



# Terms of Reference

Remuneration & Staff Development Committee  
20 April 2017

Singapore Exchange

## Contents

1. PURPOSE.....	3
2. ACCOUNTABILITY .....	3
3. AUTHORITY.....	3
4. DUTIES .....	3
5. COMPOSITION.....	4
6. MEETINGS AND PROCEEDINGS .....	5
7. STAFF FUNCTION / SECRETARY OF RSDC.....	5

## DOCUMENT CONTROL

<b>Document Title</b>	Remuneration & Staff Development Committee (RSDC) Terms of Reference
<b>Owned By</b>	Human Resources (HR) and Company Secretary's Office (CSO)
<b>Distribution List</b>	All SGX staff
<b>Version No.</b>	1.7

## DOCUMENT HISTORY

Version	Version Date	Written & Updated by	Reviewed & Approved by	Description of Change(s)
1.0	18 Nov 2004	HR	Board	To include Board's directions at 16 Sept 2004 Board meeting and standardize terms and template across all TORs.
1.1	26 Oct 2006	HR	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>
1.2	29 Oct 2009	HR	Board	To clarify the accountability of the RC TOR and review other aspects of the TOR and, where possible, standardize the wording of the RC TOR.
1.3	27 Jul 2012	HR	Board	<ol style="list-style-type: none"> <li>Changes to 4.1 due to revised code of Corporate Governance by MAS on 2 May 2012.</li> <li>Added 3.1.4 due to revised Code of Corporate Governance by MAS on 2 May 2012.</li> <li>Other editorial changes by Remuneration Committee.</li> </ol>
1.4	14 Jul 2014	HR	RC	<ol style="list-style-type: none"> <li>Rename "Executive Committee" in 3.1.3 as "Executive Management Committee".</li> <li>Added 3.1.4 on share buy-back methodology and mandate for employee share-based compensation plans.</li> <li>Minor editorial amendments.</li> </ol>
	21 Oct 2014	Co Sec	Board	
1.5	24 Feb 2015	HR	RSDC	<ol style="list-style-type: none"> <li>Change of committee name.</li> <li>Minor editorial amendments.</li> </ol>
	22 Apr 2015	Co Sec	Board	
1.6	28 Apr 2016	HR	RSDC	<ol style="list-style-type: none"> <li>Added 4.3 to formalise the RSDC's duty in reviewing the appropriateness and relevance of the remuneration framework and policy for all employees on a regular basis</li> <li>Minor editorial amendments</li> </ol>
	9 Jun 2016	Co Sec	Board	
1.7	31 Mar 2017	RSDC Secretary	RSDC	<ol style="list-style-type: none"> <li>Amendments arising from the incorporation of RegCo.</li> </ol>
	20 Apr 2017	Co Sec	Board	

## **1. PURPOSE**

1.1 The role of the Remuneration & Staff Development Committee (“RSDC”) is to review, recommend to the Board of Directors (“Board”) for approval and, where authority is delegated by the Board, approve:

- 1.1.1 the staff development, succession plan and the remuneration of senior management and employees; and
- 1.1.2 the remuneration of the Company’s directors.

## **2. ACCOUNTABILITY**

2.1 The RSDC is accountable to the Board for the effectiveness of the staff development, succession plan and the remuneration framework and policies for the senior management and employees and the remuneration framework and policies for the Company’s directors.

## **3. AUTHORITY**

3.1 The RSDC is delegated by the Board the authority to:

- 3.1.1 approve the incentive scheme framework and policies for all employees;
- 3.1.2 approve the Company’s annual increment, market adjustments and total incentive pool for distribution to employees;
- 3.1.3 approve the remuneration of the Executive Management Committee (“EMCO”) members;
- 3.1.4 approve the methodology for the purchase of SGX shares from the market, under the relevant mandate as approved by shareholders, for the purpose of fulfilling the share-based incentive plans;
- 3.1.5 in connection with its responsibility, the RSDC is authorised by the Board, at the Company’s expense, to obtain any external legal or other professional advice, to appoint remuneration consultants, and to commission or purchase any relevant reports, surveys and information which it deems necessary, to help fulfil its duties;
- 3.1.6 approve the criteria to be applied in identifying candidates for EMCO succession.

## **4. DUTIES**

4.1 Taking into account remuneration principles, practices and standards that may be specified by the Monetary Authority of Singapore (MAS) from time to time, make recommendations to the Board on:

- 4.1.1 the remuneration framework, including salaries, allowances, bonuses and incentives to be awarded against the achievement of prescribed goals and targets for the Chief Executive Officer (“CEO”) and each executive director and executive officer, if any, to ensure its alignment with shareholders’ and stakeholders’ interests and long-term value creation for the Company;
- 4.1.2 the compensation arrangements for the loss or termination of office, or dismissal or removal of the CEO and each executive director; and
- 4.1.3 the framework and policies for determining non-executive directors’ remuneration.
- 4.2 Review the development and succession plan for EMCO members;
- 4.3 Review the appropriateness and relevance of the remuneration framework and policy for all employees on a regular basis.
- 4.4 Review the policy for determining the remuneration of Singapore Exchange Regulation Pte. Ltd. (“RegCo”) (the “RegCo Remuneration Policy”), in consultation with the RegCo Board, and ensure that under the RegCo Remuneration Policy: (i) RegCo’s performance is based principally on the achievement of the objectives of its functions; and (ii) remuneration is determined independently from the business functions of the Company and its Regulated Subsidiaries<sup>1</sup>.
- 4.5 Review the matters stipulated in paragraph 1.1 referred to it by management or the Board or the RegCo Board.

## **5. COMPOSITION**

- 5.1 The RSDC shall comprise:
  - 5.1.1 at least three (3) directors, all of whom are independent from business relationships with the Company;
  - 5.1.2 at least a majority of members (including the Chairman) who are independent from management and business relationships with the Company directors; and
  - 5.1.3 at least one-third of members who are independent directors;
  - 5.1.4 a majority of members who are independent from any single substantial shareholder of the Company; and
  - 5.1.5 entirely of non-executive directors.
- 5.2 The independence of the members of the RSDC shall be determined in accordance with the prevailing Code of Corporate Governance 2012 and Securities and Futures (Corporate

---

<sup>1</sup> Regulated Subsidiaries refers collectively to SGX-ST, SGX-DT, CDP and SGX-DC.

Governance of Approved Exchanges, Designated Clearing Houses, and Approved Holding Companies) Regulations 2005.

5.3 A member of the RSDC shall hold office until the next Annual General Meeting following that members' appointment and may be re-appointed to such office.

5.4 If the members of the RSDC fall below three (3), the Board shall, within three (3) months, take steps as may be necessary to appoint new members to the RSDC to make up the minimum number of three (3). Any new member appointed shall hold office for the remainder of the term of office of the member of the RSDC in whose place he is appointed.

## **6. MEETINGS AND PROCEEDINGS**

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

6.2 No individual shall be allowed to take part in proceedings to decide on his own remuneration.

6.3 A director from the RegCo Board may be invited to attend meetings and proceedings of the RSDC where RegCo matters are deliberated.

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

7.1 The Head of Human Resources shall provide the staff function for the RSDC. He/She shall propose the agenda of the meeting and take action on issues and matters arising from the meetings of the RSDC.

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

## **Meetings and Proceedings**

1. In addition to the meetings as scheduled in the calendar of Board and Board Committees, the RSDC 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 (7) 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 RSDC shall be two (2), provided that both shall be independent directors.
4. If, at any meeting, the Chairman is not present within fifteen (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 RSDC (of which a majority shall be independent), shall be valid as effectual as if it had been passed at a meeting of the RSDC 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 RSDC 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 RSDC shall report on the proceedings of the RSDC to the Board by way of submission of minutes of the RSDC meetings or by such other mode as the Chairman shall in his direction deem fit.
9. The RSDC may invite members of management of others to attend the meeting and provide pertinent information as necessary.

-End-