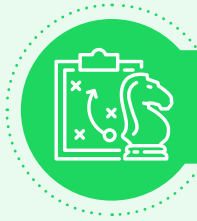


# CORPORATE GOVERNANCE



## 2. STRATEGIC MATTERS

With the increasing complexity of the industry, the Board takes the view that the entire Board should be allowed more time to consider and deliberate upon the strategic direction and focus of the Group. This would additionally improve efficiency in discussions across Board and Board Committee meetings. Strategic matters are tabled at Board meetings directly, to facilitate participation and deliberation by the entire Board.

The annual Board Strategy meeting provides the Board with an opportunity to engage closely with Management for a more in-depth focus on the Group's overall strategy. In September 2024, a full day Board Strategy meeting was held offsite.



## 3. REMUNERATION MATTERS

### A. PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

In FY2024, the Executive Resource and Compensation Committee was re-named the Organisation Development and Compensation Committee (ODCC) to reflect StarHub's enhanced focus on organisation development, including talent development, learning, culture by design or frameworks, and people and culture transformation.

The ODCC ensures the due implementation of a formal and transparent procedure for developing policies on executive remuneration and determining the remuneration packages of individual Directors.

| Organisation Development and Compensation Committee   |   |
|---|---|
| Membership  | Key Responsibilities  |
| <p><b>Ms Michelle Guthrie,</b><br/>ODCC Chairman and ID</p> <p><b>Mr Lionel Yeo, ID</b></p> <p><b>Mr Stephen Miller, NED</b></p> <p>The ODCC comprises three NEDs, with the majority (including the ODCC Chairman) being IDs. During FY2024, the ODCC held four meetings.</p> | <ul style="list-style-type: none"> <li>• Succession planning and performance review for the Chief Executive, the CFO and other key management personnel. Potential candidates for immediate, medium and long-term needs are identified each year</li> <li>• Working collaboratively with the NGC on the Chief Executive appointment process and terms of appointment</li> <li>• Assessing and approving candidates for key executive appointments</li> <li>• Overseeing the development of Management and employees, reviewing succession plans for key positions in the Group and overseeing the identification and development of key and talented executives and general succession planning policies for all employees</li> <li>• Ensuring the implementation of a formal and transparent procedure for developing policies on executive remuneration and determining the remuneration framework of the Directors to be recommended to the Board for approval</li> <li>• Overseeing organisation development, including employee engagement, organisational learning and the transformation of people and culture</li> <li>• Reviewing and recommending the remuneration package and service contract terms of the Chief Executive and key management personnel</li> <li>• Assessing and approving restricted stock awards and performance share awards under StarHub's approved share plans, and recommending the grant of share awards to Directors and key management personnel for the Board's approval</li> <li>• Overseeing and supporting development of employee programmes and practices that encourage engagement, participation and diversity</li> <li>• Working with the RSC on overseeing and supporting employee programmes and practices consistent with StarHub's sustainability framework</li> </ul> |

In overseeing StarHub's remuneration policies, the ODCC's key duties are to review and recommend the following to the Board for endorsement:

- General remuneration framework for the Group and specific remuneration packages for key management personnel (as defined in the Code); and
- Remuneration framework for the Board (including Directors' fees, allowances and share-based awards). The actual remuneration will then be recommended to shareholders for approval.

The ODCC's review and recommendation process covers all aspects of remuneration for employees, Management and Directors, including Directors' fees, employee salaries, allowances, bonuses, share-based incentives and awards, as well as benefits-in-kind and termination terms. The framework and packages are linked to:

- The performance of the Group and the relevant individual;
- Industry practices and compensation norms; and
- The need to attract key management personnel in order to ensure the continual development of talent and the renewal of strong leadership for StarHub.

# CORPORATE GOVERNANCE

## B. LEVEL AND MIX OF REMUNERATION

The ODCC ensures that the remuneration paid to the Chief Executive and key management personnel is closely linked to the achievement of business and individual performance targets. The performance targets are determined by the ODCC based on realistic yet stretch levels each year to reward the Group and individual performance that supports strategic priorities of the business and promotes activities that help the business to successfully implement its strategy with emphasis on both short and long-term quantifiable objectives.

All decisions by the ODCC are made by a majority of votes of the ODCC members present and voting.

No ODCC member or any Director is involved in deliberations in respect of any remuneration, compensation, share-based incentives or any form of benefits to be granted to such individual, or where there are conflicts of interests.

The Chief Executive is present at all ODCC discussions on the compensation and incentive policies for StarHub's key personnel (such as share-based incentives, bonus framework, salary and other incentive schemes), save for discussions which relate to the Chief Executive's own compensation, terms and conditions of service or the review of his performance, for which he absents himself.

The ODCC has access to expert professional advice on the remuneration policies of the Board and executives. The ODCC has appointed Willis Towers Watson as its remuneration consultant for FY2024 and is satisfied that the independence and objectivity of Willis Towers Watson is not affected by any relationship between StarHub and Willis Towers Watson.

Prior to the termination of any key management personnel's contract of service, the ODCC's approval is required. The ODCC reviews StarHub's obligations arising in the event of such termination to ensure that the contracts of service contain fair and reasonable termination clauses. The ODCC aims to be fair and avoid rewarding poor performance.

## C. DISCLOSURE ON REMUNERATION

### Non-Executive Directors' Remuneration

The payment of board remuneration in cash and shares has been a practice at StarHub, to align NEDs' interests with those of shareholders and the long-term interests of the Group. NEDs receive 70% of their board fees in cash and the remaining 30% in share awards granted pursuant to the StarHub Restricted Stock Plan.

#### • Cash Component

Each NED receives a retainer fee, with overseas NEDs also entitled to a travel allowance to cover expenses incurred for attending Board meetings in person. The Board Chairman receives a fixed all-in fee of \$300,000, which reflects the significant leadership role, strategic oversight, and extensive time commitment required. In addition to their base retainer, NEDs who chair or serve on Board Committees receive additional fees to recognise their increased responsibilities.

#### • Share Component

Pursuant to the StarHub Restricted Stock Plan, the share awards are granted as fully-paid StarHub shares without any vesting conditions attached. Nonetheless, in order to align NEDs' interests with those of shareholders, NEDs who receive the share awards are required to hold a minimum number of StarHub shares with a value equivalent to the lower of (a) their prevailing annual retainer fee or (b) the aggregate of 100% of the total number of StarHub shares awarded for the financial year ended 31 December 2011 and each subsequent financial year thereafter, and 50% of the total number of StarHub shares awarded from the financial years ended 31 December 2007 to 31 December 2010. NEDs can only dispose of all their StarHub shares one year after ceasing to be a Director. The number of StarHub shares to be awarded to a participating NED will be determined by reference to the volume weighted average price of a StarHub share on the SGX-ST over the 14 trading days commencing on the ex-dividend date that immediately follows the forthcoming AGM. The number of StarHub shares to be awarded will be rounded down to the nearest hundred, with cash to be paid in lieu of the remaining StarHub shares.

The total NEDs' remuneration for FY2024 amounts to S\$1,616,320 and will be subject to shareholders' approval at the upcoming AGM in FY2025.

Mr Nikhil Eapen, as an ED, receives remuneration as the Chief Executive, and does not receive a fee for serving on the Board and Board Committees.

**Table 2 (Annual Fees for the Board and the Board Committees for FY2024)**

| Annual Fees for the Board |           |
|---------------------------|-----------|
| Board Chairman            | \$300,000 |
| Lead ID                   | \$108,000 |
| NED                       | \$90,000  |

**Additional Annual Fees for the Board Committees**

| Type of Committee                                   | Chairman | Member   |
|---|----------|----------|
| Audit Committee                                     | \$60,000 | \$35,000 |
| Nominating and Governance Committee                 | \$42,000 | \$22,000 |
| Risk and Sustainability Committee                   | \$42,000 | \$22,000 |
| Organisation Development and Compensation Committee | \$42,000 | \$22,000 |

**Breakdown of Directors' Remuneration**

The following shows the composition of Directors' remuneration for FY2024:

**Table 3 (Directors' Remuneration for FY2024)**

| Name of NED                   | NEDs' Remuneration             |                  |            |
|-------------------------------|--------------------------------|------------------|------------|
|                               | Cash-based <sup>(b)</sup> (\$) | Share-based (\$) | Total (\$) |
| Olivier Lim <sup>(a)</sup>    | 258,177.27                     | 90,000.00        | 348,177.27 |
| Deborah Ong                   | 70,502.00                      | 29,958.00        | 100,460.00 |
| Lionel Yeo                    | 95,351.63                      | 40,200.00        | 135,551.63 |
| Nayantara Bali                | 118,451.63                     | 50,100.00        | 168,551.63 |
| Michelle Guthrie              | 142,360.00                     | 60,600.00        | 202,960.00 |
| Ng Shin Ein                   | 89,004.40                      | 37,500.00        | 126,504.40 |
| Han Kwee Juan                 | 26,172.00                      | 11,088.00        | 37,260.00  |
| Teo Ek Tor                    | 89,051.63                      | 37,500.00        | 126,551.63 |
| Paul Ma                       | 112,692.40                     | 47,652.00        | 160,344.40 |
| Stephen Miller <sup>(c)</sup> | 95,304.40                      | 40,200.00        | 135,504.40 |
| Ahmad Al-Neama                | 77,960.00                      | 33,000.00        | 110,960.00 |
| Naoki Wakai <sup>(c)(d)</sup> | 23,980.00                      | -                | 23,980.00  |

**Directorship on Subsidiary**

|                           |        |   |        |
|---------------------------|--------|---|--------|
| Teo Ek Tor <sup>(e)</sup> | 52,500 | - | 52,500 |
|---------------------------|--------|---|--------|

- (a) Mr Olivier Lim, Board Chairman, receives a fixed all-in fee for his role and does not receive additional remuneration for chairing or serving on any Board Committees.
- (b) Cash component of remuneration includes cash portion of fees and benefits-in-kind such as mobile allowances, insurance premiums and discounted StarHub services.
- (c) Cash component of fees is payable to Director's employer company.
- (d) Mr Naoki Wakai retired from the Board at the conclusion of the AGM on 25 April 2024. Fees are payable to his employer company in respect of his Board appointment in FY2024, prior to his retirement.
- (e) Fees are payable to Mr Teo Ek Tor as a NED of Ensign InfoSecurity Pte. Ltd., a subsidiary of StarHub, in respect of the period from 1 January 2024 to 31 December 2024.

➔ Details of the share awards granted by StarHub to the Directors under the StarHub Restricted Stock Plan can be found in the Directors' Statement section on pages 193 to 201 of the Annual Report.

# CORPORATE GOVERNANCE

## Chief Executive and Key Management Personnel Remuneration

The ODCC seeks to ensure that the level and mix of remuneration for the Chief Executive and key management personnel are competitive and relevant, aligned with shareholders' interests and promote the long-term success of the Group.

Remuneration for the Chief Executive and key management personnel comprises a fixed component, a variable cash component, a share-based compensation and market-related benefits:

- **Fixed Component**

The fixed component comprises the base salary, Annual Wage Supplement (AWS) and fixed allowances.

- **Variable Cash Component**

The variable cash component refers to the Annual Variable Bonus (AVB).

### Annual Variable Bonus

The AVB is a cash-based incentive for the Chief Executive and key management personnel that is linked to the achievement of annual performance targets.

Individual performance objectives which are aligned to the overall strategic, financial and operational goals of the Group are set at the beginning of each financial year, and are cascaded down to a select group of key management personnel, creating alignment between the performance of the Group and the individual.

While the performance objectives are different for each executive, they are assessed on the same principles across the following broad categories of targets:

- Business outcomes (65% weightage); and
- Customer, Process and People outcomes (35% weightage).

The target AVB for the Chief Executive and key management personnel is pre-set at a fixed percentage of their annual base salary, and subsequently adjusted based on the Group's performance at the end of each financial year. The final AVB payout can range from 0 to 2.25 times of the target AVB.

- **Share-based Compensation**

### StarHub Performance Share Plan (PSP)

The PSP serves as a long-term incentive to motivate key management personnel to strive for superior performance and to align their interests with that of shareholders.

Pursuant to the PSP, the ODCC has decided to grant contingent awards of StarHub shares on an annual basis, conditional on meeting targets set for a three-year performance period. The performance measures used in PSP grants during FY2024 are:

1. Relative Total Shareholder Return (Relative TSR) against Peer list based on APAC Telco companies;
2. Absolute Total Shareholder Return (Absolute TSR) against Cost of Equity hurdles (i.e. measure of Wealth Added);
3. Return on Invested Capital (ROIC) against Weighted Average Cost of Capital (WACC); and
4. Reduction of Scope 1 and 2 CO<sub>2</sub> emissions from FY2021 (GHG Emissions Reduction).

A minimum threshold performance is required for any StarHub shares to be released to the recipient at the end of the performance period. The actual number of StarHub shares released will depend on the achievement of set targets over the performance period. For the performance measure of Relative TSR, the achievement factor ranges from 0 to 1.5 times of 25% of the conditional award. For the performance measure of Absolute TSR, the achievement factor ranges from 0 to 1.5 times of 25% of the conditional award. For the performance measure of ROIC against WACC, the achievement factor ranges from 0 to 1.5 times of 25% of the conditional award. For the performance measure of the GHG Emissions Reduction targets, the achievement factor ranges from 0 to 1.5 times of 25% of the conditional award.

The final PSP award is conditional on the vesting of the StarHub shares under the Restricted Stock Plan which have the same performance end-period.

The Group has attained an achievement factor which is reflective of not meeting the pre-determined target performance levels for PSP awards granted in FY2021 based on the performance period from FY2021 to FY2023. The resulting shares vested were adjusted accordingly to reflect the performance level achieved.

**StarHub Restricted Stock Plan (RSP)**

The RSP has been established with the objective of motivating managers and key talent to strive for sustained long-term growth and superior performance of the Group. It also aims to foster a share ownership culture among employees within the Group and to better align employees’ incentives with shareholders’ interests.

Pursuant to the RSP, the ODCC has decided to grant contingent awards of StarHub shares on an annual basis, conditional on the achievement of annual Return on Equity targets. The objective of the RSP is aligned to the overall financial performance of the Group and wealth creation for shareholders. The RSP acts as a medium-term incentive mechanism that drives business performance while retaining StarHub’s key talent to drive shareholder value.

A minimum threshold performance is required for any StarHub shares to be released to the recipient at the end of the performance period. The actual number of StarHub shares released will depend on the achievement of the pre-determined target performance levels over the performance period, to be determined by the ODCC at the end of the performance period and capped at 1.0 times of the conditional award. The StarHub shares will be released in three equal tranches of 33⅓% per tranche over three consecutive years.

The Group has attained an achievement factor which is reflective of meeting the pre-determined target

performance levels for RSP awards granted in FY2024 based on the performance period of FY2024. The resulting shares vested were adjusted accordingly to reflect the performance level achieved.

**StarHub Transformation Incentive Plan (TIP)**

The TIP has been introduced in FY2024 as part of the Group’s commitment to delivering long-term value for shareholders. This one-off plan is designed to reward a select group of executives for exceptional performance above and beyond the maximum level of performance required by the PSP over a three-year period from FY2024 to FY2026.

The TIP establishes ambitious performance goals, with payouts contingent upon surpassing a level of significant share price growth. To promote sustained performance and long-term commitment, the size and the form of the rewards will only be determined at the end of the three-year performance period by the ODCC and distributed through a staggered vesting schedule, whereby 20% vests in early FY2027 after the performance period concludes, 30% vests in early FY2028, and 50% vests in early FY2029.

Oversight of the plan is entrusted to the ODCC, ensuring robust governance and alignment with shareholder interests.

- **Market-related Benefits**

The benefits provided are comparable with local market practices.

**Remuneration of the Chief Executive and Top Five Key Management Personnel**

The details of the remuneration of the Chief Executive and the top five key management personnel (who are not Directors or the Chief Executive) are set out in Table 4 below (for the top five key management personnel, in bands of \$250,000 and percentage terms) for the services rendered by them to the Group for FY2024.

**Table 4 (Remuneration of Chief Executive and Top 5 Key Management Personnel)**

|   | Fixed <sup>(1)</sup><br>(\$) | Variable <sup>(2)</sup><br>(\$) | Benefits <sup>(3)</sup><br>(\$) | Share-based<br>Compensation <sup>(4)</sup><br>(\$) | Total<br>(\$) |
|---|------------------------------|---------------------------------|---------------------------------|--|---------------|
| <b>Chief Executive</b>  |                              |                                 |                                 |  |               |
| Nikhil Eapen  | 1,119,980                    | 1,227,310                       | 126,525                         | 1,533,703  | 4,007,518     |
| Total paid, including shares vested based on actual performance |                              |                                 |                                 |  | 3,172,426     |

# CORPORATE GOVERNANCE

## Top 5 Key Management Personnel

|   | Fixed <sup>(1)</sup><br>(%) | Variable <sup>(2)</sup><br>(%) | Benefits <sup>(3)</sup><br>(%) | Share-based<br>Compensation <sup>(4)</sup><br>(%) | Total<br>(%) | Remuneration<br>bands <sup>(5)</sup> |
|---|-----------------------------|--------------------------------|--------------------------------|---|--------------|--------------------------------------|
| Jacky Lo <sup>(6)</sup>   | 56                          | 16                             | 2                              | 26  | 100          | B                                    |
| Johan Buse  | 35                          | 29                             | 2                              | 34  | 100          | E                                    |
| Tan Kit Yong  | 46                          | 25                             | 3                              | 26  | 100          | C                                    |
| Ayush Sharma  | 47                          | 27                             | 3                              | 23  | 100          | D                                    |
| Adam Seyer <sup>(7)</sup>   | 45                          | 23                             | 3                              | 28  | 100          | A                                    |
| Total including contingent shares granted but not vested, subject to performance <sup>(8)</sup> |                             |                                |                                |   | 5,639,391    |                                      |
| Total paid, including shares vested based on actual performance                                 |                             |                                |                                |   | 4,522,891    |                                      |

(1) Fixed refers to base salary, annual wage supplement and fixed allowances earned for FY2024.

(2) Variable refers to any applicable one-off incentive payments as well as incentives paid and accrued for the year pursuant to the AVB scheme for FY2024.

(3) Benefits are stated on the basis of direct costs to StarHub, and include non-cash benefits such as leave and medical scheme.

(4) Share awards granted under the RSP and the PSP are subject to pre-determined performance targets set over one-year and three-year performance periods respectively. The figures shown are based on the fair value of the StarHub shares at 100% of each of the RSP and PSP conditional awards, which may not be indicative of the actual value at vesting which can range from 0% to 100% of the RSP conditional award and 0% to 150% of the PSP conditional award. Over the last ten financial years ended 31 December 2015 to 31 December 2024, the average number of StarHub shares vested to participants of the RSP and the PSP has been less than 100% of the conditional awards granted.

(5) Remuneration bands:

"A" refers to remuneration between \$500,001 and \$750,000 per annum.

"B" refers to remuneration between \$750,001 and \$1,000,000 per annum.

"C" refers to remuneration between \$1,000,001 and \$1,250,000 per annum.

"D" refers to remuneration between \$1,250,001 and \$1,500,000 per annum.

"E" refers to remuneration between \$1,500,001 and \$1,750,000 per annum.

(6) Mr Jacky Lo joined StarHub with effect from 2 September 2024. Accordingly, the amount of actual compensation received was based on the period from 2 September 2024 to 31 December 2024.

(7) Mr Adam Seyer joined StarHub with effect from 18 June 2024. Accordingly, the amount of actual compensation received was based on the period from 18 June 2024 to 31 December 2024.

(8) Refers to total remuneration including contingent shares granted but not vested, subject to performance.

If any key management personnel of StarHub (including the Chief Executive) is involved in fraud or misconduct, which results in a re-statement of StarHub's financial results or financial loss to StarHub, the Board may reclaim the unvested components of remuneration from such individual under all incentive plans for the relevant period, to the extent such incentive has been earned but not yet released or disbursed. The Board, taking into account the ODCC's recommendation, may decide whether, and to what extent, such recoupment is appropriate, based on the specific facts and circumstances of the case. No such fraud or misconduct occurred in FY2024.

During FY2024, there was no employee of the Group who was a substantial shareholder of StarHub or an immediate family member of a Director, the Chief Executive or a substantial shareholder of StarHub, and whose remuneration exceeds \$100,000 per annum.

StarHub understands the importance of incentivising Management to prioritise climate-related issues and strategies. Consequently, performance in climate-related efforts including the development and implementation of the StarHub Climate Transition Plan and the achievement of GHG emissions reduction targets, are linked to relevant key Management's compensation. To reinforce this commitment, the ODCC has worked with Management to identify sustainability-linked Key Performance Indicators, incorporating the GHG Emissions Reduction targets as a performance measure into StarHub's key Management's remuneration starting FY2024 through the StarHub Performance Share Plan.