

SGX RegCo Regulatory Updates

Ms June Sim

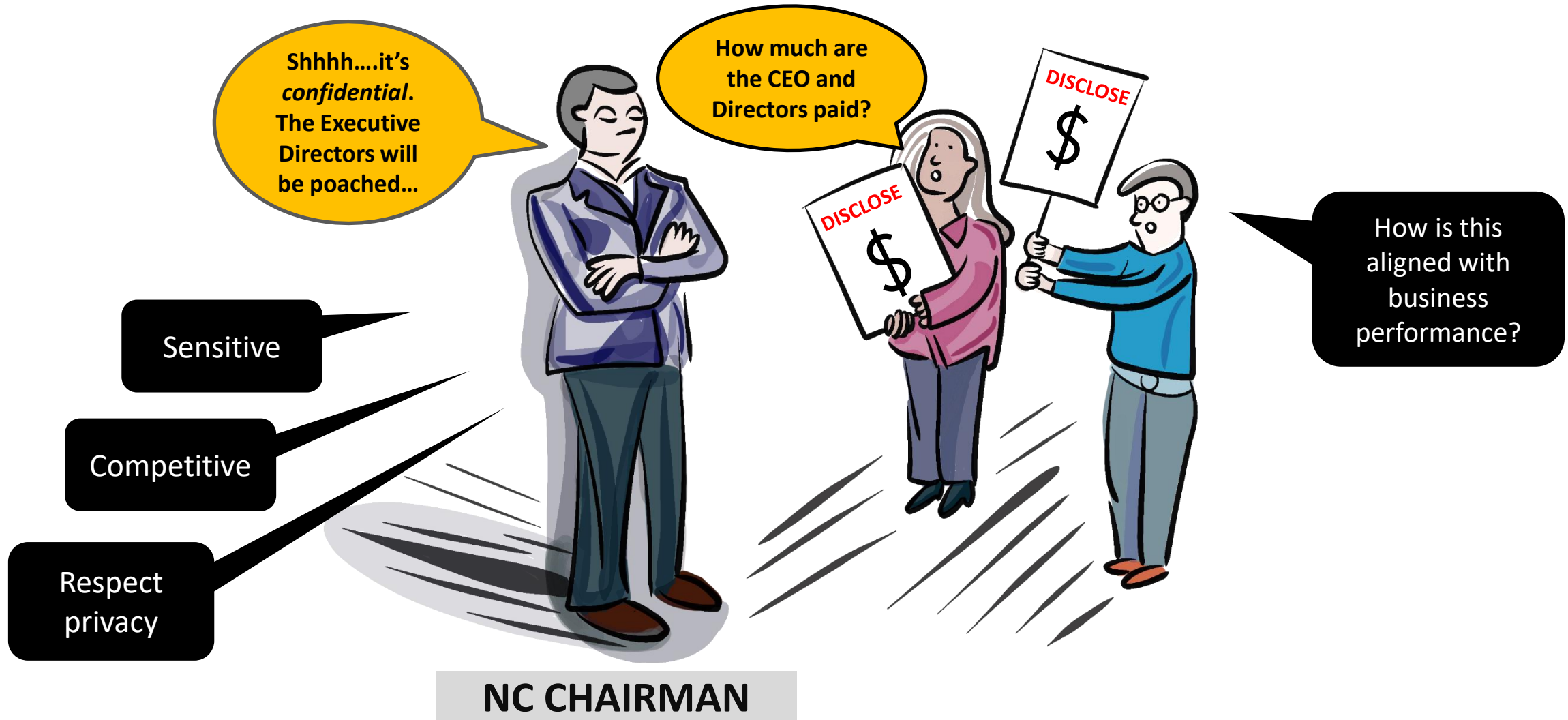
Managing Director

Head, Listing Compliance

Singapore Exchange Regulation (SGX RegCo)



DISCLOSURE OF REMUNERATION



9-YEAR RULE



2010 - 2024



2015 - 2024



2024 - ?

HALL OF WISDOM

1. Regulatory Development

- 9-Year Limit on Tenure of Independent Directors (“IDs”)
- Disclosure of Directors and CEOs’ Remuneration

2. Sustainability Disclosures

3. Case Studies

4. Considerations for Assessing Trading Resumption Proposals

Key Changes

- Listing Rules on the two-tier vote will be removed immediately on 11 January 2023.
- IDs who exceed the 9-year tenure limit will have to step down or be redesignated as non-independent, ***no later than at their AGMs held for the financial years ending on or after 31 December 2023.***

Example

- The company's financial year ends on 31 December.
- An ID who has served on the board for more than 9 years as of 11 January 2023 may remain an ID until the AGM held in April 2024.
- If the ID's term expires in 2023, he or she may be re-elected as an ID at the AGM held in April 2023. The two-tier vote will not apply. Such ID must either step down or be redesignated as non-independent no later than the AGM held in April 2024.

Key Changes

- Exact amount and breakdown of remuneration paid to directors and the CEO to be disclosed in the annual report. Categories to be disclosed include:
 - Base or fixed salary
 - Variable or performance-related income or bonuses
 - Benefits in kind
 - Stock options
 - Share-based incentives and awards
 - Other long-term incentives
- Listing Rules on remuneration disclosures will apply for annual reports for ***financial years commencing 1 January 2024 onwards.***

- **Primary components of a sustainability report (Mainboard Rule 711B(1) / Catalyst Rule 711B(1) Amended 1 January 2022) For sustainability reports for the financial years commencing on or after 1 January 2022:**
 - Material ESG factors
 - **Climate-related disclosures consistent with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) (new)**
 - Policies, practices and performance
 - Targets
 - Sustainability reporting framework
 - Board statement **and governance structure for sustainability practices (new)**

- **Practice Note 7.6 of the Mainboard Rules / Practice Note 7F of the Catalyst Rules sets out the *Sustainability Reporting Guide*, which provides guidance on compliance with the requirements under the Listing Rules.**

Use of Globally-Recognised Sustainability Reporting Frameworks, including:

- Sustainability Accounting Standards Boards (SASB) Standards
- Global Reporting Initiative (GRI) Standards

SUSTAINABILITY AT THE CORE OF OUR STRATEGY

As part of Keppel's Vision 2030, we have put sustainability at the core of the Company's strategy. This includes both running our business sustainably and making sustainability our business through providing solutions that contribute to sustainable urbanisation and combatting climate change. We are working with partners to support the achievement of the United Nations Sustainable Development Goals (SDGs), and have incorporated 10 of the SDGs as a supporting framework to guide our sustainability strategy.

Keppel Corporation Ltd ("Keppel")

DMPL prepared the report using GRI 2021 standards and the framework of the United Nations' Sustainable Development Goals (SDGs). The Group aligned its six sustainability pillars with the SDGs, supporting their universal call to action to end poverty, protect the planet and promote prosperity. The Group provided a summary of its contributions to the SDGs with linkages to the GRI. The SDGs are represented by relevant icons in every section of the report.

Del Monte Pacific Ltd ("DMPL")

Contains Climate-Related Disclosures based on Recommendations of the Task Force on Climate-Related Disclosures (TCFD)

» WE SUPPORT THE TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD), AND HAVE VOLUNTARILY INCORPORATED ITS RECOMMENDATIONS IN OUR REPORTING FRAMEWORK SINCE 2020 TO BETTER ARTICULATE CLIMATE-RELATED RISKS AND OPPORTUNITIES THAT HAVE A FINANCIAL IMPACT ON OUR BUSINESSES.

Keppel

DMPL's report uses the framework of the Task Force on Climate-Related Financial Disclosures (TCFD) for each of the following pillars:

- Governance
- Strategy
- Risk Management
- Metrics and Targets

DMPL

This is the Singtel Group's inaugural standalone climate-related financial report prepared in accordance with the framework recommended by the Task Force on Climate-related Financial Disclosures (TCFD). The report presents a detailed discussion of our approach to all 11 disclosure recommendations of the TCFD framework under the four core elements: climate-related governance, strategy, risk management, and metrics and targets.

Singapore Telecommunications Ltd

External Assurance Performed by Independent Professional Bodies

INDEPENDENT ASSURANCE

GRI 2-5

Keppel Corporation appointed an independent third party, DNV, to provide assurance on this report. The content was reviewed and the accuracy and reliability of the statements were validated in accordance with the International Standard on Assurance Engagements 3000 by the International Federation of Accountants and DNV's Verification Protocol for Sustainability Reporting, VeriSustain™.

The Assurance Statement is published on pages 102 to 106.

APPROACH AND SCOPE OF ASSURANCE ASSURANCE APPROACH AND STANDARD

We performed at a limited level of assurance using DNV's assurance methodology VeriSustain™². DNV Verisustain includes the requirements set out for assurance is in accordance with international assurance best practice, including the International Standard on Assurance Engagements (ISAE) 3000 Revised³, and the Global Reporting Initiative's (GRI) Principles for Defining Report Content and Report Quality. The verification engagement was carried out from March to May 2022.

Keppel

SUSTAINABILITY DISCLOSURES

Internal Review Conducted by Internal Audit Function

DMPL

In compliance with the Singapore Exchange mandate on internal assurance, the Internal Audit teams of DMPL's subsidiaries, Del Monte Philippines, Inc. and Del Monte Foods, Inc., have internally verified this report.

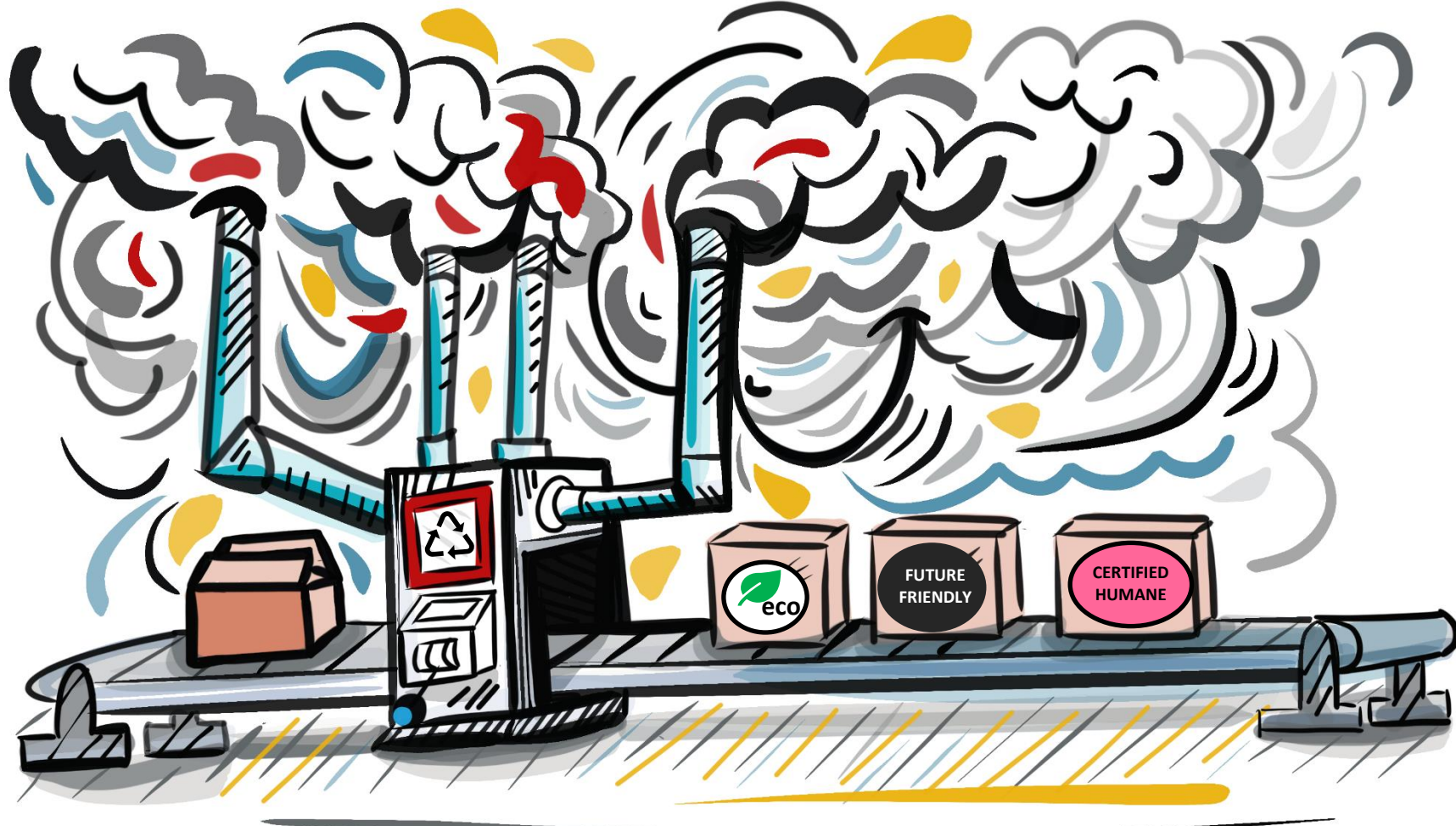
INTERNAL ASSURANCE

To strengthen the reliability of our data, ComfortDelGro Group Internal Audit has performed an internal assurance on the design of, and compliance with, policies, processes and internal controls over data being produced and reported in the Sustainability Report for the financial year 2021. Based on the scope of the internal review on the selected key performance metrics, the overall conclusion over ComfortDelGro Group's Sustainability Reporting process is adequate and effective.

ComfortDelgro Corporation Ltd



GREEN-WASHING



*“If we paste enough **eco-labels**, we can offset our **carbon emissions**...”*

ENFORCEMENT



01

Listing Rule 703

- ✘ Is it **factual**?
- ✘ Is it **balanced and fair**?

02

Listing Rules 905 and 906

- ✘ Failure to comply with Interested Person Transactions requirements

03

Listing Rule 719

- ✘ No **monitoring**
- ✘ No **escalation**
- ✘ No **procedures**

Failure to include sufficient information to allow investors to evaluate its relative importance to the activities of the issuer

Company A disclosed in an announcement that it has secured a contract to provide consultancy services for a S\$25 million project, which will have a positive impact on its financial results for the current financial year.

Its share price increased the following day. In response to SGX RegCo's queries on the announcement, it clarified that its consultancy fees would only amount to S\$1 million.

- Listing Rule 703(4)(a) read with paragraph 25(b) of Appendix 7.1 (or paragraph 27(a) of Appendix 7A) requires each announcement to contain sufficient information to allow investors evaluate its relative importance to the activities of the issuer.
- Company A's initial announcement is potentially misleading as investors could have read that the full project value of S\$25 million would translate into the Company A's revenue.

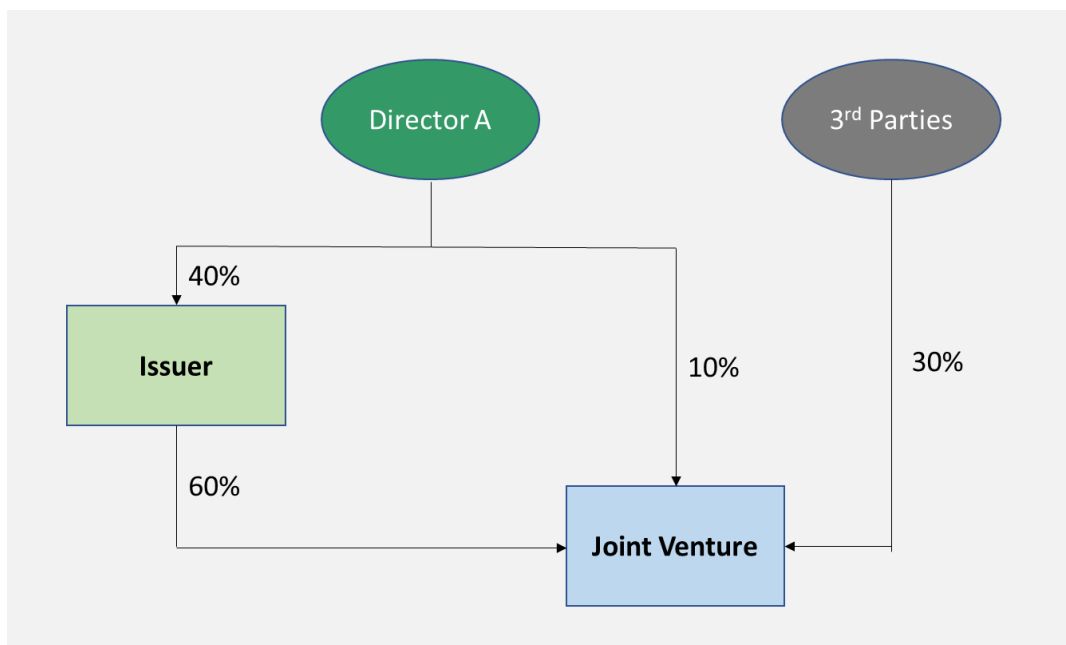
CASE STUDY 2: INTERESTED PERSON TRANSACTIONS



Failure to obtain independent shareholders' approval prior to entering into the interested persons transactions ("IPTs")

Company B executed various IPTs with associates of its directors for 10 years without complying with the IPT requirements under Chapter 9 of the Listing Manual. The associates of the directors are joint ventures held, directly and indirectly, by (i) the Company, (ii) the directors and their associates, and (iii) unrelated third parties. The Company had treated these joint ventures as subsidiaries of the Company and consequently regarding the transactions as intra-group transactions, instead of IPTs.

- **Transactions by issuer with joint ventures that are co-invested with interested persons are IPTs.**
 - To assess whether the joint venture is an interested person, refer to the definitions in Listing Rule 904.



- Director A co-invested in the joint venture with issuer and independent 3rd parties.
- Director A is interested in 70% of the joint venture, comprising of:
 - a) 10% held directly by Director A; and
 - b) 60% held indirectly by Director A through his shareholdings in the issuer.
- A transaction between the issuer and the joint venture will be an IPT by virtue of Director A's aggregated interest of 70% in the joint venture.

CASE STUDY 3: INTERNAL CONTROLS



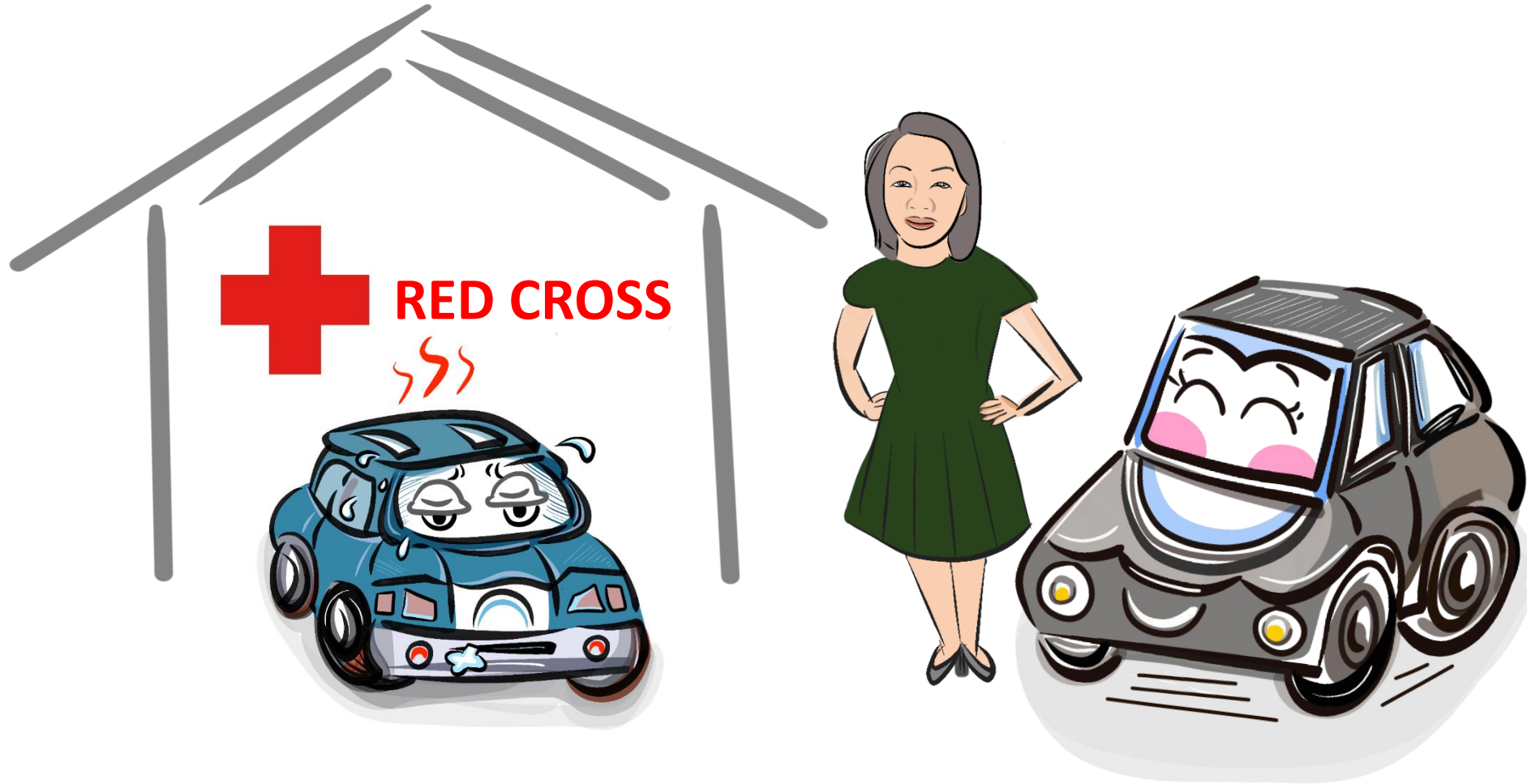
Failure to establish effective systems to ensure compliance with the Listing Rules

Listing Rule 704(30) obligates an issuer to announce any material deviations from the stated use of its funds-raising proceeds.

Company C announced that it had failed to promptly announce changes in the stated use of proceeds from its fund-raising exercises pursuant to the Listing Rules.

During the material time, the Company only recorded cash inflows and outflows of the fund-raising proceeds, which was not adequate and effective in monitoring the utilization of proceeds required for the purpose of complying with Listing Rule 704(30).

TRADING RESUMPTION PROPOSALS





Ability to **operate as a going concern for at least the next 12 months** following trading resumption



Evidence on **financial ability of undertaking shareholder** to provide financial support



Operating business **remains viable and sustainable**



Unmodified auditors' opinion in relation to going concern matters



Cashflow forecast to be supported by auditors' opinion



Assessment and confirmations by Board and sponsor (where applicable) on **working capital adequacy**

Thank You!

