

CORPORATE GOVERNANCE REPORT

INTRODUCTION

Good corporate governance is crucial to the long-term success of a company. Both the Board and Management of SingPost are strongly committed to adopting best-in-class practices in order to achieve a high standard of corporate governance.

In the financial year ended 31 March 2017, the Company undertook a major review to improve the effectiveness of corporate governance in the Company. The Company voluntarily commissioned a Special Audit to review, *inter alia*, whether the Company had complied with its policies, processes and procedures when it acquired Famous Holdings Pte Ltd and related subsidiaries, as well as the disclosure of Directors' interests in relation to these transactions. The Company also voluntarily called for a Corporate Governance Review which involved a thorough examination of the Company's then corporate governance practices.

Both the Special Audit and the Corporate Governance Review were conducted by independent third parties and the findings of the Special Audit and the Corporate Governance Review were released and publicly announced on SGXNet on 3 May 2016 and 4 July 2016 respectively.

The Special Auditors had made three recommendations, namely to (i) review the adequacies of the Company's processes and procedures on mergers and acquisitions to ensure best practices are incorporated in such guidelines; (ii) standardise documentation and procedures for the declaration of Directors' interests; and (iii) standardise internal checklists of action for internal controls including a checklist for public announcements. The three recommendations were accepted by the Board and duly implemented. To provide assurance to investors and the Singapore Exchange Securities Trading Limited (SGX-ST), the SGX-ST had asked the Company to obtain independent confirmation on the implementation of these recommendations. The Company duly obtained the independent confirmation from the law firm Lee & Lee, which having conducted an independent review, confirmed that the implementations adequately address the recommendations.

The recommendations of the Corporate Governance Review have also been implemented, details of which appear subsequently in this Report. Following the announcement of the risk of significant impairment in the third quarter results for the financial year ended 31 March 2017, the Board formed an independent committee to conduct a thorough review of the circumstances surrounding SingPost's consideration and approval of the acquisition of TradeGlobal Holdings, Inc. (TG Review). To assure stakeholders of the independence of the review, the committee comprises Ms Elizabeth Kong Sau Wai, Mrs Fang Ai Lian and Mr Bob Tan Beng Hai, independent Directors who were all appointed to the Board after the acquisition. The outcome of the TG Review is expected to be completed and the findings released before the forthcoming annual general meeting (AGM). The Board will update shareholders on the outcome of the TG Review and will seek legal advice on appropriate actions, if any.

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A BOARD MATTERS

Principle 1: The Board's Conduct of Affairs

Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with Management to achieve this objective and Management remains accountable to the Board.

Role of the Board

The Board is collectively responsible for the long-term success of the Company. The Board provides leadership and guidance to Management on the Group's overall strategy, reviews Management's performance and oversees the Group's overall performance objectives, key operational initiatives, risk management and corporate governance practices, financial plans, annual budgets, major funding proposals, and major investment and divestment proposals. The Board approves financial results for release to the SGX-ST, the appointment of Directors and key Management staff, and changes in the composition and terms of reference of Board Committees. As one of the recommendations from the Corporate Governance Review, the Company has also documented all reserved matters which require Board's approval.

There is a framework of internal controls which sets out financial authorisation and approval limits for operating and capital expenditure, procurement of goods and services, as well as acquisition and divestment of assets. Board's approval is required for transactions exceeding certain threshold limits, while authority for transactions below those limits is delegated to Management to optimise operational efficiency.

Board Committees

To assist the Board in discharging its duties and to enhance the effectiveness of the Board, the Board has established Board Committees as set out in the table at pages 60 and 61. Without abdicating its responsibility, the Board has delegated the authority to make certain decision to Board Committees. Each Board Committee has written terms of reference, which clearly set out such delegated authority and duties. One of the recommendations from the Corporate Governance Review was for the Company to review all the terms of reference of the Board Committees. This has been done and the terms of reference of all the Board Committees have been enhanced to be in line with best practices. Further implementation of the recommendations from the Corporate Governance Review include documenting the success profiles and roles for key Board leadership roles namely the Board Chair, the Lead Independent Director, the Committee Chairs as well as the role of the Company Secretary.

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A further recommendation from the Corporate Governance Review was for the Executive Committee to be reconstituted as a Finance and Investment Committee with a reduction of scope. Accordingly, the Executive Committee, which had assisted the Board in overseeing the management of the business and affairs of SingPost, was dissolved and its function subsumed into the Board. In October 2016, the Board established the Finance and Investment Committee with the narrower scope of advising the Board on the overall strategy of the SingPost Group's business, investments, divestments, liabilities and treasury policies.

Board Committee	Key Responsibilities	Membership as at 12 May 2017
Audit Committee	<ul style="list-style-type: none"> Assists the Board in fulfilling its oversight responsibilities on internal controls, financial reporting, compliance and risk management. 	Mrs Fang Ai Lian (Chairperson) Mr Bob Tan Beng Hai Mr Zulkifli Bin Baharudin
Board Risk and Technology Committee	<ul style="list-style-type: none"> Assists the Board in ensuring that Management maintains a sound system of risk management and material controls to safeguard shareholders' interest and the Group's assets, and determines the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives. 	Professor Low Teck Seng (Chairperson) Ms Aliza Knox Mr Bob Tan Beng Hai
Compensation Committee	<ul style="list-style-type: none"> Assists the Board in fulfilling its responsibilities for developing an appropriate compensation and remuneration framework to attract and retain talent. 	Mr Bob Tan Beng Hai (Chairperson) Mrs Fang Ai Lian Mr Simon Israel Mr Zulkifli Bin Baharudin
Finance and Investment Committee	<ul style="list-style-type: none"> Provides advisory support to the Board on the overall strategy of the Group's business, investments, divestments, liabilities and treasury policies. 	Mr Simon Israel (Chairperson) Mr Chen Jun Ms Elizabeth Kong Sau Wai Ms Lim Cheng Cheng

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Board Committee	Key Responsibilities	Membership as at 12 May 2017
Nominations and Corporate Governance Committee <i>(formerly Nominations Committee)</i>	<ul style="list-style-type: none"> Assists the Board in fulfilling its responsibilities on Board succession planning, Board evaluation, training of Board members and the selection, nomination, appointment and re-appointment of Directors to the Board of SingPost. Also has responsibility to recommend enhancements to the corporate governance principles applicable to SingPost and to uphold the same. 	Mr Zulkifli Bin Baharudin (Chairperson) Mrs Fang Ai Lian Mr Simon Israel Ms Elizabeth Kong Sau Wai

Board Meetings and Attendance

The Board meets regularly to discuss and resolve matters requiring the Board's approval. For the financial year ended 31 March 2017, the Board met a total of 13 times. Board and Board Committee meetings, as well as the AGM of the Company, are scheduled in advance of each year in consultation with all Directors. Ad hoc Board and Board Committee meetings are convened as and when warranted by particular circumstances between these scheduled meetings. Directors who are unable to attend meetings in person can participate either through video or telephone conferencing. Decisions of the Board or a Board Committee may also be obtained via circular resolution. To facilitate more effective oversight of Management, non-executive Directors set aside time at every meeting for discussions without the presence of Management. The Directors also communicate on an ad hoc basis without the presence of Management to review matters of a confidential nature.

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The attendance of each Director at Board meetings and Board Committee meetings for the financial year ended 31 March 2017 is as follows:

NAME OF DIRECTORS	BOARD COMMITTEES *					
	BOARD	BOARD RISK AND TECHNOLOGY			FINANCE AND CORPORATE	
		AUDIT COMMITTEE	COMMITTEE	COMMITTEE	INVESTMENT COMMITTEE	AND NOMINATIONS AND CORPORATE GOVERNANCE COMMITTEE
Number of Meetings Held	13	5	4	3	2	5
Directors in service as at 31 March 2017						
Simon Israel ⁽¹⁾	8/8	–	–	2/2	2/2	2/2
Chen Jun ⁽²⁾	12/13	–	–	–	2/2	–
Fang Ai Lian ⁽³⁾	2/2	3/3	–	2/2	–	–
Aliza Knox	12/13	–	4/4	–	–	–
Elizabeth Kong Sau Wai ⁽⁴⁾	2/2	–	–	–	2/2	2/2
Professor Low Teck Seng	13/13	–	4/4	–	–	–
Bob Tan Beng Hai ⁽⁵⁾	2/2	3/3	2/2	–	–	–
Zulkifli Bin Baharudin ⁽⁶⁾	12/13	5/5	–	3/3	–	5/5
Directors who have left service as at 31 March 2017						
Bill Chang York Chye ⁽⁷⁾	12/13	–	4/4	1/1	2/2	–
Soo Nam Chow ⁽⁸⁾	13/13	5/5	–	–	–	5/5
Michael James Murphy ⁽⁹⁾	7/13	–	2/2	–	–	–
Lim Ho Kee ⁽¹⁰⁾	6/8	–	–	–	–	2/2
Tan Yam Pin ⁽¹¹⁾	7/8	1/1	1/1	1/1	–	–
Dr Wolfgang Baier ⁽¹²⁾	5/8	–	–	–	–	–
Goh Yeow Tin ⁽¹³⁾	7/7	–	–	–	–	–
Keith Tay Ah Kee ⁽¹⁴⁾	3/5	1/1	–	–	–	1/1

* The Executive Committee was dissolved on 16 June 2016 and no Executive Committee meetings were held from 1 April 2016 to 16 June 2016.

Notes

- ⁽¹⁾ Mr Simon Israel was appointed as Chairman of the Board on 11 May 2016 in place of Mr Lim Ho Kee who stepped down as Chairman of the Board on 10 May 2016. Mr Simon Israel was also appointed as chairperson of the Finance and Investment Committee and as member of both the Compensation Committee and Nominations and Corporate Governance Committee on 10 October 2016.
- ⁽²⁾ Mr Chen Jun was appointed as member of the Finance and Investment Committee on 10 October 2016.
- ⁽³⁾ Mrs Fang Ai Lian was appointed as Director of SingPost, chairperson of the Compensation Committee and as member of the Audit Committee on 10 October 2016. Mrs Fang Ai Lian was subsequently appointed as chairperson of the Audit Committee and Lead Independent Director on 24 April 2017. By virtue of her role as Lead Independent Director, she was appointed as member of the Nominations and Corporate Governance Committee as recommended under Guideline 4.1 of the Singapore Code of Corporate Governance 2012. Mrs Fang Ai Lian stepped down as chairperson of the Compensation Committee on 24 April 2017 but remains as its member.
- ⁽⁴⁾ Ms Elizabeth Kong Sau Wai was appointed as Director of SingPost and as member of both the Finance and Investment Committee and Nominations and Corporate Governance Committee on 10 October 2016.

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- ⁽⁵⁾ Mr Bob Tan Beng Hai was appointed as Director of SingPost and as member of both the Audit Committee and Board Risk and Technology Committee on 10 October 2016. Mr Bob Tan Beng Hai was appointed as chairperson of the Compensation Committee on 24 April 2017 in place of Mrs Fang Ai Lian who stepped down as chairperson of the Compensation Committee.
- ⁽⁶⁾ Mr Zulkifli Bin Baharudin was appointed chairperson of the Nominations and Corporate Governance Committee (then the Nominations Committee) on 8 April 2016 in place of Mr Keith Tay Ah Kee who stepped down as chairperson of the Nominations and Corporate Governance Committee (then the Nominations Committee).
- ⁽⁷⁾ Mr Bill Chang York Chye stepped down as member of the Compensation Committee and was appointed as member of the Finance and Investment Committee on 10 October 2016. He resigned from the Board on 31 March 2017. Upon his resignation, he ceased to be member of both the Board Risk and Technology Committee and Finance and Investment Committee.
- ⁽⁸⁾ Mr Soo Nam Chow was appointed as Lead Independent Director with effect from 16 June 2016. He resigned from the Board on 31 March 2017. Upon his resignation, he ceased to be Lead Independent Director, chairperson and member of the Audit Committee and member of the Nominations and Corporate Governance Committee.
- ⁽⁹⁾ Mr Michael James Murphy stepped down as member of the Board Risk and Technology Committee on 10 October 2016. He resigned from the Board on 23 February 2017.
- ⁽¹⁰⁾ Mr Lim Ho Kee stepped down as Chairman of the Board on 10 May 2016 and retired from the Board following the conclusion of the AGM held on 14 July 2016. Upon his retirement, he ceased to be member of the Nominations and Corporate Governance Committee.
- ⁽¹¹⁾ Mr Tan Yam Pin retired from the Board following the conclusion of the AGM held on 14 July 2016. Upon his retirement, he ceased to be chairperson and member of the Compensation Committee and member of both the Audit Committee and Board Risk and Technology Committee.
- ⁽¹²⁾ Dr Wolfgang Baier ceased to be Group Chief Executive Officer (Group CEO) and Director on 30 June 2016.
- ⁽¹³⁾ Mr Goh Yeow Tin resigned as Deputy Chairman and Executive Director on 24 June 2016.
- ⁽¹⁴⁾ Mr Keith Tay Ah Kee stepped down as chairperson of the Nominations and Corporate Governance Committee (then the Nominations Committee) on 8 April 2016 and Lead Independent Director on 3 May 2016. He later stepped down as member of the Audit Committee, Nominations and Corporate Governance Committee (then the Nominations Committee) and Executive Committee with effect from 9 May 2016. He resigned from the Board on 12 May 2016.

Board Induction and Training

Each newly appointed Director receives a formal letter informing of the Director's duties and advising disclosure obligations under the Companies Act, Cap. 50 and the SGX-ST listing rules. In line with the recommendation of the Special Audit, enhanced standardised documentation and procedures have been implemented for the declaration of Directors' interest. The Company also has in place a compulsory orientation programme to familiarise incoming Directors with the Group's businesses and strategic objectives. The programme includes presentations on the Company's strategic plans and financial performance, and presentations by senior Management on their respective businesses, directions and corporate governance practices. The orientation programme not only serves its objective of thoroughly acquainting new Directors with the nature and workings of the Group's business, but also serves as a platform for new Directors to get to know members of senior Management and to ask questions.

Existing Directors are kept informed of changing commercial risks faced by the Group through briefings at Board meetings, as well as articles and reports circulated to the Board. In addition, facility visits are arranged for Directors to better understand the Group's business operations. Directors are also briefed on changes in regulations and guidelines.

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Principle 2: Board Composition and Guidance

There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from Management and 10 per cent shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.

Board Composition

As at 12 May 2017, the Board comprised nine Directors, namely:

Mr Simon Israel
Mr Chen Jun
Mrs Fang Ai Lian
Ms Aliza Knox
Ms Elizabeth Kong Sau Wai
Ms Lim Cheng Cheng
Professor Low Teck Seng
Mr Bob Tan Beng Hai
Mr Zulkifli Bin Baharudin

Of the nine, six are independent Directors, which make up more than half of the Board, thereby satisfying Guideline 2.2 of the Singapore Code of Corporate Governance 2012 (2012 Code) where the Chairman is not an independent Director.

The Board composition changed substantially in the financial year ended 31 March 2017. Eight Directors left the Board namely Mr Keith Tay Ah Kee, Mr Goh Yeow Tin, Dr Wolfgang Baier, Mr Lim Ho Kee, Mr Tan Yam Pin, Mr Michael James Murphy, Mr Soo Nam Chow and Mr Bill Chang York Chye. Four new Directors were appointed, namely Mr Simon Israel, Mrs Fang Ai Lian, Ms Elizabeth Kong Sau Wai and Mr Bob Tan Beng Hai. Ms Lim Cheng Cheng was appointed on 1 April 2017.

The Company has on 29 December 2016 announced that Mr Paul William Coutts will be appointed Group CEO and non-independent executive Director to the Board with effect from 1 June 2017. Additionally, the Company has on 25 May 2017 announced that Mr Steven Robert Leonard will be appointed as an independent non-executive Director to the Board also effective 1 June 2017. Profiles of the Directors can be found on pages 18 to 23 of this report.

The Board has followed the recommendations of the Corporate Governance Review in the selection and appointment of the new Directors. This included having a structured process for assessing and evaluating

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potential new Directors using the pivotal expertise and Board leadership competencies created as part of the Corporate Governance Review. The Corporate Governance Review had also specifically recommended the appointment of a legal expert, preferably someone with deep experience in mergers and acquisitions as well as a Director with strong financial/accounting expertise.

The Corporate Governance Review had noted that the Board then comprised only one female member and had recommended that the Board should prioritise the appointment of candidates who increase gender diversity. The number of female Directors on the Board has since been increased from one to four.

Collectively, the Directors provide an appropriate balance and diversity of skills, experience, gender and knowledge. They have a wealth of experience and a broad range of expertise relevant to the Group's businesses and transformation strategy, including eCommerce, logistics, accounting, finance, legal, business and management, strategic planning, information and communication technology, engineering and regional business experience. A Board Composition Matrix was created as part of the Corporate Governance Review. As recommended by the Corporate Governance Review, the Board continues to use the Board Composition Matrix to review alignment between Board composition and strategic priorities.

Review of Directors' Independence

The Corporate Governance Review, which included individual interviews with Management and Directors to seek their respective views on the independence of Directors, had concluded that the definition of "independence" as set out in Guideline 2.3 of the 2012 Code was met.

Additionally, the Board, taking into account the views of the Nominations and Corporate Governance Committee, makes a determination of the independence of each Director on an annual basis and as and when circumstances require, based on the guidelines provided in the 2012 Code. Each Director is required to complete a Director's independence checklist of himself or herself. The Nominations and Corporate Governance Committee reviews the checklists in arriving at its recommendations to the Board on the independence of Directors. Based on the recommendations of the Nominations and Corporate Governance Committee, the Board was of the opinion that, with the exception of the Chairman Mr Simon Israel, Ms Lim Cheng Cheng and Mr Chen Jun, all the other Directors are independent. Mr Simon Israel is the Chairman of the Board of Singapore Telecommunications Limited (Singtel) which holds more than 10 per cent of the total voting shares in SingPost. While Mr Simon Israel is neither appointed as a nominee Director of Singtel to the SingPost Board nor directly associated with Singtel as defined under the 2012 Code, nevertheless to provide added assurance to the Company's investors, Mr Simon Israel is treated by SingPost as a non-independent Director and Chairman. Ms Lim Cheng Cheng is the Group Chief Financial Officer (Group CFO) of Singtel and a nominee of Singtel to the SingPost Board, and Mr Chen Jun is a Vice President of Alibaba Group Holding Limited which holds more than 10 per cent of the total voting shares in SingPost.

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The recommendations of the Corporate Governance Review included the need to adopt a clear Board renewal practice and process, and to adopt a Board tenure policy. Accordingly, SingPost has adopted a Board Renewal and Tenure Policy which commits the Board to a process of Board renewal and orderly succession planning. Under this policy, Directors are to serve for no more than six years, though an additional term of up to a maximum of three years may be permitted to accommodate phasing or the retention of critical skills sets. No Director is therefore expected to serve on the Board beyond nine years.

Principle 3: Chairman and Chief Executive Officer

There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.

Separation of the Role of Chairman and Group CEO

The Board has defined distinct and separate roles of the Chairman and Group CEO to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making.

Role of the Chairman

The Chairman leads the Board to ensure its effective and comprehensive deliberations on matters brought to the Board, including strategic issues, talent management and succession planning. The Chairman sets the agenda for Board meetings and ensures complete and accurate information is provided to the Board to facilitate good decision-making in particular on strategic issues. At meetings, he promotes a culture of open dialogue and debate, facilitating the effective contribution of all Directors. The Chairman also monitors the translation of the Board's decisions and directions into executive action, providing guidance on the transformation of the Group. The Chairman maintains effective communication with shareholders and fosters good relationships with stakeholders such as the staff union, SingPost staff, government, regulators, customers and other partners. At shareholder meetings, the Chairman ensures constructive dialogue between shareholders, Directors and Management.

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Role of the Group CEO

The Group CEO is responsible for making strategic proposals to the Board and implementing the Group's strategies and policies as well as the Board's decisions. He assumes the executive responsibility for the day-to-day management of the Group, with the support of the Executive Leadership Group (ELG). The ELG comprises the Group CFO, Executive Vice Presidents and heads of various departments of SingPost. In the financial year ended 31 March 2017, the ELG met at least once a month to review and direct the execution and implementation of the Group's strategy, business development, financial and risk management policies, operational policies and activities.

Regulatory Approvals

The appointments of the Chairman, the Group CEO of the Company and new Directors require the prior written approval of the Infocomm Media Development Authority of Singapore (IMDA) and the Monetary Authority of Singapore (MAS). The Company duly sought and obtained the approval of both regulators in respect of all new appointments.

Lead Independent Director

As described above, the Chairman Mr Simon Israel is treated as a non-independent Director. Accordingly, as recommended by Guideline 3.3(d) of the 2012 Code, the Company has appointed a Lead Independent Director who is available to shareholders where they have concerns for which contact through the normal channels of the Chairman, the Group CEO or Group CFO has failed to resolve or is inappropriate. Mr Soo Nam Chow served as the Lead Independent Director in the financial year ended 31 March 2017. Following his resignation, Mrs Fang Ai Lian was elected by the independent Directors and appointed Lead Independent Director. As recommended by Guideline 4.1 of the 2012 Code, she has also been appointed member of the Nominations and Corporate Governance Committee.

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Principle 4: Board Membership

There should be a formal and transparent process for the appointment and re-appointment of Directors to the Board.

Nominations and Corporate Governance Committee

The Corporate Governance Review had recommended that the Nominations Committee be reconstituted as a Nominations and Corporate Governance Committee, with the added mandate of oversight and responsibility for all matters relating to corporate governance, including conflicts of interest, and to be explicitly tasked to focus on Board succession and renewal. This was complied together with the adoption of a Code of Business Conduct and Ethics for Members of the Board, as well as a Policy on Directors' Conflicts of Interest, the adoption of which were recommendations from the Corporate Governance Review.

Succession Planning and Nomination Process

The Nominations and Corporate Governance Committee followed the recommendations of the Corporate Governance Review in the nomination process resulting in the new appointments described in the above section of this Report on Board Composition. Candidates were identified through professional search agencies, and consultation with Directors and shareholders. The Nominations and Corporate Governance Committee also considered all recommendations received from shareholders and members of the public. After a candidate has been endorsed by the Nominations and Corporate Governance Committee, the Committee will make its recommendation to the Board whereupon the Board meets with the shortlisted candidates to (i) assess the suitability of each candidate; (ii) communicate to the candidates the level of commitment expected; and (iii) provide sufficient information for the candidates to make an informed decision on accepting the role. The Board will then deliberate on the recommendation of the Nominations and Corporate Governance Committee. Upon the Board's approval, SingPost will seek IMDA's approval, in accordance with the requirement set out in the Postal Services Act, Cap. 237A, and MAS' approval in accordance with the requirement set out in the Money-changing and Remittance Businesses Act, Cap. 187.

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Directors' Time Commitment

The Nominations and Corporate Governance Committee is tasked with ensuring that Directors have given sufficient time and attention to the affairs of SingPost and to decide if a Director has been adequately carrying out, and is able to continue carrying out the duties of a Director of the Company. In doing so, the Committee will consider the other directorships held by the Directors and their principal commitments. The Board believes that each Director has to personally determine the demands of his or her other directorships and commitments and assess how much time is available to serve on the Board and Board Committees effectively. Accordingly, the Board has not made a determination of the maximum number of listed company board representations a Director may hold. Under the terms of the new Policy on Directors' Conflict of Interest, Directors are to consult the Chairman of the Board and the chairperson of the Nominations and Corporate Governance Committee prior to accepting any appointments to the boards of Directors or advisory boards of any public or privately held company or any other principal commitments so that such appointments may be considered by the Board in accordance with corporate governance guidelines. For the past financial year, the Nominations and Corporate Governance Committee has determined that all the Directors have devoted a satisfactory amount of time and attention to the Company and have discharged their duties adequately. Inclusive of their appointment to the SingPost Board, none of the Directors hold more than three appointments on the boards of listed companies.

Annual Determination of Directors' Independence

The Nominations and Corporate Governance Committee has the responsibility of determining on an annual basis whether or not each Director is independent in character and judgement and whether there are relationships or circumstances which are likely to affect, or could appear to affect, the Director's judgement. The Nominations and Corporate Governance Committee has duly determined and made its recommendations on independence to the Board. Details are reported earlier on in this Report at page 65 in the section on the Review of Directors' Independence.

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Rotation and Re-election/Re-appointment of Directors

The Board subscribes to the principle that all Directors should stand for re-election at regular intervals and at least once every three years. SingPost's Constitution requires newly appointed Directors to retire and stand for re-election at the AGM immediately following their appointment (new Directors re-election rule). The Constitution also requires a Director to retire and stand for re-election at the AGM if, were he or she not to do so, he or she would at the next AGM have held office for more than three years. Finally, the Constitution requires one-third of the remaining Directors starting from those with the longest term in office since their appointment or re-election/re-appointment to retire from office by rotation at each AGM (1/3 rotation rule). Pursuant to the foregoing, eight Directors will retire, seven of whom will submit themselves for re-election/re-appointment at the forthcoming AGM. Professor Low Teck Seng will upon retiring at the forthcoming AGM not be seeking re-election.

Name	Retiring and standing for re-election pursuant to:
Mrs Fang Ai Lian <i>(appointed on 10 October 2016)</i>	new Directors re-election rule (Article 97)
Ms Elizabeth Kong Sau Wai <i>(appointed on 10 October 2016)</i>	new Directors re-election rule (Article 97)
Mr Bob Tan Beng Hai <i>(appointed on 10 October 2016)</i>	new Directors re-election rule (Article 97)
Ms Lim Cheng Cheng <i>(appointed on 1 April 2017)</i>	new Directors re-election rule (Article 97)
Mr Paul William Coutts <i>(appointed on 1 June 2017)</i>	new Directors re-election rule (Article 97)
Mr Steven Robert Leonard <i>(appointed on 1 June 2017)</i>	new Directors re-election rule (Article 97)
Mr Chen Jun <i>(last re-elected in 2015)</i>	1/3 rotation rule (Article 91(b))

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Principle 5: Board Performance

There should be a formal 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.

Board Effectiveness Assessment

The Corporate Governance Review had included an assessment of the effectiveness of the Board. Following from such assessment, the Corporate Governance Review recommended two areas of focus, namely the need to improve on external stakeholder communication and to prioritise succession planning in order to create a robust pipeline of future leaders. The Company has since formed a Market Disclosure Committee to ensure compliance with disclosure obligations and has adopted a Market Disclosure Policy that sets out the review and approval process for all public communications including SGXNet announcements. To better address succession planning, the mandate of the Compensation Committee has been widened to include management succession planning, given the fact that the Compensation Committee by virtue of its compensation function has deeper insight into Management bench strength compared to the other Board Committees.

Principle 6: Access to Information

In order to fulfil their responsibilities, Directors should be provided with complete, adequate and timely information prior to board meetings and on an ongoing basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

Board members require timely access to complete and adequate information in order to be effective. One of the recommendations of the Corporate Governance Review was to implement a policy for the minutes of all Board and Board Committee meetings to be circulated within a pre-determined number of days from the meeting. The terms of reference of all the Board Committees have been amended to reflect such recommendation.

Management staff attend Board and Board Committee meetings to respond to any queries that Directors may have. Directors are encouraged to, and do seek additional information from Management as and when needed to make informed decisions. Management does its best to meet such requests in a timely manner.

The Board has separate and independent access to Management and the Company Secretary. The Company Secretary attends to all corporate secretarial matters and is responsible for ensuring that SingPost complies with its Constitution and applicable rules and requirements under the Companies Act and the SGX-ST listing rules. The Company Secretary attends all Board meetings and facilitates and organises Directors' induction and training. Under the direction of the Chairman, the Company Secretary is responsible for ensuring good information flow within the Board, its Board Committees and between Management and non-executive Directors.

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B REMUNERATION MATTERS

Principle 7: Procedures for Developing Remuneration Policies

There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual Directors. No Director should be involved in deciding his own remuneration.

The Compensation Committee meets yearly to discuss the specific remuneration package for the Group CEO, and these recommendations are submitted to the Board for approval. The Compensation Committee also reviews and approves the remuneration of key Management personnel, as well as the annual increment and variable bonus for employees.

Directors' fees are recommended by the Compensation Committee and submitted to the Board for endorsement. Directors' fees are subject to the approval of shareholders at the AGM.

Over the past year, the Compensation Committee reviewed the effectiveness of Management incentive plans. To encourage desired performance from Management, enhancements will be made to share-based incentives which will apply for the following year.

Shares to be granted in financial year 2017/18 onwards will, subject to shareholders' approval at the forthcoming AGM, consist of two types of awards:

- a) Performance Share Plan; and
- b) Restricted Share Plan.

The Performance Share Plan will have two long-term performance hurdles: Return on Equity and Absolute Total Shareholder Returns. The Restricted Share Plan will have one long-term performance hurdle: Underlying Net Profit. The intent behind this change is to ensure long-term alignment between Management's interests and shareholders.

The Compensation Committee has access to both internal and external expert advice on human resource matters whenever there is a need to consult.

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Principle 8: Level and Mix of Remuneration

The level and structure of remuneration should be aligned with the long-term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the Directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.

Non-executive Directors' remuneration takes into account the effort and time spent, and responsibilities of the Directors. These Directors receive a basic retainer fee, additional fees for appointment to Board Committees and attendance fees for Board and Board Committee meetings. The Directors' remuneration is reviewed yearly to ensure its competitiveness and the quantum of the fees is approved by shareholders at the AGM.

The former Group CEO Dr Wolfgang Baier, was an executive Director, and not paid Directors' fees. His employment contract contained clearly spelled out terms for the discontinuation of service.

The level and structure of remuneration of the Directors and the former Group CEO are disclosed in Principle 9.

Principle 9: Disclosure on Remuneration

Each company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration in the company's Annual Report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to Directors and key management personnel, and performance.

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Directors' Remuneration

The Directors' compensation for the financial year ended 31 March 2017 is as listed below:

Directors in service as at 31 March 2017

Name of Directors	Fixed Component ⁽¹⁾ (S\$'000)	Variable Component ⁽²⁾ (S\$'000)	Directors' Fees (S\$'000)	Provident Fund ⁽³⁾ (S\$'000)	Benefits ⁽⁴⁾ (S\$'000)	Total Compensation ⁽⁵⁾ (S\$'000)	SingPost Share Option Scheme ⁽⁶⁾		SingPost Restricted Share Plan ⁽⁶⁾	
							Awarded & Accepted (^{'000})	Value (S\$'000)	Awarded & Accepted (^{'000})	Value (S\$'000)
Below S\$250,000										
Simon Israel ⁽⁷⁾	-	-	198.8	-	-	198.8	-	-	-	-
Aliza Knox	-	-	94.2	-	-	94.2	-	-	-	-
Professor Low Teck Seng	-	-	141.6	-	-	141.6	-	-	-	-
Zulkifli Bin Baharudin ⁽⁸⁾	-	-	144.9	-	1.5	146.4	-	-	-	-
Chen Jun ⁽⁹⁾	-	-	83.8	-	-	83.8	-	-	-	-
Fang Ai Lian ⁽¹⁰⁾	-	-	56.3	-	-	56.3	-	-	-	-
Elizabeth Kong Sau Wai ⁽¹¹⁾	-	-	52.7	-	-	52.7	-	-	-	-
Bob Tan Beng Hai ⁽¹²⁾	-	-	56.3	-	-	56.3	-	-	-	-

Directors who have left service as at 31 March 2017

Name of Directors	Fixed Component ⁽¹⁾ (S\$'000)	Variable Component ⁽²⁾ (S\$'000)	Directors' Fees (S\$'000)	Provident Fund ⁽³⁾ (S\$'000)	Benefits ⁽⁴⁾ (S\$'000)	Total Compensation ⁽⁵⁾ (S\$'000)	SingPost Share Option Scheme ⁽⁶⁾		SingPost Restricted Share Plan ⁽⁶⁾	
							Awarded & Accepted (^{'000})	Value (S\$'000)	Awarded & Accepted (^{'000})	Value (S\$'000)
S\$1,250,000 to below S\$1,500,000										
Dr Wolfgang Baier ⁽¹³⁾										
<i>Group CEO</i>	224.0	1,180.0	-	-	40.2	1,444.2	-	-	-	-
Below S\$250,000										
Bill Chang York Chye ⁽¹⁴⁾	-	-	118.9	-	-	118.9	-	-	-	-
Soo Nam Chow ⁽¹⁵⁾	-	-	137.6	-	-	137.6	-	-	-	-
Lim Ho Kee ⁽¹⁶⁾	-	-	55.3	-	0.4	55.7	-	-	-	-
Michael J. Murphy ⁽¹⁷⁾	-	-	94.1	-	-	94.1	-	-	-	-
Tan Yam Pin ⁽¹⁸⁾	-	-	63.3	-	0.4	63.7	-	-	-	-
Keith Tay Ah Kee ⁽¹⁹⁾	-	-	22.8	-	0.2	23.0	-	-	-	-
Goh Yeow Tin ⁽²⁰⁾	112.7	-	-	1.4	0.3	114.4	-	-	-	-

CORPORATE GOVERNANCE REPORT

Notes

- (1) Fixed Component refers to base salary and Annual Wage Supplement for the financial year ended 31 March 2017.
- (2) Variable Component refers to variable bonus and contractual payments paid in the financial year ended 31 March 2017.
- (3) Provident Fund represents payment in respect of the Company's statutory contributions to the Singapore Central Provident Fund.
- (4) Benefits are stated on the basis of direct costs to the Company. These include medical benefits, flexible benefits, car allowance and housing benefits, where applicable.
- (5) Total Compensation excludes the value of share options and restricted shares.
- (6) The option/restricted share valuation adopted simulation methodologies consistent with assumptions that apply under the Trinomial Option Pricing Model/Adjusted Share Price Model.
- (7) Mr Simon Israel was appointed as Chairman on 11 May 2016. Mr Simon Israel was also appointed as chairperson of the Finance and Investment Committee and as member of both the Compensation Committee and Nominations and Corporate Governance Committee on 10 October 2016.
- (8) Mr Zulkifli Bin Baharudin was appointed as chairperson of the Nominations and Corporate Governance Committee (then the Nominations Committee) on 8 April 2016.
- (9) Mr Chen Jun was appointed as member of the Finance and Investment Committee on 10 October 2016.
- (10) Mrs Fang Ai Lian was appointed as Director of SingPost, chairperson of the Compensation Committee and as member of the Audit Committee on 10 October 2016. Mrs Fang Ai Lian was subsequently appointed as chairperson of the Audit Committee and Lead Independent Director on 24 April 2017. By virtue of her role as Lead Independent Director, she was appointed as member of the Nominations and Corporate Governance Committee as recommended under Guideline 4.1 of the 2012 Code. Mrs Fang Ai Lian stepped down as chairperson of the Compensation Committee on 24 April 2017 but remains as its member.
- (11) Ms Elizabeth Kong Sau Wai was appointed as Director of SingPost and as member of both the Finance and Investment Committee and Nominations and Corporate Governance Committee on 10 October 2016.
- (12) Mr Bob Tan Beng Hai was appointed as Director of SingPost and as member of both the Audit Committee and Board Risk and Technology Committee on 10 October 2016. Mr Bob Tan Beng Hai was appointed as chairperson of the Compensation Committee on 24 April 2017.
- (13) Dr Wolfgang Baier ceased to be Group CEO and Director on 30 June 2016.
- (14) Mr Bill Chang York Chye stepped down as member of the Compensation Committee and was appointed as member of the Finance and Investment Committee on 10 October 2016. He resigned from the Board on 31 March 2017. Upon his resignation, he ceased to be member of the Board Risk and Technology Committee and Finance and Investment Committee.
- (15) Mr Soo Nam Chow was appointed as Lead Independent Director with effect from 16 June 2016. He resigned from the Board on 31 March 2017. Upon his resignation, he ceased to be Lead Independent Director, chairperson and member of the Audit Committee and member of the Nominations and Corporate Governance Committee.
- (16) Mr Lim Ho Kee stepped down as Chairman of the Board on 10 May 2016 and retired from the Board following the conclusion of the AGM held on 14 July 2016. Upon his retirement, he ceased to be member of the Nominations and Corporate Governance Committee.
- (17) Mr Michael James Murphy stepped down as member of the Board Risk and Technology Committee on 10 October 2016. He resigned from the Board on 23 February 2017.
- (18) Mr Tan Yam Pin retired from the Board following the conclusion of the AGM held on 14 July 2016. Upon his retirement, he ceased to be chairperson and member of the Compensation Committee and member of both the Audit Committee and Board Risk and Technology Committee.
- (19) Mr Keith Tay Ah Kee stepped down as chairperson of the Nominations and Corporate Governance Committee (then the Nominations Committee) on 8 April 2016 and Lead Independent Director on 3 May 2016. He later stepped down as member of the Audit Committee, Nominations and Corporate Governance Committee (then the Nominations Committee) and Executive Committee with effect from 9 May 2016. He resigned from the Board on 12 May 2016.
- (20) Mr Goh Yeow Tin resigned as Deputy Chairman and Executive Director on 24 June 2016.

No employee of the Company and its subsidiary companies is an immediate family member of a Director or of the former Group CEO, and whose remuneration exceeded S\$50,000 during the financial year ended 31 March 2017.

CORPORATE GOVERNANCE REPORT

Executives' Remuneration

The Company adopts a remuneration strategy that supports a pay-for-performance philosophy. The Company's executives participate in an annual performance review process that assesses the individual's performance against set performance targets. Performance against these targets is a key factor determining their remuneration.

The remuneration structure for key Management personnel consists of the following components:

Fixed Component

Fixed pay comprises basic salary and Annual Wage Supplement.

Variable Component

This component refers to the variable bonus that is paid based on the Group's and individual's performance. To ensure rewards are closely linked to performance, the percentage of variable component is higher for key Management personnel than other employees.

Provident Fund

This component is made up of the Company's contributions towards the Singapore Central Provident Fund.

Benefits

Benefits provided are consistent with market practice and include medical, flexible benefits and car allowance. Eligibility for these benefits will depend on individual job grade and scheme of service. Housing benefits are provided to only a few where applicable.

Long-term Incentives

Long-term incentives are granted to align staff's interests with that of shareholders, and these are granted in the form of either share options or restricted shares. These long-term incentives are granted with reference to the desired remuneration structure target and valued based on the Trinomial Option Pricing Model/Monte Carlo Model/Adjusted Share Price Model. Details of the long-term incentive schemes can be found in the "Directors' Statement" section of the Annual Report. In addition, identified key Management personnel, are considered for Performance Share options which are tied to set performance targets. In the financial year ended 31 March 2017, not all performance targets were met fully. Details of the grant are in the "Directors' Statement" section. To encourage desired performance from Management, and subject to shareholders' approval for amendments to the existing Restricted Share Plan, enhancements will be made to share-based incentives.

CORPORATE GOVERNANCE REPORT

The following information relates to the remuneration of the Company's key Management personnel (not being Director) for the financial year ended 31 March 2017:

Name of Executive	Fixed Component ⁽¹⁾ %	Variable Component ⁽²⁾ %	Provident Fund ⁽³⁾ %	Benefits ⁽⁴⁾ %	Total Compensation ⁽⁵⁾ %	SingPost Restricted Share Plan ⁽⁶⁾	
						No. Awarded & Accepted (^{'000})	Value (\$ ^{'000})
\$S\$1,000,000 to below \$S\$1,250,000							
Ang Sing Mein Sam <i>Executive Vice President</i>	58	37	1	4	100	55.6	78.3
\$S\$500,000 to below \$S\$750,000							
Woo Keng Leong <i>Chief Executive Officer, Postal Services</i>	66	27	1	6	100	82.6	116.3
Lim Sing Hok Mervyn <i>Deputy Group CEO (Corporate Services) & Group CFO</i>	69	22	2	7	100	54.0	75.9
Marcelo Wessler <i>Chief Executive Officer, SingPost Commerce</i>	47	15	2	36	100	30.3	42.7
Ramesh Narayanaswamy <i>Group Chief Information Officer</i>	67	24	3	6	100	34.6	48.8

Notes

- ⁽¹⁾ Fixed Component refers to base salary earned and Annual Wage Supplement, if applicable, for the year ended 31 March 2017.
- ⁽²⁾ Variable Component refers to variable bonus paid in the financial year ended 31 March 2017.
- ⁽³⁾ Provident Fund represents payment in respect of the Company's statutory contributions to the Singapore Central Provident Fund.
- ⁽⁴⁾ Benefits are stated on the basis of direct costs to the Company. These include medical benefits, flexible benefits, car allowance, international assignment package, long service awards and housing benefits, where applicable.
- ⁽⁵⁾ Total Compensation excludes the value of restricted shares.
- ⁽⁶⁾ The option valuation adopted simulation methodologies consistent with assumptions that apply under the Adjusted Share Price Model. It comprised of restricted shares granted in the financial year ended 31 March 2017.

CORPORATE GOVERNANCE REPORT

C ACCOUNTABILITY AND AUDIT

Principle 10: Accountability

The Board should present a balanced and understandable assessment of the company's performance, position and prospects.

The Board has overall responsibility to shareholders for ensuring that the Group is well managed and guided by its strategic objectives. In presenting the Group's annual and quarterly financial statements to shareholders, it is the aim of the Board to provide shareholders with a balanced and understandable assessment of the Group's performance, position and prospects. Management provides the Board with management accounts and other financial statements on a monthly basis.

Principle 11: Risk Management and Internal Controls

The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

The Board and Management ensure that the Group implements and maintains a sound system of risk management and internal controls.

The Group's policy is to establish an organisational philosophy and culture that ensures that effective risk management is an integral part of its activities and a core management capability. The Board is responsible for the governance of risk across the Group. The Board Risk and Technology Committee assists the Board in the oversight of the Group's risk management framework and policies.

The Board Risk and Technology Committee meets on a quarterly basis, and the meetings are attended by key Management staff including the Group Chief Information Officer.

Management meetings are held on a monthly basis to discuss operational, business and strategic matters. During these meetings, key projects and operational risks are identified and discussed, along with proposed mitigating measures to address these risks to ensure residual risks are mitigated to an acceptable level. Follow ups are then performed in subsequent meetings to ensure mitigating actions are executed. Any significant issues identified from these meetings are brought to the attention of the Board Risk and Technology Committee.

CORPORATE GOVERNANCE REPORT

The Group has in place a structured and systematic approach to risk management, and aims to mitigate the exposures through appropriate risk management strategies and internal controls. Risk management in the Group is a continuous, iterative and integrated process which has been incorporated into various planning, approval, execution, monitoring, review and reporting systems. The Group adopts a top-down as well as bottom-up approach on risk management to ensure the strategic, business, operational, financial, reporting, compliance and information technology (IT) risk exposures are identified and appropriately managed.

At least once a year, the Group undertakes a formal enterprise-wide review of the adequacy and effectiveness of its risk management and internal control systems, including financial, operational, compliance and IT controls. During this exercise, risk owners review and update the risks and controls for their respective areas. The result of this annual risk review is presented to the Board Risk and Technology Committee to ensure enterprise risks are appropriately identified and managed such that residual risks are acceptable given the operational nature of the business.

The key internal controls of the Group include:

- establishment of risk management systems and policies;
- establishment of policies and approval limits for key financial and operational matters, and the rules relating to the delegation of authorities;
- documentation of key processes and procedures;
- segregation of incompatible functions which give rise to a risk of errors or irregularities not being promptly detected;
- safeguarding of assets;
- maintenance of proper accounting records;
- ensuring compliance with appropriate legislation and regulations; and
- having qualified and experienced persons to take charge of important functions.

The Board has received written assurance from the Deputy Group CEO (Corporate Services) and Group CFO, who is also the Covering Group CEO, CEO (Postal Services) and Senior Vice President (Group Internal Audit) that:

- the Group's financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and
- subject to the outcome of the recommendations, if any, arising from the TG Review referred to at page 58 at the beginning of this Report, the Group's internal controls and risk management systems were adequate and effective as at 31 March 2017 to address the risks which the Group considers relevant and material to its operations and finances.

CORPORATE GOVERNANCE REPORT

The Board, with the concurrence of the Audit Committee, is of the opinion that subject as aforesaid to the outcome of the recommendations, if any, arising from the TG Review, the Group's internal controls (including financial, operational, compliance and IT controls) and risk management systems were adequate and effective as at 31 March 2017 to address the risks which the Group considers relevant and material to its operations and finances. This opinion is arrived at based on the framework established and maintained by the Group, the work performed by the internal and external auditors, reviews carried out by Management, various Board Committees and the Board, and assurances received from the Deputy Group CEO (Corporate Services) and Group CFO who is also the Covering Group CEO, CEO (Postal Services) and Senior Vice President (Group Internal Audit).

The Board notes that the internal controls and risk management systems provide reasonable but not absolute assurance that the Group will not be affected by any event that could be reasonably foreseen as it strives to achieve its business objectives.

In this regard, the Board also notes that no system can provide absolute assurance against the occurrence of material errors, poor judgement in decision-making, human errors, fraud or other irregularities.

Principle 12: Audit Committee

The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties.

The Audit Committee currently comprises three Directors, all of whom are non-executive. The chairperson of the Audit Committee and all other members are independent Directors. At least two members, including the Audit Committee chairperson have recent and relevant accounting or related financial management expertise and experience. The Audit Committee's key responsibilities are outlined in the "Board Committees" section of this Report.

The Audit Committee has explicit authority to investigate any matter within its terms of reference. It has full access to and the full cooperation of Management. It also has full discretion to invite any Director or executive officer to attend its meetings. In addition, the Audit Committee has direct access to the external auditor. If required, the Audit Committee has authority to seek external resources to enable it to discharge its functions properly, including obtaining legal and other professional advice and services.

CORPORATE GOVERNANCE REPORT

Internal Audit performs detailed work to assist the Audit Committee in the evaluation of material internal controls of the Group. The external auditor, in the course of conducting their normal audit procedures on the statutory financial statements of the Group, also review the Group's material internal controls to the extent of their scope as laid out in their audit plan. If any material internal control weaknesses are noted by the auditor, these weaknesses and the auditor's recommendations are reported to the Audit Committee.

The Audit Committee reviews the overall scope of both internal and external audits and the assistance given by the Group's officers to the auditors. It meets with the Group's internal and external auditors to discuss the results of their respective examinations and their evaluation of the Group's system of internal controls. The Audit Committee also meets with the internal and external auditors, without the presence of Management, at least annually.

The Audit Committee has reviewed the quarterly and annual financial statements of SingPost and the Group and the related SGXNet announcements for the financial year ended 31 March 2017, as well as the auditor's reports thereon. Interested person transactions of the Group in the financial year have been reviewed by the Audit Committee.

The Audit Committee has reviewed with Management all the non-audit services provided by the external auditor to SingPost and the Group in the financial year ended 31 March 2017. Based on the nature and extent of the services provided, the Audit Committee is of the opinion that the independence of the external auditor was not impaired by the provision of these non-audit services. The external auditor has also provided a confirmation of its independence to the Audit Committee.

During the financial year, the Audit Committee has reviewed with the Group CFO and the external auditor on changes to accounting standards and issues which are relevant to the Group and have a direct impact on the Group's financial statements.

The Audit Committee reviewed the balance sheet of the Company and the consolidated financial statements of the Group for the financial year ended 31 March 2017, as well as the Independent Auditor's Report thereon before submitting them to the Board for its approval. The Audit Committee discussed with Management the accounting principles that were applied and also considered the appropriateness of the critical accounting estimates and judgments made in preparing the financial statements. The following significant matters impacting the financial statements were discussed with Management and the external auditor and were reviewed by the Audit Committee:

CORPORATE GOVERNANCE REPORT

Key Audit Matters	How the Audit Committee reviewed these matters and what decisions were made
Assessment of impairment of goodwill and other intangible assets	<p>The Audit Committee considered the approach and methodology applied to the valuation models used in goodwill impairment assessment as well as the assessment of indicators of impairment of intangible assets.</p> <p>The Audit Committee reviewed the reasonableness of cash flow forecasts, terminal growth rates and discount rates used in the valuation model for each cash generating unit.</p> <p>Given the extent of the impairment to the Group's investment in TG Acquisition Corporation, the immediate holding company of TradeGlobal Holdings, Inc., SingPost appointed an independent external consulting firm to perform a review and report on the reasonableness of the valuation methodology and the key assumptions applied for the assessment of impairment of TG Acquisition Corporation. The Audit Committee considered this report.</p>
Assessment of impairment of property, plant and equipment and investments in associated companies	<p>The impairment review was also an area of focus for the external auditor. The external auditor has included this item as a key audit matter in its audit report for the financial year ended 31 March 2017. Refer to pages 127 and 128 of the Annual Report.</p> <p>The Audit Committee considered the approach and methodology applied to the valuation models used in the impairment assessment of property, plant and equipment and investments in associated companies.</p> <p>The Audit Committee reviewed the determination of the recoverable amounts of property, plant and equipment and investments in associated companies based on the higher of fair values determined by an independent and qualified valuer, and value-in-use calculations which involved management's assessment of the future cash flow forecasts, terminal growth rates and discount rates used in these calculations.</p> <p>The impairment review was also an area of focus for the external auditor. The external auditor has included this item as a key audit matter in its audit report for the financial year ended 31 March 2017. Refer to pages 129 and 130 of this Annual Report.</p>

CORPORATE GOVERNANCE REPORT

Key Audit Matters	How the Audit Committee reviewed these matters and what decisions were made
Valuation of investment properties	<p>The Audit Committee considered the approach and methodology applied to the valuation models used in assessing the valuation of investment properties.</p> <p>The Audit Committee reviewed the data, estimates and assumptions used in each valuation model as well as the independence and competence of the valuer appointed to perform the valuations.</p> <p>The valuation of investment properties was also an area of focus for the external auditor. The external auditor has included this item as a key audit matter in its audit report for the financial year ended 31 March 2017. Refer to page 131 of this Annual Report.</p>
Assessment of indefinite useful life assumption for trademarked brand	<p>The Audit Committee considered the approach and methodology applied to the assessment of indefinite useful life assumption for the trademarked brand arising from the acquisition of a subsidiary in prior financial years.</p> <p>The Audit Committee reviewed the relevant factors in the assessment which included potential legal, regulatory, contractual, technological or other factors which could limit the useful life of the trademarked brand.</p> <p>The assessment of the indefinite useful life assumption for the trademarked brand was also an area of focus for the external auditor. The external auditor has included this item as a key audit matter in its audit report for the financial year ended 31 March 2017. Refer to page 132 of this Annual Report.</p>

CORPORATE GOVERNANCE REPORT

Key Audit Matters	How the Audit Committee reviewed these matters and what decisions were made
Assessment of contingent consideration for business acquisitions	<p>The Audit Committee considered the approach and methodology applied to the assessment of contingent consideration for business acquisitions in prior financial years, as well as the reasonableness of the revised fair values of the contingent consideration in respect of these acquisitions.</p> <p>The assessment of contingent consideration for business acquisitions was also an area of focus for the external auditor. The external auditor has included this item as a key audit matter in its audit report for the financial year ended 31 March 2017. Refer to page 133 of this Annual Report.</p>

Whistle-blowing Policy

The Group is committed to a high standard of ethical conduct and adopts a zero tolerance approach to fraud. The Audit Committee reviews policies and arrangements by which staff and any other persons may, in confidence, raise concerns about possible improprieties in financial reporting or other matters. The Group has in place whistle-blowing policies and arrangements by which staff and any other persons may, in confidence, raise concerns about possible improprieties including concerns about the Group's accounting, internal controls, auditing matters and the conduct of officers or staff including Management and Directors. All reportable incidents including allegations of fraudulent practices are brought to the attention of the chairperson of the Audit Committee and the Chairman of the Board and are investigated promptly, professionally, fairly and honestly. Details of the whistle-blowing policy, arrangements and procedures for raising such concerns are posted on the SingPost intranet and website for easy reference by staff and any other persons. New staff are briefed on these during the staff orientation programme.

CORPORATE GOVERNANCE REPORT

Additionally, the Code of Business Conduct and Ethics for Members of the Board of Directors, which was adopted by the Board as recommended by the Corporate Governance Review, require Directors to communicate any suspected violations of this code promptly to the Chairman of the Board and the chairperson of the Nominations and Corporate Governance Committee. If the suspected violations involve the Chairman of the Board or the chairperson of the Nominations and Corporate Governance Committee, they should be communicated to the chairperson of the Audit Committee whereupon suspected violations will be investigated by the Board of Directors or by a person or persons designated by the Board of Directors and appropriate action will be taken in the event it is determined that any violation of this code has occurred.

Principle 13: Internal Audit

The company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

The Group's internal audit function covers the audits of subsidiaries. Its primary line of reporting is to the chairperson of the Audit Committee, although it would also report administratively to the Group CEO. The Audit Committee approves the hiring, removal, evaluation and compensation of the head of the internal audit function.

The internal audit function has unfettered access to all of the Group's documents, records, properties and personnel, including direct access to the Audit Committee.

The Audit Committee reviews the adequacy and effectiveness of the internal audit function on an ongoing basis. The Audit Committee ensures that the internal audit function is adequately resourced, has appropriate standing within the Group and is able to perform its functions effectively and objectively. The internal audit function adopts the International Standards for the Professional Practice of Internal Auditing issued by The Institute of Internal Auditors.

CORPORATE GOVERNANCE REPORT

D SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Principle 14: Shareholder Rights

Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.

SingPost treats all shareholders fairly and equitably and is committed to upholding a practice of fair, transparent and timely disclosure. SingPost publicly releases all price-sensitive information prior to any meetings with individual analysts or investors.

The Company ensures that shareholders have the opportunity to participate effectively and vote at general meetings. Shareholders are duly informed of the rules including voting procedures that govern the general meetings.

Principle 15: Communication with Shareholders

Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.

SingPost has in place a Market Disclosure Policy (MDP) which contains the principles, guidelines and procedures governing market disclosure and communication with shareholders.

One of the key objectives of the MDP is to uphold a high standard of investor relations communications to ensure transparency, fair and equitable treatment of all shareholders and protection of shareholders' interests.

To keep shareholders informed of corporate developments, SingPost posts its disclosures, including SGXNet announcements, circulars and investor presentations, on the investor relations section of SingPost's corporate website (www.singpost.com) and maintains regular dialogue with the investment community.

The Management and investor relations team proactively engage investors through various platforms, including quarterly results briefings and the accompanying live audio webcasts, conference calls, one-on-one and group meetings, and local and overseas investor roadshows and conferences.

CORPORATE GOVERNANCE REPORT

Principle 16: Conduct of Shareholder Meetings

Companies should encourage greater shareholder participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the company.

The Company encourages shareholder participation at general meetings, which serve as a good platform for engagement with the Board and Management.

SingPost disseminates information on its general meetings through notices in its Annual Reports or Circulars to Shareholders. Annual Reports and Circulars are sent to shareholders as well as posted on the Company's website. The notices are also released via SGXNet and published in the local press. The meetings are held in a central location in Singapore to ensure convenient access for shareholders. A shareholder who is unable to attend may appoint up to two proxies, who need not be shareholders of SingPost, to attend and vote on his or her behalf.

Board members and the respective chairpersons of all the Board Committees, together with Management, are present and available at general meetings to address shareholders' queries. The Company's external auditor's are also present to address shareholders' queries relating to the conduct of audit and the preparation and content of the auditor's report. Shareholders also have the opportunity to communicate with the Directors and Management after the meeting.

SingPost employs electronic polling at its general meetings. Separate resolutions are proposed on each substantially separate issue. Shareholders present are given an opportunity to clarify or direct questions on issues pertaining to the proposed resolutions before the resolutions are voted on. To ensure transparency in the voting process, the detailed results of all resolutions put to vote, showing the number of votes cast for and against each resolution, and the respective percentages, are tallied and displayed live on-screen to shareholders immediately after the vote has been cast. The results are also announced via SGXNet after the conclusion of the meeting.

Minutes of the general meetings are posted on the Company's website.

Voting in absentia by mail, email or fax is currently not permitted under the Company's Constitution until security, integrity and other pertinent issues are satisfactorily resolved.

CORPORATE GOVERNANCE REPORT

DEALINGS IN SECURITIES

SingPost's securities trading policy provides that Directors and officers of the Group should not deal in SingPost's shares during the periods commencing one month before the announcement of SingPost's annual results, and two weeks before the announcement of its quarterly results, and ending on the date of the announcement of the relevant results, or if they are in possession of unpublished price-sensitive information on the Group. Directors and officers are also required to comply with insider trading laws at all times even when dealing in SingPost's shares outside the prohibited trading period. The policy also discourages trading on short-term considerations.

CORPORATE GOVERNANCE DISCLOSURE GUIDE

In line with SingPost's commitment towards corporate governance and disclosure compliance, the Company has completed the Corporate Governance Disclosure Guide developed by the SGX-ST in January 2015.

Corporate governance is a continuing journey. The Board and Management of SingPost are fully committed to putting in place leading practices of corporate governance to ensure that the Company's performance and compliance are conducive towards the enhancement of shareholder value.

CORPORATE GOVERNANCE REPORT

DISCLOSURE ON COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE 2012

Guideline	Questions	How has the Company complied?
General	(a) Has the Company complied with all the principles and guidelines of the Code? If not, please state the specific deviations and the alternative corporate governance practices adopted by the Company in lieu of the recommendations in the Code.	SingPost has complied in all material respects with the principles and guidelines set out in the Code.
	(b) In what respect do these alternative corporate governance practices achieve the objectives of the principles and conform to the guidelines in the Code?	Not applicable.

Board Responsibility

Guideline 1.5	What are the types of material transactions which require approval from the Board?	A framework of internal controls is in place setting out financial authorisation and approval limits for operating and capital expenditure, procurement of goods and services, as well as acquisition and divestment of assets. Board's approval is required for transactions exceeding certain threshold limits, while authority for transactions below those limits is delegated to Management to optimise operational efficiency.
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CORPORATE GOVERNANCE REPORT

Guideline	Questions	How has the Company complied?
Members of the Board		
Guideline 2.6	<p>(a) What is the Board's policy with regard to diversity in identifying Director nominees?</p> <p>(b) Please state whether the current composition of the Board provides diversity on each of the following – skills, experience, gender and knowledge of the Company, and elaborate with numerical data where appropriate.</p> <p>(c) What steps has the Board taken to achieve the balance and diversity necessary to maximise its effectiveness?</p>	<p>The Board has followed the recommendations of the Corporate Governance Review in the selection and appointment of the new Directors. This included having a structured process for assessing and evaluating potential new Directors using the pivotal expertise and Board leadership competencies created as part of the Corporate Governance Review. The Corporate Governance Review had also specifically recommended the appointment of a legal expert, preferably someone with deep experience in mergers and acquisitions as well as a Director with strong financial/accounting expertise.</p> <p>The Corporate Governance Review had noted that the Board then comprised only one female member and had recommended that the Board should prioritise the appointment of candidates who increase gender diversity. The number of female Directors on the Board has since been increased from one to four.</p> <p>The current composition of the Board provides diversity of skills, experience, gender and knowledge. The profiles of the Directors can be found on pages 18 to 23 of this Report.</p> <p>The Board has adopted the recommendations of the Corporate Governance Review when appointing new Directors in order to achieve the balance and diversity necessary to maximise its effectiveness. A Board Composition Matrix was created as part of the Corporate Governance Review. As recommended by the Corporate Governance Review, the Board continues to use the Board Composition Matrix to review alignment between Board composition and strategic priorities.</p>

CORPORATE GOVERNANCE REPORT

Guideline	Questions	How has the Company complied?
Guideline 4.6	Please describe the board nomination process for the Company in the last financial year for (i) selecting and appointing new Directors and (ii) re-electing incumbent Directors.	<p>The Nominations and Corporate Governance Committee followed the recommendations of the Corporate Governance Review in the nomination process resulting in the new appointments described in the “Board Composition” section of this Report. Candidates were identified through professional search agencies, and consultation with Directors and shareholders. The Nominations and Corporate Governance Committee also considered all recommendations received from shareholders and members of the public. After a candidate has been endorsed by the Nominations and Corporate Governance Committee, the Committee will make its recommendation to the Board whereupon the Board meets with the shortlisted candidates to (i) assess the suitability of each candidate; (ii) communicate to the candidates the level of commitment expected; and (iii) provide sufficient information for the candidates to make an informed decision on accepting the role. The Board will then deliberate on the recommendation of the Nominations and Corporate Governance Committee. Upon the Board’s approval, SingPost will seek IMDA’s approval, in accordance with the requirement set out in the Postal Services Act, Cap. 237A, and MAS’ approval in accordance with the requirement set out in the Money-changing and Remittance Businesses Act, Cap. 187.</p>

CORPORATE GOVERNANCE REPORT

Guideline	Questions	How has the Company complied?
Guideline 4.6 (continued)		<p>The Nominations and Corporate Governance Committee is tasked with ensuring that Directors have given sufficient time and attention to the affairs of SingPost and to decide if a Director has been adequately carrying out, and is able to continue carrying out the duties of a Director of the Company. In doing so, the Committee will consider the other directorships held by the Directors and their principal commitments. For the past financial year, the Nominations and Corporate Governance Committee has determined that all the Directors have devoted a satisfactory amount of time and attention to the Company and have discharged their duties adequately. The Board, in consultation with the Nominations and Corporate Governance Committee, based on each Director's attendance, preparedness and participation at Board and Board Committee meetings (where applicable) is of the view that each Director has contributed effectively to the Board and has demonstrated commitment to his or her role.</p> <p>SingPost's Constitution requires newly appointed Directors to retire and stand for re-election at the AGM immediately following their appointment (new Directors re-election rule). The Constitution also requires a Director to retire and stand for re-election at the AGM if, were he or she not to do so, he or she would at the next AGM have held office for more than three years. The Constitution further requires one-third of the remaining Directors starting from those with the longest term in office since their appointment or re-election/re-appointment to retire from office by rotation at each AGM (1/3 rotation rule). The Nominations and Corporate Governance Committee, subject to the rules set out in the Constitution, Board Composition Matrix and Board Renewal and Tenure Policy, recommended the retirement and re-election/re-appointment of Directors to the Board.</p>

CORPORATE GOVERNANCE REPORT

Guideline	Questions	How has the Company complied?
Guideline 1.6	<p>(a) Are new Directors given formal training? If not, please explain why.</p> <p>(b) What are the types of information and training provided to (i) new Directors and (ii) existing Directors to keep them up-to-date?</p>	<p>Yes, new Directors are given formal training.</p> <p>(i) Each newly appointed Director receives a formal letter informing of the Director's duties and advising disclosure obligations under the Companies Act, Cap. 50 and the SGX-ST listing rules. In line with the recommendation of the Special Audit, enhanced standardised documentation and procedures have been implemented for the declaration of Directors' interest. The Company also has in place a compulsory orientation programme to familiarise incoming Directors with the Group's businesses and strategic objectives. The programme includes presentations on the Company's strategic plans and financial performance, and presentations by senior Management on their respective businesses, directions and corporate governance practices. The orientation programme not only serves its objective of thoroughly acquainting new Directors with the nature and workings of the Group's business, but also serves as a platform for new Directors to get to know members of senior Management and to ask questions.</p> <p>(ii) Existing Directors are kept informed of changing commercial risks faced by the Group through briefings at Board meetings, as well as articles and reports circulated to the Board. In addition, facility visits are arranged for Directors to better understand the Group's business operations. Directors are also briefed on changes in regulations and guidelines.</p>

CORPORATE GOVERNANCE REPORT

Guideline	Questions	How has the Company complied?
Guideline 4.4	<p>(a) What is the maximum number of listed company board representations that the Company has prescribed for its Directors? What are the reasons for this number?</p> <p>(b) If a maximum number has not been determined, what are the reasons?</p> <p>(c) What are the specific considerations in deciding on the capacity of Directors?</p>	<p>The Board has not made a determination of the maximum number of listed company board representations a Director may hold. Under the terms of the new Policy on Directors' Conflict of Interest, Directors are to consult the Chairman of the Board and the chairperson of the Nominations and Corporate Governance Committee prior to accepting any appointments to the boards of Directors or advisory boards of any public or privately held company or any other principal commitments so that such appointments may be considered by the Board in accordance with corporate governance guidelines.</p> <p>Determining the maximum number of listed companies board representations which a Director may hold has no direct bearing on the ability of a Director to dedicate sufficient time and attention to the Company. Much depends on the Directors level of involvement in these other listed companies, other principal commitments which may not involve listed companies and the level of efficiency of the individual. The Board therefore believes that each Director has to personally determine the demands of his or her other directorships and commitments and assess how much time is available to serve on the Board and Board Committees effectively.</p> <p>The Nominations and Corporate Governance Committee is tasked with ensuring that Directors have given sufficient time and attention to the affairs of SingPost and to decide if a Director has been adequately carrying out, and is able to continue carrying out the duties of a Director of the Company. In doing so, the Committee will consider the other directorships held by the Directors and their principal commitments.</p>

CORPORATE GOVERNANCE REPORT

Guideline	Questions	How has the Company complied?
Board Evaluation		
Guideline 5.1	(a) What was the process upon which the Board reached the conclusion on its performance for the financial year?	The Corporate Governance Review had included an assessment of the effectiveness of the Board. Following from such assessment, the Corporate Governance Review recommended two areas of focus, namely the need to improve on external stakeholder communication and to prioritise succession planning in order to create a robust pipeline of future leaders. The Company has since formed a Market Disclosure Committee to ensure compliance with disclosure obligations and has adopted a Market Disclosure Policy that sets out the review and approval process for all public communications including SGXNet announcements. To better address succession planning, the mandate of the Compensation Committee has been widened to include management succession planning, given the fact that the Compensation Committee by virtue of its compensation function has deeper insight into Management bench strength compared to the other Board Committees.
	(b) Has the Board met its performance objectives?	The Board believes that it has met its performance objectives.

CORPORATE GOVERNANCE REPORT

Guideline	Questions	How has the Company complied?
Independence of Directors		
Guideline 2.1	Does the Company comply with the guideline on the proportion of independent Directors on the Board? If not, please state the reasons for the deviation and the remedial action taken by the Company.	The Board as at 12 May 2017 had nine Directors, six of whom were independent. This ratio amply complies with the Code's requirement that independent Directors make up at least 1/3 of the Board.
Guideline 2.3	(a) Is there any Director who is deemed to be independent by the Board, notwithstanding the existence of a relationship as stated in the Code that would otherwise deem him not to be independent? If so, please identify the Director and specify the nature of such relationship.	No.
	(b) What are the Board's reasons for considering him independent? Please provide a detailed explanation.	Not applicable.
Guideline 2.4	Has any independent Director served on the Board for more than nine years from the date of his first appointment? If so, please identify the Director and set out the Board's reasons for considering him independent.	None as of financial year ended 31 March 2017.

CORPORATE GOVERNANCE REPORT

Guideline	Questions	How has the Company complied?
Disclosure on Remuneration		
Guideline 9.2	Has the Company disclosed each Director's and the CEO's remuneration as well as a breakdown (in percentage or dollar terms) into base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?	Yes, particulars of which can be found on page 74 of this Report.
Guideline 9.3	<p>(a) Has the Company disclosed each key management personnel's remuneration, in bands of S\$250,000 or in more detail, as well as a breakdown (in percentage or dollar terms) into base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?</p> <p>(b) Please disclose the aggregate remuneration paid to the top five key management personnel (who are not Directors or the CEO).</p>	<p>Yes, particulars of which can be found on page 77 of this Report.</p> <p>Approximately S\$4.1 million for top five key executives which includes fixed & variable pay, benefits, CPF and fair value of long-term incentive grants.</p>

CORPORATE GOVERNANCE REPORT

Guideline	Questions	How has the Company complied?
Guideline 9.4	Is there any employee who is an immediate family member of a Director or the CEO, and whose remuneration exceeds S\$50,000 during the year? If so, please identify the employee and specify the relationship with the relevant Director or the CEO.	No.
Guideline 9.6	<p>(a) Please describe how the remuneration received by executive Directors and key management personnel has been determined by the performance criteria.</p> <p>(b) What were the performance conditions used to determine their entitlement under the short-term and long-term incentive schemes?</p> <p>(c) Were all of these performance conditions met? If not, what were the reasons?</p>	<p>Remuneration of the Group CEO and key management personnel is driven by a pay-for-performance philosophy and is made up of three key components: a fixed pay component, a variable bonus component, and share-based incentives. The variable bonus is paid based on the Group's and individual's performance. Performance share options are tied to the achievement of set performance targets.</p> <p>Information on the remuneration of the Group CEO and key management personnel can be found at pages 74 and 77 of this Report and in Note 36 of the Notes to the Financial Statements which can be found on page 261 of this Report.</p> <p>Not all performance conditions were met due to stretched targets and market performance beyond management's control.</p>

CORPORATE GOVERNANCE REPORT

Guideline	Questions	How has the Company complied?
Risk Management and Internal Controls		
Guideline 6.1	What types of information does the Company provide to independent Directors to enable them to understand its business, the business and financial environment as well as the risks faced by the Company? How frequently is the information provided?	New Directors are provided information on the Company's businesses as part of the Induction Programme as well as the opportunity to ask Management questions. The Board is provided information on a regular basis regarding media reports on the Company, its competitors and the relevant industries. When the Board participates in a Board strategy workshop with Management, much information on the business is shared by Management with the Board in order to facilitate planning of the Group's longer term strategy. Board papers are submitted to the Board prior to Board and Board Committee meetings for approval and for information and these contain relevant information regarding the Company to facilitate the discussions at these meetings. The Group CEO, Group CFO and other senior management staff attend Board and Board Committee meetings to respond to any queries that Directors may have. Directors are encouraged to request additional information from Management that is needed to make informed decisions. Management does its utmost to meet any request in a timely manner. At all times, the Board has separate and independent access to Management and the Company Secretary.
Guideline 13.1	Does the Company have an internal audit function? If not, please explain why.	The Company has an internal audit function. The primary line of reporting of the Group's internal audit function is to the chairperson of the Audit Committee, although it also reports administratively to the Group CEO. The Audit Committee approves the hiring, removal, evaluation and compensation of the head of the internal audit function.

CORPORATE GOVERNANCE REPORT

Guideline	Questions	How has the Company complied?
Guideline 11.3	(a) In relation to the major risks faced by the Company, including financial, operational, compliance, information technology and sustainability, please state the bases for the Board's view on the adequacy and effectiveness of the Company's internal controls and risk management systems.	<p>The Group's policy is to establish an organisational philosophy and culture that ensures that effective risk management is an integral part of its activities and a core management capability. The Board is responsible for the governance of risk across the Group. The Board Risk and Technology Committee assists the Board in the oversight of the Group's risk management framework and policies.</p> <p>The Group has in place a structured and systematic approach to risk management, and aims to mitigate the exposures through appropriate risk management strategies and internal controls. Risk management in the Group is a continuous, iterative and integrated process which has been incorporated into various planning, approval, execution, monitoring, review and reporting systems. The Group adopts a top-down as well as bottom-up approach on risk management to ensure the strategic, business, operational, financial, reporting, compliance and information technology (IT) risk exposures are identified and appropriately managed.</p> <p>At least once a year, the Group undertakes a formal enterprise-wide review of the adequacy and effectiveness of its risk management and internal control systems, including financial, operational, compliance and IT controls. During this exercise, risk owners review and update the risks and controls for their respective areas. The result of this annual risk review is presented to the Board Risk and Technology Committee to ensure enterprise risks are appropriately identified and managed such that residual risks are acceptable given the operational nature of the business.</p>

CORPORATE GOVERNANCE REPORT

Guideline	Questions	How has the Company complied?
Guideline 11.3 (continued)		<p>The Board, with the concurrence of the Audit Committee, is of the opinion that subject as aforesaid to the outcome of the recommendations, if any, arising from the TG Review, the Group's internal controls (including financial, operational, compliance and IT controls) and risk management systems were adequate and effective as at 31 March 2017 to address the risks which the Group considers relevant and material to its operations and finances. This opinion is arrived at based on the framework established and maintained by the Group, the work performed by the internal and external auditors, reviews carried out by Management, various Board Committees and the Board, and assurances received from the Deputy Group CEO (Corporate Services) and Group CFO who is also the Covering Group CEO, CEO (Postal Services) and Senior Vice President (Group Internal Audit).</p> <p>The Board notes that the internal controls and risk management systems provide reasonable but not absolute assurance that the Group will not be affected by any event that could be reasonably foreseen as it strives to achieve its business objectives.</p> <p>In this regard, the Board also notes that no system can provide absolute assurance against the occurrence of material errors, poor judgement in decision-making, human errors, fraud or other irregularities.</p>

CORPORATE GOVERNANCE REPORT

Guideline	Questions	How has the Company complied?						
Guideline 11.3 (continued)	(b) In respect of the past 12 months, has the Board received assurance from the CEO and the CFO as well as the internal auditor that: (i) the financial records have been properly maintained and the financial statements give true and fair view of the Company's operations and finances; and (ii) the Company's risk management and internal control systems are effective? If not, how does the Board assure itself of points (i) and (ii) above?	<p>The Board has received written assurance from the Deputy Group CEO (Corporate Services) and Group CFO, who is also the Covering Group CEO, CEO (Postal Services) and Senior Vice President (Group Internal Audit) that:</p> <ul style="list-style-type: none"> the Group's financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and subject to the outcome of the recommendations, if any, arising from the TG Review referred to at page 58 at the beginning of this Report, the Group's internal controls and risk management systems were adequate and effective as at 31 March 2017 to address the risks which the Group considers relevant and material to its operations and finances. 						
Guideline 12.6	(a) Please provide a breakdown of the fees paid in total to the external auditors for audit and non-audit services for the financial year.	<p>As disclosed in SGX Listing Manual Requirements, which can be found on page 287 of this Report, the fees paid/payable to the auditors of the Company for audit and non-audit services for the financial year ended 31 March 2017:</p> <table border="1"> <thead> <tr> <th></th> <th style="text-align: right;">S\$'000</th> </tr> </thead> <tbody> <tr> <td>Audit fees paid / payable</td> <td style="text-align: right;">1, 747</td> </tr> <tr> <td>Non-audit fees paid / payable</td> <td style="text-align: right;">511</td> </tr> </tbody> </table>		S\$'000	Audit fees paid / payable	1, 747	Non-audit fees paid / payable	511
	S\$'000							
Audit fees paid / payable	1, 747							
Non-audit fees paid / payable	511							
Guideline 12.6 (continued)	(b) If the external auditors have supplied a substantial volume of non-audit services to the Company, please state the bases for the Audit Committee's view on the independence of the external auditors.	<p>Non-audit fees amount to 23% of the total fees paid / payable to the auditors of the Company. The Audit Committee is of the opinion that the non-audit services provided by the auditors would not affect their independence.</p>						

CORPORATE GOVERNANCE REPORT

Guideline	Questions	How has the Company complied?
Communication with Shareholders		
Guideline 15.4	(a) Does the Company regularly communicate with shareholders and attend to their questions? How often does the Company meet with institutional and retail investors?	<p>SingPost has in place a Market Disclosure Policy (MDP) which contains the principles, guidelines and procedures governing market disclosure and communications with shareholders.</p> <p>To keep shareholders informed of corporate developments, SingPost posts its disclosures, including SGXNet announcements, circulars and investor presentations, on the investor relations section of the corporate website (www.singpost.com) and maintains regular dialogue with the investment community.</p> <p>The management and Investor Relations (IR) team proactively engage investors through various platforms including quarterly results briefings and the accompanying live audio webcasts, conference calls, one-on-one and group meetings, as well as local and overseas investor roadshows and conferences. For the financial year ended 31 March 2017, SingPost engaged about 420 investors through meetings and conference calls.</p>
	(b) Is this done by a dedicated investor relations team (or equivalent)? If not, who performs this role?	Yes, SingPost has a dedicated IR team.
	(c) How does the Company keep shareholders informed of corporate developments, apart from SGXNET announcements and the annual report?	Please refer to answer (a).
Guideline 15.5	If the Company is not paying any dividends for the financial year, please explain why.	Not applicable.