



Policy

Approved by the Board as at 23 April 2014¹

SGX Board Evaluation Policy

1. Board Evaluation Policy

The Board's policy is to assess the effectiveness of the Board as a whole and its Board Committees. 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 & Governance Committee (NGC), and disclosed in the annual report.

2. Process for Evaluation of the Board as a Whole and its Board Committees

- 2.1 The NGC assesses and discusses the performance of the Board as a whole and its Board committees 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 evaluation process of the Board and Board committees. This process includes a questionnaire designed to assess the performance of the Board and its Board committees, and enhance their overall effectiveness.
- 2.3 Board and Board committees performance is evaluated by each director and Executive Management (EMCO) member.
- 2.4 Board performance targets include:-
 - (a) return on equity;
 - (b) a measure aligned with shareholders' interests such as total shareholder return (TSR);
 - (c) a comparison of SGX's TSR against other exchanges; and
 - (d) 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 Non-Executive Directors (NEDs), led by the NGC Chairman, assess the performance of the Chairman, and the NGC Chairman provides the feedback to the Chairman. The performance of the CEO is evaluated by the Chairman together with the Chairmen of the Nominating & Governance Committee and the Remuneration & Staff Development 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 NGC Chairman.
- 3.2 Criteria for assessment of NEDs include attendance record, intensity of participation at meetings, quality of interventions and special contributions.

¹ Revised as of 22 May 2015:-

- Nominating Committee was re-named as Nominating & Governance Committee (NGC), to appropriately reflect its expanded role and duties, that is, to develop and recommend to the Board a corporate governance framework applicable to the Company, and to review from time to time relevant local and international development in the area of corporate governance (including changes in applicable law, regulations and listing rules); and
- Remuneration Committee was re-named as Remuneration & Staff Development Committee (RSDC), to (a) reflect the role it plays in practice, that is, to oversee management and executive development; and (b) segregate the duties of RSDC and NGC such that, the review of succession plan for EMCO comes under the RSDC's purview while that for the Board remains with the NGC.