



SGX BOARD EVALUATION POLICY

(approved by the Board as at 15 February 2007)

1. Board Evaluation Policy

The board's policy is to assess the effectiveness of the board as a whole and assess how the board has enhanced long term shareholders' value. Individual board members are assessed on their effective contribution and commitment to their role and responsibilities as directors. The board evaluation process is carried out by the Nominating Committee, and disclosed in the annual report.

2. Process for Evaluation of the Board as a Whole

- 2.1 The NC assesses and discusses the performance of the board as a whole every year, and ascertains key areas for improvement and the requisite follow-up actions.
- 2.2 Every two years, independent consultants are appointed to assist in the board evaluation process. This process includes a questionnaire designed to assess the performance of the board and enhance their overall effectiveness.
- 2.3 Board and board committee performance is evaluated by each director and EXCO member.
- 2.4 Board performance targets include:-
 - a) a measure aligned with shareholders' interests such as total shareholder return (TSR);
 - b) a comparison of SGX's TSR against other exchanges; and

- c) a measure to capture SGX's regulatory responsibilities as a SRO and ensure proper balance between commercial objectives and regulatory responsibility.

3. Process for Evaluation of Individual Directors

- 3.1 The performance of the CEO and Chairman is evaluated by the Remuneration Committee together with the Chairman of the Nominating Committee and the results reviewed by the Board. The Chairman meets with each individual director to discuss the evaluation and any matter relating to the functioning of the board.
- 3.2 Each Non-Executive Director's (NED) contribution is assessed by the Chairman, and the results of the assessment discussed with the Nominating Committee.
- 3.3 Criteria for assessment of NEDs include attendance record, intensity of participation at meetings, quality of interventions and special contributions.