

# Terms of Reference

**Nominating & Governance Committee**  
**22 April 2015**

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## DOCUMENT CONTROL

<b>Document Title</b>	Nominating & Governance Committee (NGC) Terms of Reference
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## DOCUMENT HISTORY

Version	Version Date	Written & Updated by	Reviewed & Approved by	Description of Change(s)
1.0	In 2000	CSO	Board	First version.
1.1	18 Jul 2002	CSO	NC	Minor editorial amendments to clarify that the Nominating Committee will review the appointment or re-appointment of the CEO of any wholly-owned subsidiary of the Company.
1.2	16 Sep 2004	CSO	Board	Responsibility for succession planning to be assumed by the NC, together with the Chairman of the CMDC, and that the succession planning should be widened to include senior management.
1.3	18 Nov 2004	CSO	Board	To include Board's directions at 16 Sept 2004 Board meeting and standardize terms and template across all TORs.
1.4	26 Oct 2006	CSO	Board	<ol style="list-style-type: none"> <li>To include the composition and independence requirements of the Securities and Futures (Corporate Governance of Approved Exchanges, Designated Clearing Houses and Approved Holding Companies) Regulation 2005.</li> <li>Minor editorial amendments.</li> </ol>
1.5	22 May 2008	CSO	Board	<ol style="list-style-type: none"> <li>To specify that the NC, when assessing a candidate, shall, in addition to the fit and proper criteria set out in the Guidelines issued by MAS from time to time, consider other relevant factors, such as the candidate's track record, age, experience, and capabilities.</li> <li>Minor editorial amendments.</li> </ol>
1.6	29 Oct 2009	CSO	Board	To clarify the accountability of the NC TOR and review other aspects of the TOR and, where possible, standardize the wording of the NC TOR.
1.7	27 Jul 2012	CSO	Board	<ol style="list-style-type: none"> <li>Change of NC composition to reflect requirements of the Code of Corporate Governance 2012.</li> <li>Minor editorial amendments.</li> </ol>
1.8	21 Oct 2014	CSO	Board	<ol style="list-style-type: none"> <li>Changes to reflect the Code of Corporate Governance 2012.</li> <li>Minor editorial amendments.</li> </ol>
1.9	24 Feb 2015	CSO	NGC	<ol style="list-style-type: none"> <li>Change of committee name.</li> <li>Minor editorial amendments.</li> </ol>
	22 Apr 2015	CSO	Board	

## **1. PURPOSE**

- 1.1 The role of the Nominating & Governance Committee (“**NGC**”) is to:
- 1.1.1 identify candidates and review all nominations for the approval of the Board of Directors (“**Board**”) for the appointment, re-appointment or termination of:
    - (a) directors; and
    - (b) the members of the various Board Committees.
  - 1.1.2 identify candidates and review and approve all nominations for the appointment, re-appointment or termination of:
    - (a) key appointment holders requiring the approval of the Monetary Authority of Singapore (“**MAS**”) such as the Chief Executive Officer (“**CEO**”), President, Chief Financial Officer, Chief Regulatory Officer, Chief Risk Officer, Chief Operations & Technology Officer and Head, Compliance of the Company (or such equivalent role); and
    - (b) executives at EVP level and above.
  - 1.1.3 review and approve all promotions of executives to the Executive Management Committee.
  - 1.1.4 develop and recommend to the Board a set of corporate governance framework applicable to the Company, and to review from time to time, relevant local and international developments in the area of corporate governance (including changes in applicable law, regulations and listing rules), and recommend changes to the Board thereto.

## **2. ACCOUNTABILITY**

- 1.2 The NGC is accountable to the Board for the:
- 2.1.1 selection of new directors;
  - 2.1.2 succession planning for the Board, in particular, the Chairman and the CEO; and
  - 2.1.3 effectiveness of the Company’s corporate governance framework and policies, including the Board evaluation process.

## **3. AUTHORITY**

- 3.1 The Board has delegated to the NGC the authority to:
- 3.1.1 approve the criteria to be applied in identifying candidates or reviewing nominations for the appointments referred to in paragraphs 1.1.1 and 1.1.2; and

- 3.1.2 approve the appointment or termination of key appointment holders requiring the approval of the MAS and executives at EVP level and above, and the promotion of executives to the Executive Management Committee.
- 3.2 In connection with its responsibilities, the NGC is authorised by the Board, at the Company's expense, to retain, oversee the work of, obtain the advice of and terminate independent external legal advisors or other professional advisors, appoint consultants and commission or purchase any relevant reports, surveys and information which it deems necessary, to help it fulfil its duties.

## **4. DUTIES**

- 4.1 Make recommendations to the Board on:
  - 4.1.1 the matters described in paragraph 1.1.1;
  - 4.1.2 how the Board's performance may be evaluated and propose objective performance criteria;
  - 4.1.3 the succession plan for the Board, in particular, the Chairman and the CEO;
  - 4.1.4 the review of training and professional development programs for the Board; and
  - 4.1.5 a corporate governance framework and from time to time, any developments pertaining to corporate governance.
- 4.2 Review:
  - 4.2.1 the results of the Board's performance evaluation; and
  - 4.2.2 the actions taken on issues and matters arising from the Board's performance evaluation.
- 4.3 In the Board's performance evaluation, the performance criteria should allow comparison with industry peers and address how the Board has enhanced long-term shareholders' value.
- 4.4 The criteria for identifying candidates and reviewing nominations for the appointments referred to in paragraph 1.1.1 shall include the following:
  - 4.4.1 the Board shall comprise a majority of Singapore citizens or permanent residents of Singapore;
  - 4.4.2 at least a majority of directors shall be independent from management and business relationships with the Company;
  - 4.4.3 at least one-third of directors shall be independent directors;
  - 4.4.4 at least a majority of directors shall be independent from any single substantial shareholder of the Company;

- 4.4.5 the candidate shall be a fit and proper person to hold such office, and the most qualified candidate nominated for the office; and
- 4.4.6 the candidate shall be independent in character and judgement (taking into account whether there are relationships or circumstances which are likely to affect, or could appear to affect, the candidate's judgement).
- 4.5 When assessing a candidate, the NGC shall, in addition to the fit and proper criteria set out in the Guidelines issued by the Monetary Authority of Singapore, consider the candidate's track record, age, experience, and capabilities.
- 4.6 The NGC is charged with the responsibility of determining annually, and as and when circumstances require, if a director is independent, bearing in mind the Code of Corporate Governance and the Securities and Futures (Corporate Governance of Approved Exchanges, Approved Clearing Houses and Approved Holding Companies) Regulations 2005 and any other salient factors.

## **5. COMPOSITION**

- 5.1 The NGC shall comprise:
  - 5.1.1 at least 5 directors;
  - 5.1.2 the chairman of the Remuneration Committee;
  - 5.1.3 a majority of members (including the chairman of the NGC) who are independent from management and business relationships with the Company;
  - 5.1.4 a majority of members who are independent directors; and
  - 5.1.5 a majority of members who are independent from any single substantial shareholder of the Company.
- 5.2 The CEO shall not be a member of the NGC.
- 5.3 The independence of the members of the NGC shall be determined in accordance with the prevailing Securities and Futures (Corporate Governance of Approved Exchanges, Approved Clearing Houses and Approved Holding Companies) Regulations 2005.
- 5.4 The lead independent director, if any, should be a member of the NGC.
- 5.5 A member of the NGC shall hold office until the next Annual General Meeting following that member's appointment and may be re-appointed to such office.

5.6 If the members of the NGC fall below 5, the Board shall, within 3 months, appoint new members to the NGC to make up the minimum number of 5. Any new member appointed shall hold office for the remainder of the term of office of the member of the NGC in whose place he is appointed.

## **6. MEETINGS AND PROCEEDINGS**

6.1 Meetings and proceedings of the meetings of the NGC shall be governed by the provisions set out in Appendix A.

## **7. STAFF FUNCTION / SECRETARY OF NGC**

7.1 The Company Secretary shall provide the staff function for the NGC. He/She shall propose the agenda of the meeting and take action on issues and matters arising from the meetings of the NGC.

7.2 The Company Secretary or his/her nominee shall act as the secretary of the NGC (the "Secretary").

## **Meetings and Proceedings**

1. In addition to the meetings as scheduled in the calendar of Board and Board Committees, the NGC may regulate its own procedures and in particular the calling of meetings, the notice to be given of such meetings, the voting and proceedings thereat. The Secretary shall, on the requisition of a member, summon a meeting of the members.
2. Seven days' notice, or such shorter notice as may be agreed by members, will be given by the Secretary, specifying the place, time and agenda of the meeting.
3. The quorum necessary for the transaction of the business of the NGC shall be 2, provided that both shall be independent directors.
4. If, at any meeting, the Chairman is not present within 15 minutes after the time appointed for holding the meeting, the members present may choose one of the other independent members to be Chairman of the meeting.
5. In case of an equality of votes, the Chairman of the meeting shall have a second or casting vote.
6. A resolution in writing, signed by a majority of the members for the time being entitled to receive notice of a meeting of the NGC (of which a majority shall be independent), shall be valid as effectual as if it had been passed at a meeting of the NGC duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more members.
7. Minutes of proceedings of meetings of the NGC shall be recorded by the Secretary and circulated to all the members. The minutes are to be signed by the Chairman of the meeting. The minute books shall be kept by the Secretary and shall be open for inspection by any director of the Company.
8. The Chairman of the NGC shall report on the proceedings of the NGC to the Board by way of submission of minutes of the NGC meetings or by such other mode as the Chairman shall in his discretion deem fit.
9. The NGC may invite members of management or others to attend the meeting and provide pertinent information as necessary.

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