

# Trust Bank Singapore Limited

Registration Number: 202039712G  
(Incorporated in the Republic of Singapore)

## CORPORATE GOVERNANCE REPORT 2021

30 June 2022

### Introduction

Hi there! This is our first corporate governance report, and we are looking forward to sharing more with you about our corporate governance practices in this report and in the future. Strong corporate governance practices are part of the foundations for Trust. On these foundations, we believe Trust is building something special and will be well positioned to serve our customers that we are excited to welcome in the future after our public launch.

This corporate governance report applies from 8 December 2020 to 31 December 2021 (FY2021), our first financial period since incorporation. During this period Trust was in a build phase, and our build phase continues today. Therefore, many of the details in this first report can be read more as an expression of our intention as to how Trust's corporate governance practices are being established. For example, the report refers to a Board effectiveness review process. This process is something that has not yet happened but will be done in the future. Next year's report will be in respect of a full financial year (1 January 2022 to 31 December 2022) of banking business, and we look forward to sharing more details with you in that full report as well.

Before we go into the key details about Trust's corporate governance practices, let's cover some of the basic details.

Trust Bank Singapore Limited (that's our full legal name, but we will normally just say "Trust") was incorporated on 8 December 2020. We are licensed by the Monetary Authority of Singapore (MAS) as a full bank in Singapore. We commenced banking business on 15 December 2021.

Standard Chartered Bank (Singapore) Limited (SCBSL) owns 60% of Trust. SCBSL, is an indirect wholly owned subsidiary of Standard Chartered PLC (SC PLC). BetaPlus Pte. Ltd. (BetaPlus) owns 40% of Trust. BetaPlus is a direct subsidiary of NTUC Enterprise Co-operative Limited.

As Trust commenced banking business on 15 December 2021, that means that this corporate governance report covers a short period of banking business during FY2021. We have not yet commercially launched, and we are still in our build phase as at the date of this report. Trust is currently working towards commercial launch in the second half of 2022 and is backed by S\$320 million of capital as of the date of this report.

We are guided in our corporate governance practices by the principles and guidelines listed in the Banking (Corporate Governance) Regulations 2005 (the CG Regulations), and all material aspects of the Guidelines on Corporate Governance for Designed Financial Holding Companies, Banks, Direct Insurers, Reinsurers and Captive Insurers incorporated in Singapore, issued by MAS on 9 November 2021 (the Revised CG Guidelines). For people who have a keen eye for the detail, you may wish to also note that

the Revised CG Guidelines comprise of: (a) the Code of Corporate Governance 2019 (2018 Code), and (b) the additional guidelines added by the MAS to consider the unique characteristics of the business of banking, given the diverse and complex risks undertaken by financial institutions (Additional Guidelines). The Revised CG Guidelines supersede and replace the Guidelines on Corporate Governance for Financial Holding Companies, Banks, Direct Insurers, Reinsurers and Captive Insurers issued by the MAS on 3 April 2013.

### Our approach to corporate governance disclosures

Our board of directors (Board) is committed to observing good corporate governance and works with Trust's management (Management) to deliver sustainable value to stakeholders. Trust applies and complies with the spirit and intent of the provisions of the Revised CG Guidelines, to the fullest extent possible. Where Trust's practices differ from the Revised CG Guidelines with express disclosure requirements, the rationale is explained in this Corporate Governance Report.

## Board matters

### The Board

The Board currently comprises eight members. All are non-executive directors. Of the non-executive directors, three are independent. The table below lists the members as of the date of this report.

Name of Directors	Board Membership	Date of Appointment
1. Judy Chung Wei Hsu	Chairperson and Non-Executive Director	28 June 2021
2. Patrick Fook Yau Lee	Non-Executive Director	8 December 2020
3. Teck Koon Kee	Non-Executive Director	22 September 2021
4. Elaine Yinxuan Heng	Non-Executive Director	22 September 2021
5. Deniz Guven	Non-Executive Director	1 March 2022
6. Oon Jin Yeoh	Independent Non-Executive Director	22 September 2021
7. Jasmmine Wong	Independent Non-Executive Director	22 September 2021
8. Steven Robert Leonard	Independent Non-Executive Director	22 September 2021

### Profiles of the members

#### Judy

*Chairperson and Non-Executive Director*

**Judy** was appointed to the Board and Chairperson of the Board on 28 June 2021.

Judy is SC Bank, CEO, Consumer, Private and Business Banking (CPBB). She joined SC Bank in 2009 as Global Head of Wealth Management where she led the strategic development and management of wealth management products, investment strategy and advisory services for the bank. In 2015, Judy was appointed CEO, Singapore and in 2018 she was appointed Regional CEO, ASEAN and South Asia. Prior to joining SC Bank, Judy spent 18 years at Citibank.

Academic and Professional Development

- Bachelor's in science microbiology, University of British Columbia, Canada
- MBA in Finance, University of British Columbia, Canada

**Current directorship**

- Hype Records Pte Ltd
- CapitaLand Investment Limited

**Other principal commitment**

- Workforce Singapore, Board Member
- Urban Redevelopment Authority, Board Member

**Past directorship in listed companies over the preceding three years**

- -

**Kee Teck Koon***Non-Executive Director*

**Kee Teck Koon** was appointed to the Board on 22 September 2021 and is a member of the Remuneration Committee.

Teck Koon started his career in 1979 with the Singapore Armed Forces and was with the Ministry of Defence until 1991. Thereafter, he held senior management appointments with several organisations before joining the Capitaland Group in 2003. After holding several senior positions, he retired as the Chief Investment Officer of CapitaLand Limited in July 2009.

**Academic and Professional Development**

- Master of Arts in Engineering Science from Oxford University, United Kingdom

**Current directorship**

- NTUC Enterprise Co-operative Limited
- NTUC Income Insurance Co-operative Limited
- NTUC Fairprice Co-operative Limited
- CapitaLand Investment Limited
- Changi Airports Group (Singapore) Pte Ltd
- Mandai Park Holdings Pte Ltd

**Other principal commitment**

- Angsana Fund Investment Committee, Singapore Labour Foundation

**Past directorship in listed companies over the preceding three years**

- Raffles Medical Group Ltd

**Patrick***Non-Executive Director*

**Patrick** has been a member of the Board since incorporation on 8 December 2020 and is a member of the Audit Committee and Remuneration Committee.

He is currently SC Bank, Cluster CEO Singapore & ASEAN Markets and SCBSL, CEO. Before assuming these roles, Patrick was SC Bank, CEO Singapore in July 2018 and Head of Global Banking, Singapore.

Before joining SC Bank in 2012, Patrick was Managing Director, Head of Southeast Asia Investment Banking at Nomura. Prior to that, he was Head of Singapore/Malaysia Investment Banking at UBS and

Executive Director, Investment Banking at Morgan Stanley. He has 25 years of experience in the banking industry, including corporate & investment banking, product & sector coverage, and has worked in Singapore, Hong Kong and London.

Patrick is also a Co-Founder and Board Director of Leap Philanthropy Ltd, a Singapore-based charity active in Cambodia and Myanmar, and a Board Director of Clifford Capital, a specialist provider of structured finance solutions established with support from the Government of Singapore.

#### Academic and Professional Development

- BA/MA degree (with First Class Honours) in English, Trinity College, Cambridge

#### Current directorship

- Software International Corporation (M) Sdn Bhd, Non-Executive Director
- Leap Philanthropy Ltd, Non-Executive Director
- Clifford Capital Pte Ltd, Non-Executive Director
- Clifford Capital Holdings Pte Ltd, Non-Executive Director
- Sparta Company Limited, Director
- SCBSL, Executive Director
- Standard Chartered Bank (Vietnam) Limited, Non-Executive Director, Chairman
- Standard Chartered Holdings (Singapore) Private Limited, Non-Executive Director
- Verified Impact Exchange Holdings Pte Ltd, alternate Director
- Singapore Trade Data Exchange Services Pte Ltd, Non-Executive Director, EXCO member
- Climate Impact X Pte Ltd, alternate Director

#### Other principal commitment

- The Association of Banks in Singapore Council, Member
- Singapore Business Federation Digitalisation Issues Committee, Member
- Payments Council, Member
- Financial Sector Tripartite Committee, Committee Member
- National AML Blueprint, Member
- Future Economy Committee (FEC) Modern Services Sub-Committee, Member
- MAS FCAP Green Finance Working Group-Steering Committee, Member
- The Institute of Banking and Finance Council, Member
- MAS Financial Centre Advisory Panel, Member
- Singapore Management University, Advisory Board Member for Singapore Green Finance Centre

#### Past directorship in listed companies over the preceding three years

- Ascendas Hospitality Fund Management Pte Ltd, Director
- Ascendas Hospitality Trust Management Pte Ltd, Director

**Elaine**

*Non-Executive Director*

**Elaine** was appointed to the Board on 22 September 2021 and is a member of the Audit Committee.

Elaine Heng is the Deputy Group Chief Executive Officer and Chief Executive Officer, Retail Business of FairPrice Group. Prior to the Chief Executive Officer's position, Elaine was the Deputy CEO of NTUC Fairprice and Head of Channels overseeing the operations and business strategy of the Fairprice stores.

Elaine is a former banker and has over 20 years of retail banking experience. She was the Managing Director, Regional Head of Branch Sales & Distribution for Asia Pacific, Citibank N.A. Elaine also spent 15 years in SC Bank and her last held role was as Managing Director, Regional Head of Integrated Distribution, Singapore and ASEAN.

Prior to joining Standard Chartered, Elaine was a Product Manager of DBS Bank Ltd.

Academic and Professional Development

- Bachelor's degree from National University of Singapore

Current directorship

- -

Other principal commitment

- -

Past directorship in listed companies over the preceding three years

- -

**Deniz**

*Non-Executive Director*

**Deniz** was appointed to the Board on 1 March 2022.

Deniz currently the Group CEO of Platform XIT, a venture capital company in London.

In 2017, Deniz joined SC Bank as the Global Head, Design and Client Experience, where he oversaw client journey and optimisations, digital wealth, and collaborations with tech firms and start-ups. He was CEO of Mox Bank Limited from August 2018 to September 2021, a virtual bank backed by SC Bank in partnership with PCCW Limit, HKT Limited and Trip.com in Hong Kong.

Prior to joining SC Bank, Deniz served as the Senior Vice President at BBVA Group's Garanti Bank in Turkey.

Academic and Professional Development

- Bachelor's degree in New Media and Communications, Marmara University, Turkey
- MBA from Istanbul Bilgi University, Turkey

Current directorship

- Machinarium Technology Inc.

- Colendi GmbH
- Gate Technology Ventures Limited (Platform XIT)

Other principal commitment

- SCBSL (Consultant)

Past directorship in listed companies over the preceding three years

- -

**Oon Jin**

*Independent Non-Executive Director*

**Oon Jin** was appointed to the Board on 22 September 2021 and Lead Independent Director. He is the Chairperson of the Audit Committee and a member of the Remuneration Committee.

Oon Jin was the Executive Chairman of PricewaterhouseCoopers (PwC), Singapore before his retirement following a 38-year career with PwC. He was a key member of the firm's Leadership Team for more than 15 years and chaired several of the firm's regional joint ventures such as PwC SEA Consulting and PwC SEA Corporate Finance.

He was also a member of the PwC Executive Board for the CaTSH firm, which comprises the PwC firms in Singapore, China, Hong Kong and Taiwan. In addition, Oon Jin was a member of the PwC Strategy Council, which comprises leaders from the largest 21 firms in the PwC global network.

Academic and Professional Development

- Accounting (First Class Honours), University of Birmingham, England
- Fellow member of The Institute of Chartered Accountants, England & Wales
- Fellow member of The Institute of Singapore Chartered Accountants

Current directorship

- Singapore Land Authority
- Singapore Exchange Limited
- Singapore Airlines Limited
- Singapore Health Services Pte Ltd
- Kidney Dialysis Foundation

Other principal commitment

- Singapore Business Federation
- Lien Foundation
- MAS, Corporate Governance Advisory Committee

Past directorship in listed companies over the preceding three years

- Singapore Press Holdings Limited

**Jasmine**

*Independent Non-Executive Director*

**Jasmine** was appointed to the Board on 22 September 2021. She is the Chairperson of the Remuneration Committee and a member of the Audit Committee.

Jasmine is currently the CEO, Inchcape Greater China and Singapore, a leading automotive distributor and retailer.

Previously, as the Business Executive Officer for Nestlé, she held multiple senior leadership roles covering the Singapore, Malaysia and Brunei regions. In her 12 years tenure with Nestlé, she rose through the ranks from a Channel Manager to a Country Manager.

**Academic and Professional Development**

- Bachelor of Business from Nanyang Technological University, Singapore
- Dual MBA from INSEAD and Tsinghua University, China

**Current directorship**

- Champion Motors (1975) Pte Ltd
- Century Motors (Singapore) Private Limited
- Inchcape Motors Private Limited
- Borneo Motors (Singapore) Private Limited
- Inchcape Automotive Services Pte Ltd

**Other principal commitment**

- Young President Organisation, Singapore Chapter

**Past directorship in listed companies over the preceding three years**

- -

**Steve**

*Independent Non-Executive Director*

**Steve** was appointed to the Board on 22 September 2021. He is a member the Audit Committee and Remuneration Committee.

Steve currently serves as CEO of Singularity University, a Silicon Valley-based global organisation that offers executive educational programmes, a business incubator and provides innovation consultancy service.

Before joining Singularity, Steve created SGInnovate – a private company wholly-owned by the Singapore Government – to help entrepreneurial scientists create investable deeptech start-ups.

Prior to founding SGInnovate, Steve served as the Executive Deputy Chairman of the (then) Infocomm Development Authority (IDA), a Singapore Government statutory board overseen by the Ministry of Communications and Information.

Before his government roles, Steve was for two decades the senior executive in either Europe or Asia for several global technology companies.

**Academic and Professional Development**

- Bachelor of Business Administration, Southern Methodist University, USA

**Current directorship**

- Singularity University
- Maxeon Solar Technologies, Ltd
- Singapore Post Limited
- Asia Satellite Telecommunications Holdings Ltd

**Other principal commitment**

- Cambridge Innovation Capital, Advisory Panel (Consultant)
- SDG Impact Japan Fund, Advisory Panel (Consultant)
- Manakai LLC

**Past directorship in listed companies over the preceding three years**

- -

**The Board's conduct of affairs**

*(Principle 1 of the Revised CG Guidelines)*

The Board is primarily accountable to the shareholders to create value and ensure the long-term success of Trust by focusing on the development of the right strategy, business model, risk appetite, management, succession plan and compensation framework. It has the overall responsibility for the operation and management of Trust and proper conduct of its business. The Board is accountable for ensuring that, as a collective body, it has the appropriate skills, knowledge, and experience to perform its role effectively. It provides leadership through oversight and review, and by providing guidance while setting the strategic direction for Trust. The Board also has overall responsibility for putting in place a framework of good corporate governance, including the processes for financial reporting and compliance.

Pursuant to the CG Regulations and noted by the MAS, the Board currently undertakes the responsibilities of Nominating Committee and Board Risk Committee. Beyond commercial launch, Trust will keep under review the right time at which a Board Risk Committee is merited to be separately established.

**Board responsibility**

The Board is collectively responsible for the long-term success of Trust and works closely with Management to achieve this objective. All Board members bring their independent judgement, diverse knowledge, and experience to opine on strategy, performance, resourcing and capacity planning, values and conduct. The key responsibilities include:

- Providing entrepreneurial leadership within a prudent framework and effective controls in which possible risks is enabled to be assessed and managed.
- Setting strategic objectives and risk appetite.
- Overseeing risk governance.



- Reviewing and monitoring Management’s performance toward achieving Trust’s targets.
- Considering sustainability issues in formulating strategies.
- And setting Trust’s values and standards to ensure a high level of professional conduct of the business with respect to internal and external dealings.

In addition to the above responsibilities, the following matters will specifically require approval of the Board:

- Review and approve Trust’s long-term strategy and objectives, including the fair dealing strategy.
- Recommend Trust’s annual operating plan and capital expenditure budget to its shareholders for approval.
- Oversee management of the business and affairs of Trust in line with local regulatory/ supervisory bodies and other relevant local authorities.
- Review the performance of Trust in the light of its strategy, objectives, plans and budgets.
- Review risk profile, risk appetite and risk strategy.
- Approve any extension of Trust’s activities into new business or geographic areas or any decision to cease to operate all or any material part of Trust’s business.
- Approve related party transactions (RPTs) in accordance with Trust’s RPT Standard, and the write-off of related party exposures.
- Review and approve matters that may impact the capital and liquidity positions of Trust.
- Approve the annual audited financial statements.
- Review a sound system of internal control and risk management including reviewing the effectiveness of Trust’s risk and control processes to support its strategy and objectives, as well as corporate governance reports.
- Approve material acquisitions and disposals of business, assets or shares which are outside the ordinary course of business of Trust and significant in terms of the business of Trust.
- Review the structure, size and composition of Trust from time to time and make any changes deemed necessary.
- Annually approve Trust’s Enterprise Risk Management Framework (“ERMF”) and any ad-hoc material changes required.
- Approve Trust’s Risk Appetite Statement and any ad-hoc material changes.
- Approve the appointment and removal of designated senior officers of Trust and company secretary.
- Approve delegated authorities for expenditure, lending and other risk exposures.
- Review and approve the membership and terms of reference of Board committees.
- Review succession planning of the Board and develop a continuous training & development plan for directors to ensure that they are equipped with the appropriate skills and knowledge to effectively perform their roles on the Board or Board committees.
- Implement a formal annual effectiveness review of its own performance, its Board committees and directors to increase the overall effectiveness of the Board.
- And determine the independence of non-executive directors.

All Directors must always act objectively in discharging their duties and responsibilities and act in the interests of Trust. The Board exercises due diligence and independent judgment in dealing with the business affairs of Trust and works with the Management to take objective decisions in the interest of Trust. Where a Director has a personal interest in a matter that may conflict with the Director’s duties to Trust, the Director is required to disclose the conflict, recuse themselves from the discussion of the matter and abstain from voting on the matter.

## **Delegation by the Board**

The Board delegates authorities such that the sources of authority flow from the Board to the relevant members of the Management team and Trust's management committees and respective business and functions throughout the organisation. The Board delegates specific authority and powers to the Audit Committee (AC) and Remuneration Committee (Remco) to enable the Board to carry out its responsibilities in an effective manner.

The Board did not establish a board executive committee. The Board has delegated its authority to Trust Chief Executive Officer (CEO), and the CEO has established an executive committee (Exco). The CEO, together with Management, oversees day-to-day management of all business and support functions of Trust.

The CEO has further delegated certain signing authorities to the Management team in line his delegation of authority from the Board.

## **Board meetings and attendance**

The dates of Board and Board Committees meetings as well as the annual general meeting (AGM) will be scheduled in advance. To assist Directors in planning their attendance, the Company Secretary will first consult every director before fixing the date of these meetings. The Board and the AC have been scheduled to meet at least four times a year to review Trust's performance, budget, corporate strategy, business plans, and significant operational matters. Additional meeting(s) may be scheduled as and when required to deliberate on urgent substantive matters. The Remco has been scheduled to meet at least twice a year.

Trust's Constitution allows the directors to participate in a Board meeting remotely (for example by video conference) or physically. The Constitution also allows written resolutions that are signed by majority of directors (including one board nominee by SCBSL and BetaPlus respectively) to be as effective as if they were passed at physical meetings. To enable members of the Board and its Board Committees to prepare for the meetings, agendas were circulated at least 10 days in advance and all materials shared ahead of the meetings.

As part of SCBSL's oversight of Trust, in addition to the 3 board nominees to represent SCBSL's interest in Trust, SCBSL's Chief Risk Officer attends risk sections of Trust's board meetings and SCBSL's Chief Financial Officer attends Trust's AC meetings.

During 2021, two Board meetings were held with full attendance (noting that the first Board meeting was held on 5 October 2021 before Trust commenced its banking business). During Board meetings, the AC and Remco Chairpersons provided updates on key matters that were discussed and considered at each of their respective meetings.

The table below sets out the details of meetings held by the Board, AC and Remco during FY2021, and the attendance of each Board member at those meetings.

## Directors' attendance during FY2021

Name of Directors	Meeting of					
	Board		AC		Remco	
	Held	Attendance	Held	Attendance	Held	Attendance
Judy Chung Wei Hsu	2	2	-	-	-	-
Patrick Fook Yau Lee	2	2	2	2	2	2
Teck Koon Kee	2	2	-	-	2	2
Elaine Yinxuan Heng	2	2	2	2	-	-
Deniz Guven <sup>(1)</sup>	2	2	-	-	-	-
Oon Jin Yeoh	2	2	2	2	2	2
Jasmine Wong	2	2	2	2	2	2
Steven Robert Leonard	2	2	2	2	2	2

<sup>(1)</sup> Deniz attended as invitee. He was appointed as Non-Executive Director on 1 March 2022.

## Directors' induction and continuous training & development plan

Trust has a tailor-made induction and ongoing development programme in place for the Board members (leveraging on SCBSL's programme as appropriate). This programme will be kept under regular review. The programme will typically consist of a mixture of briefings on specialist topics by internal staff or external vendors and external training provided by training institutes.

Directors are briefed on Trust's business plans, current priorities, key business risks, regulatory and compliance related matters, as well as their statutory and other duties and responsibilities as Directors as part of induction and continuous training programmes. In line with the best practices in the Revised CG Guidelines, the Directors sign a letter of appointment as Directors (Appointment Letter). The Appointment Letter clearly stating the role of the Director and the time commitment that the Director would be expected to allocate, and other related matters.

## Continuous training and development plan

The Board believes that knowledge, regular training and development are essential to enhance the Board's effectiveness. Directors will be encouraged to attend seminars and training courses that will assist them in executing their obligations and responsibilities. Trust will also leverage relevant external courses arranged by SC Bank Group to ensure that on a continuing basis, the directors update themselves on legal, regulatory, economic and business matters relevant to the business and operations of Trust.

During FY2021, Directors attended training sessions conducted by internal subject matter experts for induction purposes, including Regulatory, Corporate Governance and Risk Management Overviews, and certain key topics, including Related Party Transactions.

All the Directors are also given updates on key policies. At each quarterly Board and Board Committees meeting, Directors will be briefed on matters relating to risk management including financial crime risk, regulatory, conduct, compliance risk, Trust's culture and behavioural standards.

In next year's report, the Board will make a statement as to whether it is satisfied that the regular updates and training as set out above meet the objective of equipping them with the appropriate knowledge to perform their duties.

## **Conduct**

Good conduct is a key priority for Trust.

Given its overarching nature, Conduct has been incorporated as an integral part of Trust, rather than viewed as a standalone topic.

The Code of Conduct (the Code) is a key tool through which we set our conduct expectations for all employees. Trust has aligned itself with the SC Bank Code of Conduct. The Code supports a culture where employees are encouraged to demonstrate good judgement, integrity, and a strong sense of personal accountability when they make decisions. Leaders are empowered to recruit and recognise employees based on good conduct. And performance objectives and reward mechanisms are linked to our valued behaviours. All employees are required to recommit to the Code annually.

SC Bank Group's Speaking Up is our confidential and anonymous whistleblowing programme. It includes independent and secure channels for anyone, including employees, contractors, suppliers and members of the public, to raise concerns. The programme will help build and maintain a strong ethical culture, with integrity and transparency to protect Trust from misconduct and reputational risk.

The AC will be advised on significant Speaking Up cases and conduct related issues. The information will enable the AC to consider whether there are any trends across Trust in terms of the type and nature of Speaking Up and misconduct incidences together with the resolution and consequences.

The Board and senior management observe the guidelines on individual accountability and conduct issued by the MAS.

### **Board composition and guidance**

*(Principle 2 of the Revised CG Guidelines)*

#### **Board composition**

The Board of Directors of SCBSL, acting as Trust's Nominating Committee, concluded that Trust's Board members were fit and proper, and collectively have a wide range and depth of experiences and industry expertise, representing diversity of age, gender, nationality, skills, and knowledge. This includes experience in the areas of strategic planning, accounting and finance, sales and marketing, and business management in areas that are relevant to Trust.

The Board will assess its size and composition as well as each of the director's independence annually. The Board will continue to ensure appropriate board size and composition as well as the right matched skills and expertise of the Board to provide effective stewardship to Trust.

The Board will keep its composition under review to ensure that: (a) It is sufficiently independent from management and business relationships (and the substantial shareholders). (b) It has sufficient independence to challenge management. (c) It has an appropriate balance of skills, knowledge, diversity of perceptions and experience relevant to the nature of Trust's business. (d) And takes into account broader diversity considerations such as gender, age and nationality/ethnicity. Any potential conflicts of interest are taken into consideration.

Trust will endeavour to maintain a strong and independent mindset within the Board.

The Board will determine the independence of a director based on the criteria set out in the Revised CG Guidelines to identify whether any indicator of independence and objectivity would be impaired. On an annual basis, the Board will assess the independence of each director, including his or her character and judgment, and whether there are relationships or circumstances which are likely to affect, or could appear to affect, the director's judgement. Each director is required to disclose to the Board of any such relationships or circumstances as and when they arise. The Board is satisfied that the Independent Non-Executive Directors can act with independent judgement.

### **Independence of directors**

The Board of SCBSL, acting as the Nomination Committee for Trust, noted that each of Oon Jin, Jasmmine and Steve are considered independent directors. None of them has any management or business relationships with Trust nor any connection with the shareholders of Trust. None of their direct family members are employed by or have business relationships with Trust. There are no independent non-executive directors who have served on the Board for nine years or beyond.

Judy is currently SC Bank, CEO, CPBB but is not involved in the operations of Trust and therefore she is independent from management and business relationships of Trust but not independent from its substantial shareholder (SCBSL).

Patrick is currently SC Bank, Cluster CEO Singapore & ASEAN Markets & SCBSL, CEO and therefore he is not independent from management and business relationships of Trust or its substantial shareholder (SCBSL).

Elaine Heng is the Deputy Group Chief Executive Officer and Chief Executive Officer, Retail Business of FairPrice Group and therefore she is not independent from management and business relationships of Trust or its substantial shareholder (BetaPlus).

Teck Koon is a retiree and therefore he is independent from management and business relationships of Trust but not independent from its substantial shareholder (BetaPlus).

Deniz was previously the CEO of Mox Bank Limited (Hong Kong), a subsidiary of SC Bank, until September 2022. He also has a consulting agreement with SCBSL to advise on its digital banking strategy and leveraging his experience with Mox Bank Limited. He is independent from management and business relationships of Trust but not independent from its substantial shareholder (SCBSL).

Substantial shareholders hold 5% or more of the share capital or voting power of Trust.

Therefore, Trust satisfies the requirement that: (a) the majority of the directors are required to be independent from management and business relationships (non-executive directors) (*Revised CG Guidelines, provision 2.3*), and (b) one-third of the Board are required to be "independent directors", including independence from Trust's substantial shareholders (*CG Guidelines 2013, guideline 2.1*).

### **Chairperson and chief executive officer** (*Principle 3 of the Revised CG Guidelines*)

#### **Separation of the role of Chairperson and Chief Executive Officer**

The role of the Board Chairperson and CEO are separated with the role of the Board Chairperson being a non-executive appointment. The Board Chairperson and the CEO are unrelated individuals. There is a clear division of responsibilities between these positions.

The Board Chairperson's duties and responsibilities include overseeing the strategy and direction of Trust, effectively communicating with all stakeholders and ensuring that Trust operates to the highest standards of corporate governance.

The CEO is responsible for the day-to-day operations of Trust and ensures there is quality flow of information from management to the Board. The CEO provides leadership through developing strategy, delivering an integrated plan across the businesses and functions and balancing strategy, people and talent, risk management, governance, and stakeholder management. The CEO and the Company Secretary review the Board papers and ensures that Board members are provided with accurate, timely and clear information. Management who prepare board papers, or who can provide additional insight into the matters to be discussed, are invited to attend and present papers at the relevant time during meetings. Papers are shared electronically with Directors.

The Board is of the view that the separation of the role of Board Chairperson and CEO ensures that power is not unduly concentrated in the hands of one individual and that there is no compromise to accountability or independent decision-making.

Judy is SC Bank, CEO, CPBB and is not involved in the day-to-day operations of Trust with no business relationship with Trust that could be reasonably regarded as interfering with the exercise of her independent business judgment. Accordingly, she is considered independent from Trust's Management and business relationship. However, Judy is employed by SC Bank and therefore is not independent from substantial shareholder of Trust (SCBSL).

#### **Lead independent director**

Trust has appointed an independent director to be the lead independent director, Oon Jin. The lead independent director (in addition to other parts of the corporate governance set up at Trust) is intended to ensure that there is a strong and independent element on the Board, able to exercise objective judgment on corporate affairs independently. In addition, the independent directors have unfettered access to the Chairperson to raise relevant queries to ensure that there is a check and balance between the Board and Management.

Trust does not observe provision 2.2 of the Revised CG Guidelines (nor Guideline 2.2 of the CG Guidelines 2013 that remains effective until 31 December 2022) because independent directors do not make a majority of the Board and the Chairperson is not an independent director. The Chairperson of the Board, Judy, is an officer of the SC Bank Group in accordance with SC Bank Group's Subsidiary Governance Standards for Banking Subsidiaries.

The following considerations have been considered regarding this non-observation of provision 2.2:

1. Trust is a joint-venture company held by two shareholders, SCBSL (60%) and BetaPlus (40%). Pursuant to shareholders' agreement, SCBSL has appointed 3 board nominees to represent its interest in Trust (Judy, Patrick and Deniz) and BetaPlus has 2 board nominees (Teck Koon and Elaine).
2. Considering the board nominees by each shareholder, it was decided that Trust will appoint 3 independent directors and still be able to maintain a majority independent representation from the perspective of each shareholder. SCBSL has 3 representatives to 5 other directors. BetaPlus has 2 representative directors to 6 other directors.
3. The current Board Chairperson is independent from management and business relationship.
4. Trust has appointed a lead independent director.

5. Trust's AC comprise at least a majority of directors (including the Chairperson of the AC) who are independent directors to safeguard the interests of depositors and creditors.
6. Trust will work towards complying with provision 2.2 determine through its regular review process.
7. As part of our review process, we consider whether the Board composition is appropriate in managing Trust in a safe and sound manner, considering Trust's business and other aspects such as the diversity and complexity of its business.

### **Board membership**

*(Principle 4 of the Revised CG Guidelines)*

Trust has not established a separate Nominating Committee. The full Board accepts all responsibilities to perform the functions of the Nominating Committee. The Board has in its matters reserved the purview to select and appoint directors and key management positions.

### **Board selection and appointment principles**

Pursuant to the Revised CG Guidelines, the Board will develop a framework for the selection and appointment of new directors. More detail will be shared in next year's report.

### **Tenure of directors**

The directors' appointments are for a three-year term. As required under the Revised CG Guidelines, all directors will submit themselves for re-nomination and re-appointment at regular intervals and at least once every three years. Trust will have procedures in place to ensure this requirement is met. The Constitution of Trust does not mandate the retirement of directors by rotation as one of the routine businesses to be transacted at the AGMs of Trust.

### **Board performance**

*(Principle 5 of the Revised CG Guidelines)*

### **Board effectiveness**

The Board will adopt an annual process for evaluating the effectiveness of both the Board and its committees. The Company Secretary will facilitate the process and propose an action plan according to the results and comments received.

### **Access to information**

To ensure that the Board can fulfil its responsibilities, the Board has unrestricted access to information and management. They will be provided with timely information and comprehensive reports on material operational, risk management and financial matters of Trust to facilitate informed discussions during meetings.

Directors also have independent access to the Company Secretary, who assists them in the discharge of their duties. The Company Secretary assists the Board in implementing and strengthening corporate governance policies and processes. He also ensures that the board procedures and applicable regulations are complied with. The Company Secretary also facilitates communications between the Board and management as well as organising the induction/training sessions for the directors.

The Board always has independent and unrestricted access to Management, external auditors and the Company Secretary. If required, the Directors and Board committees may seek independent professional advice.

## Remuneration matters

### Procedures for developing remuneration policies

*(Principle 6, Revised CG Guidelines)*

### Remuneration Committee (Remco)

The Board established the Remco on 5 October 2021, comprising three independent non-executive directors and two non-executive directors. The table below shows the composition of Trust's Remco.

Name of Directors	Board Membership	Audit Committee
Jasmine Wong	Independent non-executive director	Chairperson
Oon Jin Yeoh	Independent non-executive director	Member
Steven Robert Leonard	Independent non-executive director	Member
Patrick Fook Yau Lee	Non-executive director	Member
Teck Koon Kee	Non-executive director	Member

The Remco shall ensure, on behalf of the Board, that Trust's remuneration policies are consistent with effective risk management. The Remco has full access to all management personnel and has full discretion to invite any other director or executive officer to attend its meetings.

In exercising its authority delegated by the Board, Remco is responsible for the following:

- Overseeing the implementation and operation of Trust's remuneration policies and procedures.
- Approving the framework for managing the identification and remuneration of employees.

The Remco held two meetings for FY2021 and it is currently planned that it will be scheduled to have at least two meetings in FY2022, and each financial year. The CEO and Chief People Officer (CPO) are invited to attend all the Remco meetings. Generally, at the Remco meetings, the Remco will review reports from CPO, giving the opinion on matters within its purview including recommendations to the Board. Items to be discussed at the Remco meetings are as suggested in the rolling agenda of the Remco. During FY2021, the Remco reviewed (1) SC Bank Group Regulation of Variable Compensation Policy, (2) Trust's approach to compensation, (3) Trust's business modifier, (4) annual compensation and (5) long term incentive, and where applicable made the relevant approvals within its ambit and recommendations to the Board. The Remco Chairperson makes a report to the Board on significant matters discussed at each Remco meeting and escalates issues as necessary for the Board's attention.

### Level and mix of remuneration

*(Principle 7, Revised CG Guidelines)*

The remuneration approach for Trust is consistent with the approach of the SC Bank Group and is aligned to remuneration regulations in Singapore and in the UK where SC Bank Group is headquartered.

Our remuneration approach is designed to:

- Reward colleagues for the progress made on the execution of our strategy and appropriately incentivise colleagues to deliver strong performance over the long-term whilst avoiding excessive and unnecessary risk-taking.



- And promote sound and effective risk management through our remuneration structures

### Key elements of remuneration

Employees typically receive salary and other benefits and are eligible to be considered for variable remuneration driven Trust's and individual performance. Further information on the remuneration approach for different employees, and governance and oversight, will be shared in next year's report.

### Disclosure on remuneration

*(Principle 8, Revised CG Guidelines)*

### Independent non-executive directors' remuneration

The Board recommends the remuneration for the independent non-executive directors of Trust and such remuneration will be approved by the shareholders at the AGM to be held on 28 June 2022. The table below sets out the annual fees paid in FY2021 to the independent non-executive directors.

Name of Directors	Base fee	AC	Remco	Other	Total (S\$)
<b>Oon Jin Yeoh*</b>	S\$19,356	S\$4,115 (chair)	S\$2,180 (member)	-	25,651
<b>Jasmine Wong</b>	S\$19,356	S\$2,180 (member)	S\$4,115 (chair)	S\$2,180	27,831
<b>Steven Robert Leonard*</b>	S\$19,356	S\$2,180 (member)	S\$2,180 (member)	-	23,716

*\*Note: Fees paid based on 22 September 2021 (appointment date) to 31 December 2021.*

### Non-executive directors' remuneration

The remuneration for the non-executive directors is decided in accordance with the remuneration policies of their employer (or in the case of Deniz, by SCBSL as part of a consulting agreement between SCBSL and Deniz). None of the non-executive directors receive additional fees from Trust for their membership on the Board.

### Remuneration of directors and top five key executives

SC Bank Group discloses remuneration information in respect of its Executive Directors, senior management, and its group material risk takers in its annual report. This is on a Group-wide basis.

Since Trust is a subsidiary of the SC Bank Group, there is limited added value of providing disclosures on the remuneration of directors and senior management staff other than information already disclosed in the financial statements and in this report. The Board is of the view that given the sensitive and confidential nature of employee remuneration, detailed disclosures of the top five key executives is not in the best interests of Trust. Such disclosures would put Trust at a disadvantage in relation to its competitors and may adversely impact the cohesion and spirit of teamwork prevailing amongst Trust's employees.

### Remuneration of directors' immediate family

None of Trust's employees are immediate family members of a director or the CEO.

## **Employee share plan**

Trust does not have an employee share plan. Trust's Board is currently discussing possible long term incentive plans for employees. Further updates will be provided in next year's report.

No disclosure is made on directors' interests in Standard Chartered PLC shares as there are no public shareholders of Trust whose interests need to be protected through the disclosure of the director's interests. The Board is of the view that Trust's executive and non-executive directors' interests in Standard Chartered PLC shares, including discretionary awards of shares granted to them as part of their remuneration package, is of sensitive and confidential nature and its disclosure would put Trust at a disadvantage in relation to its competitors.

## **Accountability and audit**

In discharging its responsibility, the Board will ensure that Trust's financial results provide a balanced and understandable assessment of Trust's performance, position and prospects and the results are released in a timely manner. The Board reviews the risk, operational and regulatory compliance reports from Management to ensure compliance with Trust's operational practices and procedures and relevant regulatory requirements. Board members will receive financial statements, operational and other reports from Management containing analysis and explanations of variances against budget to understand Trust's financial and operational performance and prospects. The financial performance of Trust will be presented at each quarterly AC and Board meetings. The AC is responsible for reviewing the adequacy of the external and internal audit functions of Trust, including reviewing the scope and results of audits carried out in respect of the operations of Trust and the independence and objectivity of the Trust's external auditors.

### **Risk management and internal controls**

*(Principle 9, Revised CG Guidelines)*

Effective risk management is a central part of the financial and operational management of Trust and fundamental to our ability to generate profits consistently and maximise the interests of our shareholders and other stakeholders.

The Board has approved Trust's overarching Risk Management Framework which sets out the principles and standards for risk management at Trust.

According to the Framework and Policy Governance Standard under the Risk Management Framework, Trust's policies are designed to control and mitigate a distinct critical risk or set of critical risks through mandatory policy statements. Policy statements must be principle-based statements that are actionable, through key control requirements or with expected outcomes. Where the policies do not meet these criteria, they are recorded as standards or in some cases departmental procedural notes. Standards are operational documents to implement the requirements set out in the Framework, RTFs (Risk type Frameworks) or Policies.

Trust is currently working on its commercial launch. During the build phase of Beta launch in year 2021, operational readiness was conducted within a developed control framework, underpinned by policy statements, written procedures and control manuals. This ensures that there are written policies and procedures to identify and manage various risk types. The Board has established a management structure that clearly defines roles, responsibilities, and reporting lines. Delegated authorities are documented and communicated.

The effectiveness of the Trust's internal control system will be reviewed by the Board and Management. In next year's report, we will include a statement as to whether the Board, with the concurrence of the AC is of the view that Trust's system of internal controls, including financial, operational, compliance and information technology controls, and risk management systems are adequate and effective for its operations.

### **Audit committee (AC)**

*(Principle 10, Revised CG Guidelines)*

The AC comprises three independent non-executive directors and two non-executive directors. All the AC members have recent and relevant accounting and related financial management expertise or experience:

<b>Name of Directors</b>	<b>Board Membership</b>	<b>Audit Committee</b>
Oon Jin Yeoh	Independent non-executive director	Chairperson
Jasmine Wong	Independent non-executive director	Member
Steven Robert Leonard	Independent non-executive director	Member
Patrick Fook Yau Lee	Non-executive director	Member
Elaine Yinxuan Heng	Non-executive director	Member

The primary responsibility of the AC is to provide support and assistance to Trust's board of directors in ensuring that a high standard of corporate governance is always maintained. The AC has full access to all management personnel and has full discretion to invite any other director or executive officer to attend its meetings. The external auditors have unrestricted access to the AC.

The AC in exercising the authority delegated to it by the board of directors is responsible for the following:

- Reviewing the significant financial reporting issues and judgements to ensure the integrity of the financial statements of Trust and any announcements relating to Trust's financial performance.
- Reviewing and reporting to the Board at least annually the adequacy and effectiveness of Trust's internal controls, including financial, operational, compliance and information technology controls, and risk management systems.
- Reviewing the effectiveness of Trust's Internal Audit function.
- Reviewing the scope and results of the external audit, and the independence and objectivity of the external auditors.
- Making recommendations to the Board on the proposals to the shareholders on the appointment, re-appointment and removal of the external auditors, and approving the remuneration and terms of engagement of the external auditors.
- Reviewing reports from Management on the arrangements established for ensuring adherence to internal compliance policies and procedures and compliance with specific laws and regulations.
- And reviewing all material related party transactions and keeping the Board informed of such transactions, and the findings and conclusions from the review.

In addition to the review of Trust's financial statements, the AC reviews and evaluates with the external auditors and internal auditors, the adequacy and effectiveness of the system of internal controls including financial, operational, compliance and information technology controls, policies and systems.

It reviews the scope and results of the audits, the cost effectiveness of the audits, and the independence and objectivity of the external auditors.

When the external auditors provide non-audit services to Trust, the AC keeps the nature, extent and costs of such services under review. This is to balance the objectivity of the external auditors against their ability to provide value-for money services. The AC members keep abreast of changes to accounting standards and issues which have a direct impact on financial statements. The AC also reviews significant financial reporting issues and judgments to ensure the integrity of the financial statements, and announcements relating to financial performance.

The AC, which was established on 5 October 2021, held two meetings for FY2021 and is scheduled to have at least four meetings in each financial year. The CEO, CFO, Chief Risk Officer, Head of Internal Audit and Chief Compliance Officer are invited to attend all the AC meetings with external auditors invited as and when required. Generally, at the AC meetings, the AC will review reports from Internal Audit, External Auditor (when applicable), CFO and Chief Compliance Officer, giving the opinion of the state of internal controls within each of its purview. These items are to be discussed at the quarterly AC meetings as suggested in the rolling agenda of the AC. The AC Chairperson makes a report to the Board on significant matters discussed at each AC meeting and escalates issues as necessary for the Board's attention. Separate sessions with internal and external auditors are also held at least once a year without the presence of management to consider any matters which might be better raised privately. In addition, the Chairperson of the AC meets the Head of Internal Audit on a regular basis to discuss the work undertaken, key findings and any other significant matters arising from Trust's operations.

The Board has received assurance from the CEO and CFO that, as of 31 December 2021, the financial records have been properly maintained, and the financial statements give a true and fair view of the operations and finances. The Board has also received assurance from the CEO and the key management personnel responsible for risk management and internal control systems that, as of 31 December 2021, the risk management and internal control systems were adequate and effective to address financial, operational, compliance and information technology controls, and risk management systems which Trust considers relevant and material to its operations.

### **External audit**

The AC reviews and makes recommendation to the Board for the appointment, re-appointment and dismissal of the external auditors and approves the remuneration and terms of engagement. In its review, the AC reviewed the independence of the external auditors, the work performed by the external auditors and the fees paid to the external auditors for the provision of audit services to Trust for 2021.

The AC reviewed the re-appointment of Ernst & Young LLP as external auditors of Trust and recommended their re-appointment to the Board on 22 February 2022. The aggregate amount of fees paid to the external auditor for financial period ended 31 December 2021 are shown in the notes to Trust's financial statements.

The AC reviewed Trust's externally audited annual financial statements and discussed with management and the external auditor the significant matters which involved management judgement. Matters raised by the AC and the external auditor in respect of risk management, accounting and internal controls over financial reporting were also reviewed. There were no specific key audit matter or material risks arising from the audit though there were findings on the technology and cybersecurity areas which were addressed and discussed at the AC meeting of 22 February 2022. The Audit Report was an unqualified opinion report.

The AC is satisfied that the financial statements for the financial period ended 2021 are fairly presented in conformity with the relevant Singapore Financial Reporting Standards in all material aspects, based on its review and discussions with management and the external auditor.

### **Internal audit**

Trust's Internal Audit (IA) function is responsible for driving the internal audit activities of Trust. IA has a dedicated internal audit team, which is led by the Head of Internal Audit. The Head of Internal Audit has primary reporting line to the AC Chairperson. Internal Audit has unfettered access to the AC, the Board and Management, as well as the right to seek information and explanation.

The AC has approved the Internal Audit's Charter, which sets out the mandate, approach, responsibility and authority of the Internal Audit function for Trust. Based on its risk assessment of Trust and its activities, the Internal Audit function formulates and executes plans of audit and review activities to form an opinion on the overall control environment and management's control approach. The Internal Audit function will also perform reviews at the specific request of regulators, Management or the AC. It does not have to cover all scope areas every year. The Internal Audit Plan will be reviewed on a periodic basis to assess the impact of changing risks, with any significant changes to the plan being discussed and reviewed with Management and approved by the AC. The AC is satisfied that the Internal Audit function has the adequate size, structure, and staff experience to meet its established objectives with support provided by the Standard Chartered Group, independent third parties, suppliers, or partners, if needed.

The scope of the Internal Audit activities encompasses, but is not limited to, objective examinations of evidence for providing independent assessments on the adequacy and effectiveness of risk management, control, and governance processes of the business and functions. The Internal Audit function assesses if key risks have been identified, governed in line with the established risk management processes (including risk appetite) and reported by Management or the Risk function to the relevant committees or Management team members. Business strategy, policies, and procedures as well as Trust's key priorities will be considered as part of this evaluation. IA will also consider whether the outcomes and the conduct of businesses are in line with the objectives, risk appetite and valued behaviours of Trust. The Internal Audit function will also provide an independent view of management's reporting on the risk management of Trust, including management's remediation plans, and highlighting significant audit issues that are overdue for resolution.

The Internal Audit function represents the Third Line of defence in providing independent assurance of the effectiveness of Management's control of business activities (the First Line) and of the control processes maintained by the Risk Framework Owners and Policy Owners (the Second Line). The Internal Audit Function adopts a structured risk-based audit methodology approach, which is in accordance with the industry best practice from the IIA Standards and Code, as recognised by regulators and external auditors.

Working with Management, the Internal Audit function supports long term improvements in Trust's control environment and tracks that sustainable corrective action plans are effectively implemented.

## **Shareholder rights and engagement**

### **Shareholder rights and conduct of shareholder meetings**

*(Principle 11, Revised CG Guidelines)*

In line with its constitution, Trust will issue notices of general meetings setting out the agenda to its shareholders or their appointed corporate representatives with the audited financial statements and



explanatory notes and, if necessary, letters to shareholders on special business, at least 21 days before AGMs or 14 days before a general meeting called to pass ordinary resolutions (and 21 days when special resolutions are proposed).

Trust will set out separate resolutions proposed at general meetings on each distinct issue.

The external auditors will be invited to be present at a general meeting to respond, if necessary, to questions within their remit from the shareholders.

Being a joint venture entity, the declaration of dividend including attendance of shareholders at general meetings are governed by the relevant agreement between the two shareholders (SCBSL and BetaPlus). Accordingly, Trust will not be implementing absentia voting methods.

As Trust is not a listed entity, it will not be publishing its minutes of general meetings on its corporate website (trustbank.sg).

### **Share issuance and dividend payment**

#### *Share Issuance in FY2021 and January 2022*

On 17 December 2020, 49,999,999 ordinary shares were issued to SCBSL for a total consideration of SGD49,999,999.

On 24 May 2021 and 31 August 2021, two tranches of 20.0 million ordinary shares each were issued to SCBSL for a total consideration of SGD40.0 million.

On 22 September 2021, 96.0 million ordinary shares were issued to BetaPlus and 54.0 million ordinary shares to SCBSL for a total consideration of SGD150.0 million.

On 31 January 2022, 48.0 million ordinary shares were issued to SCBSL and 32.0 million ordinary shares to BetaPlus for a total consideration of SGD80.0 million.

SCBSL currently holds an aggregate of 192.0 million ordinary shares in Trust, representing 60% of the share capital of Trust. The remaining of the 40% of the ordinary shares (comprising 128 million ordinary shares) are held by BetaPlus.

All issued shares are fully paid, with no par value.

Each holder of ordinary shares is entitled to receive dividends as declared by the Board of Directors from time to time and is entitled to one vote per share at meetings of Trust. All shares rank equally with regard to Trust's residual assets

#### *Ordinary dividend declaration for FY2021*

No ordinary dividend was proposed for FY2021.

**Engagement with Shareholders**

*(Principle 12, Revised CG Guidelines)*

Each shareholder has board representations in Trust and this ensures sufficient engagement between Trust and its shareholders. The shareholders is also able to communicate their views on various matters affecting Trust through these board representations.

**Managing Stakeholders Relationships****Engagement with Stakeholders**

*(Principle 13, Revised CG Guidelines)*

Trust has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationships with such groups. Trust intends to maintain a corporate website, trustbank.sg, to communicate and engage with its stakeholders.

**Additional Guidelines of the MAS****Related party transactions**

*(Principle 14, Revised CG Guidelines)*

Trust has procedures in place to ensure that related party transactions are undertaken on an arm's length basis, including Trust's Related Party Transaction Standard which was approved by the Board.

The AC and the Board are required to review certain related party transactions as detailed in Trust's Related Party Transaction Standard. Trust reviews the terms and conditions of related party transactions to check that they are not more favourable than those granted to non-related parties under similar circumstances.

Where there is a potential conflict of interest involving any directors, the directors will abstain from voting or exercising any influence over other members of the AC or the Board in relation to the related party transactions.

Material related party transactions are disclosed in the notes to the financial statements for FY2021.