the Board's approval, any proposed appointment, promotion, termination, retirement, re-employment and/or extension of employment of its key management personnel including the Group Chief Executive Officer (the "GCEO"), Chief Executive Officers (the "CEOs"), Group Chief Financial Officer (the "GCFO") and equivalent positions, and the Company Secretary.

Compensation

- 2.4 To approve new executive compensation policies, review the ongoing appropriateness and relevance and approve changes.
- 2.5 To recommend for the Board's approval the specific compensation packages for each director as well as of key management personnel including the GCEO, CEOs and GCFO.
- 2.6 To review SingPost's obligations arising in the event of termination of executive directors' and key management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous.

- 2.7 To establish performance targets, including non-financial targets, of the GCEO, for the Board's approval.
- 2.8 To assess the performance of the GCEO and recommend to the Board for approval the rewards of the GCEO and his direct reports.
- 2.9 To approve the compensation of roles at the senior management level (other than the key management personnel which requires Board approval under paragraph 2.5 above) and to keep the Board informed of such compensation.
- 2.10 To review and recommend for the Board's approval the disclosure of matters in the Company's annual report relating to the remuneration of the GCEO and the remuneration of the top five (5) key management personnel in addition to the GCEO, and the disclosure of any share plan and share option schemes.

Long Term Incentive Plans

- 2.11 To administer the Singapore Post Restricted Share Plan, Singapore Post Share Option Scheme and any share scheme which may be established by the Company from time to time (collectively referred to as the "**Schemes**"), including the following:-
 - (a) Decide on the rules, regulations, terms and conditions (including but not limited to grant size, exercise price, valuation methodology, valuation variables and vesting details) relating to the Schemes.
 - (b) Review and approve the policies and guidelines for determining the list of persons eligible to participate in the Schemes and approve the allocation in accordance with the Schemes.
 - (c) Deal with such matters relating to the Schemes from time to time, including alterations to the Schemes in accordance with the rules thereof.
 - (d) Approve submissions to seek approval from the Singapore Exchange Securities Trading Limited and/or any other regulatory authorities as may be necessary for the Schemes and any modifications to the Schemes.

Penalties for Disciplinary Cases

- 2.12 To recommend for the Board's decision, penalties for disciplinary cases involving the GCEO, CEOs, GCFO and equivalent positions.

Succession Planning and Executive Development

- 2.13 Periodically review succession planning for the GCEO, CEOs, GCFO and equivalent positions in the Company with a formal review carried out prior to submission of the succession plan to the Board on an annual basis. Review potential internal and external candidates for succession in the light of immediate, medium term and long term needs.
- 2.14 Review, on an annual basis, the development plan for key senior executives as well as high-potential talent of the Company.

- 2.15 If external candidates are to be considered in the event of the replacement of GCEO, the Board Chairman will draw upon resources from the CC and the Nominations and Corporate Governance Committee and lead a special process to identify high caliber individuals capable of delivering to the Company's present and future requirements. If professional bodies are engaged to assist with the search process, explicit instructions will be given to such professional bodies of the Company's commitment in building and maintaining a diverse and inclusive culture. Both female and male candidates are to be proposed.

Others

- 2.16 To review and ensure that existing relationships, if any, between the Company and its appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants.
- 2.17 To review and assess the adequacy of the CC's Terms of Reference and request the Board's approval for proposed amendments.
- 2.18 Any other responsibilities as determined by the Board.