

# THE GREAT EASTERN LIFE ASSURANCE COMPANY LIMITED

(Incorporated in the Republic of Singapore)  
(Company Registration No.: 190800011G)

## CORPORATE GOVERNANCE REPORT

(as at 1 April 2022)

The Board of Directors and Management of The Great Eastern Life Assurance Company Limited (“GEL” or the “Company”) place great importance on high standards of corporate governance and are committed to upholding the values of integrity, honesty and proper conduct at all times in the business operations and dealings of the Company and its subsidiaries (collectively, the “Group”).

The Company adopts corporate governance practices which are in conformity with the Insurance (Corporate Governance) Regulations 2013 (“CG Regulations”) and the Monetary Authority of Singapore’s (“MAS”) Guidelines on Corporate Governance for Financial Holding Companies, Banks, Direct Insurers, Reinsurers and Captive Insurers which are incorporated in Singapore issued on 3 April 2013 (the “MAS CG Guidelines”). Where differences exist between the requirements of the above, the Company follows the CG Regulations.

The Company is a wholly-owned subsidiary of Great Eastern Holdings Limited (“GEH”). As GEH is listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”), it complies in material aspects with the Code of Corporate Governance 2018 (the “Code”). GEH is also a regulated financial holding company which adopts the corporate governance practices that conform with the Banking (Corporate Governance) Regulations 2005 and any exemptions thereto. The Company’s corporate governance practices are aligned with the practices of its holding company, GEH.

The Company is classified as a “Tier 1 insurer” under the CG Regulations as it is a registered direct life insurer which is incorporated in Singapore and has total assets of at least \$5 billion or its equivalent in any foreign currency as stated in the relevant annual audited lodgement by the insurer with MAS.

### BOARD MATTERS

#### THE BOARD’S CONDUCT OF AFFAIRS

**The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company.**

The Board is appointed by the shareholders to supervise the management of the business and affairs of the Company. The prime stewardship responsibility of the Board is to ensure the viability and sustainability of the Company and to ensure that it is managed in the best interests of the Company as a whole while taking into account the interests of shareholders and other stakeholders. The Company has a Board charter approved by the Board.

The Board provides strategic direction to, and oversight of the operations of, the Company. In addition, the Board provides oversight of senior management executives to ensure they carry out the day-to-day operations of the Company effectively and in accordance with the

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Company's Code of Conduct, with their roles, responsibilities, accountability, delegated authority and reporting lines properly documented, and also ensures that their expertise and knowledge are appropriate given the risk profile and nature of the Company's business.

The principal roles and functions of the Board, as set out in the Board charter, include the following:

- (a) reviewing and approving the overall business strategy and the organisation structure of the Company as developed and recommended by Management;
- (b) ensuring that decisions and investments are consistent with the long-term strategic goals of the Company and the objectives of the individual policy funds;
- (c) ensuring that the interests of its shareholder, policyholders and other stakeholders are taken into account in managing the Company's business;
- (d) ensuring that the necessary human resources are in place for the Company to achieve its objectives;
- (e) ensuring that the Company is operated in accordance with the relevant laws and regulations, as well as policies, processes and guidelines approved by the Board, so as to preserve its financial integrity;
- (f) reviewing the acquisition or disposal of assets that is material to the Company;
- (g) reviewing and approving the risk appetite statement of the Company which reflects its strategic intent, taking into account the operating and regulatory environment, and consists of a balanced set of return objectives and risk tolerance, such as effectiveness of internal controls and capital sufficiency;
- (h) overseeing, through the Audit Committee, the quality and integrity of the accounting and financial reporting systems, disclosure controls and procedures, and system of internal controls;
- (i) overseeing, through the Risk Management Committee, the establishment and operation of an independent risk management function, the adequacy of the risk management policies and systems, and capital management strategy, including the optimal allocation of capital resources, and the quality of the risk management processes and reporting;
- (j) overseeing the succession planning for key senior executive positions within the Company, and the selection and appointment of senior executive officers, and the management of its talent resources;
- (k) establishing corporate values and risk cultures, emphasising integrity, honesty and proper conduct at all times, with respect to internal dealings and external transactions,

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including situations where there are potential conflicts of interests, so as to uphold fair-dealing standards;

- (l) providing a balanced and objective assessment of the performance, position and prospects of the Company, including reports to regulators;
- (m) overseeing the design and operation of an appropriate remuneration framework and ensuring that the remuneration practices are aligned with the remuneration framework;
- (n) reviewing Management's performance and ensuring that Management formulates policies and processes to promote fair practices and high standards of business conduct by staff;
- (o) maintaining records of all meetings of the Board and Board Committees, especially with regards to records of discussions on key deliberations and decisions taken, and concerns raised by Directors about the operations of the Company or proposed corporate action that was not resolved, if any;
- (p) formulating strategies, taking into consideration sustainability issues such as environmental and social factors, and reviewing and approving all material environmental, social and governance issues and the sustainability strategy; and
- (q) reviewing the recommendations and reports (including but not limited to, the annual bonus recommendations for participating policies) prepared by the appointed actuary of the Company, which is a registered direct life insurer.

The Board also ensures that corporate governance frameworks and systems are in place across the Company and that they remain relevant and effective.

Directors with conflicts of interest recuse themselves from discussions and decisions involving issues of conflict.

### **Board Approval**

The Company has adopted internal guidelines on matters which require Board approval. These guidelines are communicated to Management in writing. Matters requiring Board approval include overall business strategy and direction, risk appetite statement, significant policies governing the operations of the Company, strategic or significant acquisitions, investments and divestments by the Company, corporate restructuring, major corporate initiatives and other activities of a significant nature, dividend policy, dividend declaration and the financial statements of the Company and the Group.

The Board approves transactions exceeding certain threshold limits, while delegating authority for transactions below the threshold limits to the Board Committees and Management to optimise operational efficiency.

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### Board Committees

While the Board has ultimate responsibility for the affairs of the Company, it has established a number of Board Committees to assist it in carrying out more effectively its oversight of the operations and business affairs of the Company and the Group. These Board Committees consist of the Audit Committee, Risk Management Committee and Sustainability Committee. All the Board Committees have been constituted with clear Board-approved terms of reference and any changes thereto also require the Board's approval.

The Company's Board Committees, in carrying out their responsibilities in accordance with their respective terms of reference, are also actively involved in assisting the Board to ensure compliance with good corporate governance practices by the Company. Minutes of Board Committee meetings, which provide a fair and accurate record of the discussions and key deliberations and decisions taken during the meetings, are maintained and circulated to the Board. The composition and details of the principal roles and responsibilities of the Board Committees are set out below.

### Audit Committee

The Audit Committee is required to comprise at least three non-executive Directors, all of whom are independent from management and business relationships under the CG Regulations, and at least a majority of Directors (including the Audit Committee Chairman) being independent Directors. At least two members of the Audit Committee, including the Audit Committee Chairman, must have recent and relevant accounting or related financial management expertise or experience.

The Audit Committee comprises the following Directors:

- Mr Leo Mun Wai, Chairman
- Ms Mimi Ho, Member
- Mr Kyle Lee, Member

All of the members are non-executive Directors. A majority, being Ms Mimi Ho and Mr Leo Mun Wai, are independent Directors and independent from management and business relationships under the CG Regulations. None of the members are serving on the Audit Committee within a period of two years commencing on the date of his/her ceasing to be a partner/director of Messrs PricewaterhouseCoopers ("PwC"), the external auditor of the Company. None of them hold any financial interest in PwC.

Members of the Audit Committee are appropriately qualified to discharge their responsibilities. All the Audit Committee members have relevant accounting and auditing experience and possess financial management knowledge and experience. The Audit Committee members keep abreast of relevant changes through regular updates from the external auditor on changes to accounting standards and issues which have a direct impact on the financial statements.

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The Audit Committee carries out its functions in accordance with Section 201B(5) of the Companies Act 1967, the CG Regulations and the MAS CG Guidelines and operates within Board-approved terms of reference which set out the Audit Committee's authorities and duties.

The Audit Committee has explicit authority to investigate any matter within its terms of reference and has the full co-operation of and access to Management. It has full discretion to invite any Director or senior management executive to attend its meetings. It also has resources to enable it to discharge its functions properly.

The Audit Committee held a total of six meetings in 2021. The Audit Committee meetings were attended by the internal and external auditors, the Group Chief Executive Officer ("Group CEO") and certain senior management executives, including the Group Chief Financial Officer ("Group CFO").

Further information on the Audit Committee is provided below.

### **Risk Management Committee**

The Risk Management Committee is required under the CG Regulations to comprise at least three Directors, a majority of whom (including the Risk Management Committee Chairman) are non-executive Directors. The MAS CG Guidelines further stipulate that members of this Committee should be appropriately qualified to discharge their duties, with at least two having the relevant technical financial sophistication in risk disciplines or business experience.

The Risk Management Committee comprises the following Directors:

- Mr Quah Wee Ghee, Chairman
- Mr Norman Ip, Member
- Mr Kyle Lee, Member

All the members are non-executive Directors and have the relevant technical financial sophistication in risk disciplines or business experience to enable them to discharge their duties effectively.

The Risk Management Committee is responsible for the oversight of all risk management and compliance issues which the Company is or may be exposed to (including market, credit, liquidity, insurance, operational, technology, conduct, money laundering and terrorism financing, legal, regulatory, reputational, strategic and environmental risks) to manage the financial, operational and reputational impact arising from these risks. It reviews the overall risk management philosophy, including the risk profile, risk appetite and tolerance level, and risk and capital management and strategy, guided by the overall risk appetite and corporate strategy approved by the Board.

The Risk Management Committee performs its functions pursuant to its Board-approved terms of reference. Such terms of reference include the review and approval or endorsement of the Company's enterprise risk management framework, major policies, charters and strategies for effective risk management (including risks arising from investment management and asset-liability management). The terms of reference also include the review and approval of major

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risk management initiatives.

The Risk Management Committee endorses the appointment and annual appraisal of the Group Chief Risk Officer (“Group CRO”), who reports directly to the Risk Management Committee and the Group CEO. The appointment of the Group CRO also requires the prior approval of MAS. The current Group CRO, Ms Kate Chiew, was appointed in April 2021.

The Group CRO is responsible for establishing and implementing the Group’s risk management framework and processes for identifying, assessing, measuring, controlling, mitigating, monitoring and reporting of risks.

The Group Risk Management Department has adequate resources and is staffed by experienced and qualified personnel who are sufficiently independent to perform their duties objectively. The Group Risk Management Department regularly engages senior management executives to develop enterprise-wide risk controls and risk mitigation procedures.

The Risk Management Committee held a total of six meetings in 2021.

The Group’s enterprise risk governance and management objectives and policies and other pertinent details are disclosed in the financial statements.

### **Sustainability Committee**

Under its Board-approved terms of reference, the Sustainability Committee is required to have at least three Directors with a majority of them (including the Sustainability Committee Chairman) being non-executive Directors.

The Sustainability Committee comprises the following Directors:

- Ms Mimi Ho, Chairman
- Mr Koh Beng Seng, Member
- Mr Leo Mun Wai, Member

All the members are non-executive Directors.

The responsibilities of the Sustainability Committee are set out in its Board-approved terms of reference. The Sustainability Committee is responsible for the supervision and oversight of the Company’s sustainability strategy and related projects, goals and priorities principally in relation to environmental, social and governance (“ESG”) matters.

The Sustainability Committee also provides supervision and oversight on activities of the management committees or management working group in the area of sustainability, and reviews progress made and the results of implementation.

The Sustainability Committee held a total of two meetings in 2021.

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### Digital Initiatives Working Group

The Digital Initiatives Working Group was established in March 2021 to assist the Board in reviewing Great Eastern Group's digital strategy and making recommendations to the Board on any necessary changes to the Company's digitalisation initiatives. It performs its functions pursuant to its Board-approved terms of reference and will be dissolved upon the completion of its review.

The Digital Initiatives Working Group comprises the following non-executive Directors of the Company and those of its holding company, GEH:

- Mr Lee Fook Sun, Joint Chairman
- Mr Thean Nam Yew, Joint Chairman
- Mr Soon Tit Koon, Member
- Ms Mimi Ho, Member
- Mr Leo Mun Wai, Member
- Mr Quah Wee Ghee, Member

### Meetings and Directors' attendance

The Board meets regularly during the year to review the business performance and key activities of the Company presented by Management, and to deliberate significant business proposals presented by Management. All members of the Board participate actively in Board discussions and decisions are taken objectively in the interests of the Company. The Board works with Management to achieve its stated goals and the Management remains accountable to the Board. Where warranted by particular circumstances, *ad hoc* Board or Board Committee meetings will be convened. Each year, the Board and senior management executives meet to review and refresh strategies for the Company. In 2021, the Board and its Board Committees held a total of twenty-two meetings, including the Great Eastern Virtual Forum.

The contributions of the Board members go beyond attendance at meetings. They individually or collectively engage with other Board members and Management outside formal meetings in their oversight of the affairs of the Company.

If a Director is unable to attend a Board or Board Committee meeting, he will still receive all the papers and materials to be tabled for discussion at that meeting. Directors are provided with complete, adequate and timely information related to agenda items before each meeting. Directors are also equipped with electronic tablets that allow secured access to Board and Board Committee meeting materials. Information provided includes background information on matters to be addressed by the Board, copies of disclosure documents, monthly internal financial statements, enterprise risk management and audit dashboards, operating plans, forecasts, and reports of variances from operating plans and forecasts.

The number of meetings of the Board and Board Committees held in 2021 and the attendance of the Directors at those meetings are tabulated below.

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**Directors' attendance at Board and Board Committee meetings in 2021**

Director	Board <sup>(1)</sup>	Audit Committee	Risk Management Committee	Sustainability Committee	Annual General Meeting
	Number of meetings held in 2021				
	8	6	6	2	
Koh Beng Seng	8	-	-	2	√
Mimi Ho	8	6	-	2	√
Norman Ip	8	-	6	-	√
Kyle Lee	8	6	6	-	√
Leo Mun Wai	8	6	-	2	√
Quah Wee Ghee	8	-	6	-	√

Note:

(1) Inclusive of the Great Eastern Virtual Forum held on 9 September 2021.

Two Board sessions without Management were held in 2021. Directors' attendance at these sessions and at meetings of the Digital Initiatives Working Group are not included in the above table.

**Access to Information**

The Board members are provided with relevant and timely information by Management on matters to be discussed or considered at meetings of the Board and Board Committees. For matters requiring approval, information furnished by Management usually includes background explanatory information, relevant facts and/or analysis to support the proposal, implications or merits of the case, risk analysis and mitigating strategies, the budget (if applicable) and Management's recommendation. The senior management executives who can provide additional information and insight or provide clarifications to queries raised are usually present at the meeting during discussion on such matters. Occasionally, external consultants engaged on specific projects may also be invited to brief the Board or Board Committees, where relevant. All Board and Board Committee members have unfettered access to information, which the Company is in possession of or has access to, to enable them to make informed decisions and discharge their duties and responsibilities.

Information furnished to the Board on an on-going basis includes the business forecasts, monthly financials and quarterly reports prepared on a GEH Group basis which includes the financial results and performance of the Company, with explanations of material deviations between actual results and the business plans and/or budgets. Management also provides the Board with information on material risks facing the business, including credit, market, liquidity and operational risks.

Directors have separate and independent access to the Company Secretary. The Company Secretary attends all Board meetings and prepares minutes of Board proceedings. She assists the Chairman to ensure that appropriate Board procedures are followed and that applicable regulations are complied with. Under the direction of the Chairman, she ensures good information flows within the Board and Board Committees, and between senior management executives and non-executive Directors. The Company Secretary also facilitates the orientation of new Directors and professional development of Directors, as required. The



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appointment and removal of the Company Secretary is considered by the Board as a whole.

The Board also has separate and independent access to Management. Other than at Board and Board Committee meetings, Board members are able to approach Management to discuss and review information, business development and decisions made which relate to the business and operations of the Company.

The Directors may take independent professional advice as and when necessary to enable them to discharge their duties effectively. Similarly, the Board and Board Committees may obtain professional advice, whenever necessary and appropriate, so as to effectively discharge their roles and responsibilities. All engagements of external advisors are at the Company's expense.

### **Board Orientation and Development**

Upon the appointment of a new Director, the newly-appointed Director will be apprised of his/her statutory and fiduciary duties and obligations and issued a Director's orientation kit which will include key information on the Company, the terms of reference of the Board and Board Committees, duties and obligations of Directors as well as relevant rules and regulations. As part of the induction programme for new Directors, the Group CEO and senior management executives will conduct presentation sessions for new Directors on the Company's principal activities, business lines, strategic plans, risk profile and business operations in particular, the insurance business and the induction programme will be tailored to the specific development needs of the new Directors. The Company constantly reviews and improves on the contents of such briefings to new Directors to take into account any new legislative changes which affect the roles and responsibilities of Directors and to enable them to have a more comprehensive understanding of the Company, the insurance business and practices, relevant regulatory requirements and the financial statements of an insurance company. All Directors are invited to attend the briefing sessions arranged for new Directors to refresh their knowledge. The Company also arranges for new Directors to be briefed on areas such as accounting, risk management and insurance and for first-time Directors with no prior experience as a director of a financial institution, to undergo training in roles and responsibilities of Directors. The Directors are also continually updated on developments affecting the insurance industry.

The Board ensures that there is a continuous professional development programme for all Directors, to ensure that they are equipped with the appropriate skills and knowledge to perform their roles on the Board and Board Committees effectively. The Company's continuous professional development programme is reviewed and updated, where necessary, by the Board on an annual basis. In 2021, two additional subject matters, sustainability and ESG-related matters as well as technology risks and cybersecurity, have been included in the continuous professional development programme for the Directors.

From time to time, the Company organises talks, seminars or presentations by external professionals, consultants or Management on topics relevant to the insurance industry, relevant new laws, regulations and changing commercial risks and provides updates on developments in the industry locally and in other developed countries. Industry-related and

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topical articles are regularly circulated to Directors as part of the Company's continuous development programmes for Directors. Continued training and development programmes are offered to Directors and they may attend appropriate courses, conferences and seminars conducted by professional bodies within the industry or other professional organisations including programmes conducted by the Singapore Institute of Directors where relevant.

The Company arranges for and funds the training and development programmes for existing and new Directors. The Company also maintains formal records of the training and development received by its Directors.

Continuing development programmes arranged by the Company for Directors in 2021 covered the following subjects:

- China's Investment Landscape – Economics, Geopolitics and other considerations
- Technology, can China catch up?
- US-China Tech Contest – “On which side will the chips fall?”
- Future of Financial Services (FoFS) study with Boston Consulting Group
- IFRS17 Programme Implementation
- Anti-Money Laundering and Countering the Financing of Terrorism
- Risk and Cyber Security in a time of COVID
- Climate Change – How it affects you?
- Sustainable Investing, Regulation and Reporting
- Disclosures and Environmental Risk Assessments – Impact of ESG on Financial Institutions

### **Talent Development and Succession Planning**

The Company has instituted a rigorous process for talent development and succession planning. It conducts an annual review of the succession plans for key senior management executives, taking into account the current needs and future strategic capabilities. An annual discussion is held by the Board to review potential successors and their corresponding development plans.

The Board reviews the talent development framework and processes in order to build a deeper and wider bench strength and a strong talent pool. Critical jobs are identified and potential successors are groomed for key positions. Group Human Capital engages the Group CEO and the respective heads of business units to review the list of critical jobs and the potential successors annually based on current and future business needs.

### **Appointed Actuary**

The Company has put in place a framework for the appointed actuary to discharge his duties with independence so that the insurance business is conducted on a sound financial basis with regard to the policyholders' reasonable expectations and the interests of policyholders and other stakeholders are taken into consideration as necessary.

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The appointed actuary assists the Company in:

- (a) assessing the policy on how the assets of the Company's insurance funds are to be invested, having regard to the nature and terms of liabilities of the Company and the availability of appropriate assets for the purpose of asset-liability matching;
- (b) any risk management activity for the Company's business, such as risk identification, risk quantification, risk management policies, controls relevant to the Company's financial condition, and the use of any internal model for the purposes of calculating liabilities and capital requirements for the Company's insurance products; and
- (c) matters of product pricing and development, such as identifying appropriate rating factors for product pricing, the design of product features and the setting of underwriting standards.

On an annual basis, the Board will review the declaration made by the appointed actuary and assess whether there are any factors that would result in a conflict of interest, or would impair his ability to discharge his duties as the appointed actuary of the Company.

The Company's appointed actuary meets the Board at such frequency as he may require and has access to the Board at all times.

### **BOARD COMPOSITION AND GUIDANCE**

**The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.**

#### **Board Membership**

The Company's present Board of six Directors are all non-executive. The Chairman of the Board is Mr Koh Beng Seng and the other non-executive Directors are Ms Mimi Ho, Mr Norman Ip, Mr Kyle Lee, Mr Leo Mun Wai and Mr Quah Wee Ghee. Board members do not appoint alternate directors as a matter of practice.

All appointments and re-appointments of Directors of the Company are subject to approval by MAS.

#### **Information on Directors**

Information on Directors' interests in shares or debentures in the Company and its related corporations are disclosed in the Directors' Statement that accompanies the Company's financial statements for the year ended 31 December 2021. The Company does not grant share options to non-executive Directors of the Company. The Directors do not hold shares in the Company or the Company's subsidiaries.

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### **Board Composition and Independence**

The Company determines the independence of its Directors in accordance with the requirements under the CG Regulations. Under the CG Regulations, an independent Director of the Company is one who is independent from the substantial shareholders of the Company, and management and business relationships with the Company and its subsidiaries, and has not served for more than nine years on the Board. He/She is also independent in conduct, character and judgment. Each Director is required to abstain from the Board's deliberations on his/her own independence.

Under the CG Regulations, the Board is required to have at least one-third of Directors who are independent Directors and at least a majority of Directors who are independent from management and business relationships with the Company and its subsidiaries.

The Company's Board comprises at least one-third of independent Directors. The Board determines annually whether a Director is independent. Taking into consideration the definition of "independence" of a Director under the CG Regulations, the Board has determined that the Company's independent Directors are currently Ms Mimi Ho, Mr Norman Ip and Mr Leo Mun Wai.

Mr Koh Beng Seng is deemed non-independent under the CG Regulations as he is a non-executive director of the Company's substantial shareholder, GEH, and Oversea-Chinese Banking Corporation Limited ("OCBC Bank"), the holding company of GEH. Mr Koh is also a director of Great Eastern General Insurance Limited ("GEG"). While the Company has business transactions with each of OCBC Bank and GEG, such business transactions have been conducted in the ordinary course of business, on an arm's length basis and on normal commercial terms. As Mr Koh Beng Seng serves in a non-executive capacity on the boards of the Company, OCBC Bank and GEG, he would be substantially removed from the actual business transactions between the entities. The Board is of the view that such business transactions between the entities do not affect his independent business judgment with regard to the interests of the Company and has determined that he is independent from business relationships. Mr Koh is independent from management relationships with the Company and its subsidiaries.

Ms Mimi Ho is a non-executive director of Partners Reinsurance Asia Pte. Ltd. ("Partners Re"). She is also a non-executive director of GEG which is a wholly-owned subsidiary of GEH, and business transactions exist between the Company and GEG. All such business transactions have been conducted in the ordinary course of business, on an arm's length basis and on normal commercial terms. The Board considers her to be independent from business relationships given that as she serves in a non-executive capacity on the boards of the Company as well as GEG, she would be substantially removed from the actual business transactions between the entities. The Board is of the view that such business transactions between the entities do not affect her independent business judgment with regard to the interests of the Company. She is independent from management relationships with the Company and its subsidiaries. Notwithstanding her directorship on GEG, the Board considers her to be independent from the substantial shareholder of the Company. However, Ms Mimi Ho would be deemed non-independent with effect from 17 April 2022 as she would then have

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served on the Board of the Company for more than 9 years.

Mr Norman Ip was a non-executive director of the Building and Construction Authority, WBL Corporation Limited and GEH, and ceased to be a director of each of these companies at varying times during the financial year ended 31 December 2021 (“FY2021”) and its preceding financial year. He is a director of GEG and various other subsidiaries of GEH. While business transactions exist between the Company and these other companies, such business transactions have been conducted in the ordinary course of business, on arm’s length basis and on normal commercial terms. As he serves in a non-executive capacity on the boards of the Company as well as these other companies, he would be substantially removed from the actual business transactions between the entities. The Board is of the view that these business relationships do not affect his independent business judgment with regard to the interests of the Company and has determined that he is independent from business relationships. He is independent from management relationships with the Company and its subsidiaries. Notwithstanding his directorship on GEG and various other subsidiaries of GEH, Mr Norman Ip is regarded as being independent from the substantial shareholder of the Company.

Mr Kyle Lee sits on the board of GEH. Hence, under the CG Regulations, he is deemed to be not independent from the Company’s substantial shareholder and hence, he is not regarded as an independent Director. He is however independent from management and business relationships with the Company and its subsidiaries.

Mr Leo Mun Wai is a non-executive director of GEG, and business transactions exist between the Company and GEG. Such business transactions have been conducted in the ordinary course of business, on an arm’s length basis and on normal commercial terms. As Mr Leo Mun Wai serves in a non-executive capacity on the boards of the Company and GEG, he would be substantially removed from the actual business transactions between the entities. The Board is of the view that such business transactions between the entities do not affect his independent business judgment with regard to the interests of the Company and has determined that he is independent from business relationships. He is independent from management relationships with the Company and its subsidiaries. Notwithstanding his directorship on GEG, the Board considers Mr Leo to be independent from the substantial shareholder of the Company.

Mr Quah Wee Ghee is deemed non-independent under the CG Regulations as he has served for more than nine years on the Board. He is also a director and senior executive of a company which manages a fund which the Company has invested in. While he has stepped down from the board of OCBC Bank in January 2021, he continues to be a director on the boards of GEG and another subsidiary of OCBC Bank, Bank of Singapore Limited (“BOS”), and business transactions exist between the Company and each of GEG, OCBC Bank and BOS. All such business transactions have been conducted in the ordinary course of business, on an arm’s length basis and on normal commercial terms. The Board has determined that he is not independent from business relationships with the Company and its subsidiaries in view of his positions as a director and senior executive of the fund management company and the aggregated amount of payments made to the fund management company in 2021. He is independent from management relationships with the Company and its subsidiaries. Notwithstanding his directorships on GEG and BOS, the Board considers Mr Quah to be

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independent from the substantial shareholder of the Company.

The current Board complies with the requirements on Board composition and Board independence under the CG Regulations. Three out of six Directors are independent Directors and majority of the Directors are independent from management and business relationships with the Company and its subsidiaries. All Board members are non-executive Directors.

The Board is of the view that the current Board and Board Committees are of an appropriate size to facilitate effective decision-making, taking into account the scope and nature of the operations of the Company.

A Board Diversity Policy, setting out the approach to diversity on the appointment of members and composition of the Board, is published on the corporate website [www.greateasternlife.com](http://www.greateasternlife.com). In the appointment of Board members, the policy embraces the diversity of skills, knowledge, experience including familiarity in the Company's core markets, age, gender and length of service as well as merit and independence. Steps are taken to improve effectiveness where necessary. The Board annually assesses the diversity of its members' competency profiles, including gender representation, and determines the collective skills required for the Board and the Board Committees to discharge their responsibilities effectively. The same factors are taken into consideration in respect of the re-appointment of Board members.

The Company's Board members have diverse backgrounds, experience and qualifications, and bring a wide range of commercial and financial experience to the Board. Collectively, they provide the necessary business acumen, knowledge, capabilities and core competencies to the Company, including industry knowledge in insurance (such as key products and customers), and actuarial science, investment and asset management (such as real estate and property), knowledge in banking, accounting, finance, strategy formulation, management experience, risk management, technology, transformation management, taxation, trust law, cyber security and familiarity with regulatory requirements. Several Directors also have experience in jurisdictions outside Singapore, such as Malaysia, Indonesia and Greater China. At least one of the Board members has experience in the insurance industry. The diversity of experience and competencies of the Directors enhance the effectiveness of the Board in discharging its responsibilities. Female representation on the Board is currently 17%.

With the knowledge, objectivity and balance contributed by its members, the Board constructively challenges and enhances proposals on strategy, reviews the performance of Management against agreed goals and objectives, and monitors the reporting of performances.

The non-executive Directors met twice during the year without the presence of Management to discuss matters such as the performance and effectiveness of Management.

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**CHAIRMAN AND CHIEF EXECUTIVE OFFICER**

**There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making**

The Chairman and the Group CEO are not related to each other. The roles of the Chairman, Mr Koh Beng Seng, and the Group CEO, Mr Khor Hock Seng<sup>1</sup>, are distinct and separate, with a clear division of responsibilities between them to ensure an appropriate balance of power, increased accountability and greater independence in decision-making. The Company has Board-approved internal guidelines setting out the scope of authority of the Chairman and the Group CEO.

The principal responsibilities of the Chairman include leading the Board to ensure it effectively discharges its roles and responsibilities, approving agendas of Board meetings, monitoring the quality and timeliness of the flow of information from Management to the Board and promoting effective communication with the shareholder. The Chairman also facilitates robust and open discussions and deliberations in Board meetings and effective contribution by all members of the Board, encourages constructive relations within the Board and between the Board and Management, and promotes high standards of corporate governance with the full support of the other Directors, the Company Secretary and Management.

The Group CEO manages the Company and oversees the Company's operations and implementation of the Company's strategies, plans and policies to achieve planned corporate performance and financial goals. His management of the Company's businesses, including implementing the Board's decisions, is carried out with the assistance of the senior management executives of the Company. Collectively, they are responsible for the day-to-day operations and administration of the Company, ensuring, *inter alia*, operational and organisational efficiency, profitable performance of the operating units, regulatory compliance, good corporate governance and effective risk management. The Board establishes the performance targets of the Group CEO and reviews his performance against the targets annually.

The Board has not appointed a Lead Independent Director as the Chairman and the Group CEO are already separate persons, are not related to each other and the Chairman is not involved in the day-to-day running of the Company's business and operations. The Chairman is independent from management and business relationships with the Company and its subsidiaries. He is also independent of the Management and performs an effective check and balance on the Management. All Board members are non-executive Directors. The Directors are able to exercise independent and objective judgment. As part of its continuous assessment of corporate governance standards, the Board will appoint a Lead Independent Director when the Board situation warrants it.

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<sup>1</sup> Mr Khor Hock Seng is also the Group CEO of GEH and GEG.

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### **BOARD MEMBERSHIP**

**The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.**

The Company does not have a Nominating Committee. The Company's present Board takes on the functions of a Nominating Committee.

The Board reviews the Board and Board Committee compositions annually and ensures that there is progressive renewal of the Board. The Company has established a framework to identify the skills and competencies that the Board collectively needs in order to discharge the Board's responsibilities effectively, taking into account the complexity of the Company's business operations, risk profile, regulatory and operating environment and future business strategy. This ensures that the Board and the respective Board Committees have the relevant skills to discharge their responsibilities effectively. It is responsible for identifying candidates, reviewing and approving nominations and/or re-nominations of Directors on the Board and Board Committees. It also approves appointments and dismissals, and reviews the resignations of senior management executive positions in the Company, including the Group CEO, Group CFO and Group Chief Risk Officer ("Group CRO"). The Group Chief Investment Officer left the Company in April 2022 and a successor will be named in due course.

#### **Process for appointment of new Directors**

The Board has a key role in carrying out the formal and transparent process established for the appointment of Directors to the Board. Taking into account the competencies and skills required by the Board, the Board establishes annually the profile required of the Board members, before appointing new Directors, where necessary. The Board may engage external search consultants to source for potential candidates. Proposals for the appointment of new Directors are reviewed by the Board. The Board meets with shortlisted candidates to assess their suitability and commitment. Competent individuals are assessed on their suitability taking into consideration, amongst others, their professional qualifications, integrity, prior experience as a director, other directorships and principal commitments, relationships (if any) with other members of the Board, the Company or the substantial shareholders of the Company, financial and commercial business experience and field of expertise relevant to the Company, potential to contribute to the effectiveness of the Board and how such proposed candidates would complement the skills, knowledge and expertise of the Board.

In addition, the Board further determines the proposed candidate's independence under the CG Regulations and ensures that the proposed candidate would satisfy the criteria under the CG Regulations in that his/her appointment would not result in non-compliance with any of the composition requirements for the Board and Board Committees, and that he/she is a fit and proper person for the office, taking into account his/her track record, age, experience, capabilities, skills and other relevant factors as may be determined by the Board. Such reviews are also conducted on an annual basis to ensure that each Director remains qualified for the office based on the above criteria.



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### **Re-nomination and Re-election of Directors**

All Directors of the Board are required to submit themselves for re-nomination and re-election at regular intervals, at least once every three years. At each annual general meeting (“AGM”) of the Company, one-third of the Directors, being those who have served longest in office since their re-election, are required to retire by rotation in accordance with the Company’s Constitution. Pursuant to the Company’s Constitution, newly appointed Directors will hold office until the next AGM, and if eligible, can stand for re-election. Retiring Directors are eligible for re-election when re-nominated by the Board, taking into account (other than relevant factors as already mentioned above as to the appointment of new Directors) the Directors’ attendance at meetings, their expertise, knowledge and commitment, and their contributions to Board discussions and to the effectiveness of the Board.

Directors are expected to set aside adequate time for their oversight of matters relating to the Company. The Directors provide declarations of changes in their other appointments which are disseminated to all Board members. The Company has established guidelines on meeting attendance and the extent of other appointments outside the Company that a Director may assume. Generally, a Director who has full-time employment in any organisation shall have appointments in no more than three other listed companies, while a Director who does not have any full-time employment may have appointments in no more than six other listed companies. The Board annually assesses each Director’s attendance record and degree of participation at meetings to determine if a Director is able to and has been diligently discharging his/her duties as a Director of the Company. All the Directors have met the requirements under the Board’s guidelines.

### **BOARD PERFORMANCE**

**The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.**

The Board has an annual performance evaluation process to assess the effectiveness of the Board, Board Committees and each Director’s contributions. This annual assessment process consists principally of evaluation by and feedback from each Director. Each Director evaluates the performance of the Board and Board Committees. The assessment of the contributions of individual Directors to the effectiveness of the Board is also performed annually. Such assessments are made against established performance criteria consistent with those approved by the Board and used in the previous year. A Director will recuse himself or herself when the Board deliberates upon his or her performance to avoid conflicts of interest.

An external party is engaged every three years to facilitate the Board evaluation process and to provide the Board with an independent perspective of the Board’s performance, including benchmarks against peer boards and industry best practices.

The 2021 Board evaluation questionnaire focused on areas such as competency and independence, information quality and timeliness, conduct of meetings, sustainability and corporate social responsibility, managing the Company’s performance, succession planning, Directors’ development, internal controls and risk management, culture and conduct and

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Board Committees. With regard to the individual Director's assessment criteria, this would include attributes such as each Director's contribution, integrity, knowledge and abilities. The Board Chairman will act upon the feedback provided to enhance the Board's and Board Committees' performance.

The purpose of the evaluation is to increase the overall effectiveness of the Board and the Board Committees. The Board has found the evaluation process useful and constructive since its implementation more than ten years ago. This collective process has also provided an opportunity to obtain insightful feedback from each Director on suggestions to enhance the effectiveness of the Board and the Board Committees.

### **REMUNERATION MATTERS PROCEDURES FOR DEVELOPING REMUNERATION POLICIES**

**The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.**

The Company does not have a Remuneration Committee. The Company's present Board takes on the functions of a Remuneration Committee.

Such functions include:

- (1) approving a framework of Directors' fees and senior management executives' remuneration, as well as the remuneration of executive Directors and senior management executives based on such framework. For executive Directors and senior management executives, the framework covers all aspects of remuneration including salaries, allowances, bonuses, share options and other incentives and benefits; and
- (2) ensuring that the Company's remuneration policies and practices are aligned with the approved framework and that remuneration packages are appropriate to attract, retain and motivate the executive Directors to provide good stewardship of the Company and senior management executives to successfully manage the Company for the long term without being excessive.

The objective of the Company's remuneration policy is to attract, motivate, reward and retain quality personnel.

In considering and approving remuneration, the Board ensures that the remuneration policies are in line with the Company's strategic objectives, Code of Conduct and corporate values, and do not give rise to conflicts between the objectives of the Company and interests of individual Directors and key executives. No Director is involved in the deliberations regarding any remuneration, compensation or any form of benefits to be granted to himself/herself.

The Board members are well-versed in executive compensation matters, given their extensive experience in senior corporate positions and major appointments. They also have access to

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expert advice from external independent remuneration consultants, where necessary. The Board will ensure that existing relationships, if any, between the Company and its appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants.

In 2021, Willis Towers Watson provided independent advisory services on the Great Eastern Group's executive compensation framework to ensure greater alignment of pay policies and practices with market and regulatory standards. Willis Towers Watson is not related to the Company and the Company is not aware of any business or personal relationships between Willis Towers Watson and the Company's Directors and key management executives.

The Company does not provide any termination, retirement and post-employment benefits to its key management personnel.

**LEVEL AND MIX OF REMUNERATION**

**The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.**

**Remuneration of non-executive Directors**

The non-executive Directors are paid Directors' fees, which take into account factors such as the Directors' contributions, effort and time spent, attendance at meetings and the frequency of meetings, the respective responsibilities of the Directors including the Board Committees on which they serve, market practices and the need to pay competitive fees to attract, retain and motivate Directors.

The Board performs an annual review of the structure for Directors' fees and of the computation of the aggregate Directors' fees based on the earlier Board-approved fee structure. The Directors' fees proposed by the Board each year are subject to the shareholder's approval at the Company's AGM.

In its review of the non-executive Directors' remuneration, the Board can seek expert advice, if necessary. No consultant was engaged in 2021 to provide advice on the remuneration of non-executive Directors.

The Board has considered the market practices for non-executive Directors' compensation and decided to use the same fee structure for computing the fee for each non-executive Director for FY2021 as that used in the previous financial year (in the table set out below):

		<b>Annual retainer</b>
<b>Board</b>	Chairman	\$120,000
	Member	\$60,000
<b>Board Committees</b>	<b>Chairman:</b>	
	• Audit Committee	\$45,000
	• Risk Management Committee	\$45,000
	• Sustainability Committee	\$22,500

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	Member:	
	• Audit Committee	\$22,500
	• Risk Management Committee	\$22,500
	• Sustainability Committee	\$11,250
<b>Attendance fees per Board or Board Committee meeting</b>		<b>\$3,000</b>

Attendance fees are paid to non-executive Directors to recognise their contributions and time spent in attending meetings.

**Remuneration policy in respect of Key Senior Management Executives**

The remuneration of the Group CEO and the key senior management executives who report directly to the Group CEO are reviewed annually by the Board based on the overall remuneration framework approved by the Board.

In such annual reviews, the Board takes into consideration factors such as market competitiveness and market benchmark, and that the remuneration is commensurate with individual performance and contribution. The Board also takes into account the time horizon of risks, such as ensuring that all variable compensation payments shall not be fully paid over short periods when risks are realised over longer periods.

As part of the Company's continuous efforts to create sustainable value for stakeholders through broad-based growth across its core markets, delivering sustained earnings, driving core competencies of disciplined risk management, prudent investment and continued upgrading of technology and people, and ensuring sustainable business practices, the performance measures set for each business unit embeds these objectives, which match their functions and are consistent with the Company's risk appetite. In determining the remuneration of key senior management executives, risk and control indicators as well as audit findings and compliance issues are taken into account when assessing their overall performance, in addition to their achievement in business and operation performance. Executives are remunerated based on the achievements of their own performance measures, and the demonstration of core values and competencies, while taking into account market compensation data for their respective job roles.

**DISCLOSURE ON REMUNERATION**

**The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.**

To ensure that its remuneration packages are competitive, the Company regularly reviews salary levels and benefits packages based on market data provided by recognised consultants who conduct surveys on comparative groups in the financial sector. The determination of the Company's variable bonus pool is fully discretionary and the factors taken into consideration include financial and non-financial metrics such as the Company's performance, audit ratings, risk indicators and compliance issues, market conditions and competitive market practices.

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The total compensation packages for key senior management executives comprise basic salary, variable performance bonus, allowances, deferred share awards and benefits. The variable components have been designed to link rewards to corporate and individual performance, based on appropriate and meaningful performance measures set up by the Company, and approved by the Board.

The annual budget for salary increment and performance-related variable bonus is approved by the Board.

As a consequence of the financial crisis in recent years, financial institutions globally have been reviewing compensation practices to reduce incentives that encourage excessive risk taking. While the Company has adopted compensation practices that take into account the principles and implementation standards issued by the Financial Stability Forum for Sound Compensation Practices, it also continues to review its compensation practices on an on-going basis to further ensure that decisions made are conducive for sustained business performance. In its deliberations, the Board also takes into account the remuneration principles, practices and standards that may be specified by regulations and guidelines issued by MAS from time to time.

The Company has identified a group of senior executives whose authorities and actions are deemed to have a major influence on the long term performance of the Company. This group, identified as “Material Risk Takers” comprises the Group CEO and his direct reports, key personnel at business units and senior control staff. Employees who are not senior staff but are identified as “Material Risk Takers” are also included in this group. The Company has a well-defined risk governance framework for “Material Risk Takers” including appropriate incentive arrangement that is aligned with Financial Stability Board’s standards. The Company has engaged Willis Towers Watson, a human resource consultant, to enhance the “Material Risk Takers” identification framework. For the “Material Risk Takers” in Singapore with performance bonuses exceeding \$100,000 in Singapore, at least 40% of their entire bonuses are deferred in the form of shares and subject to vesting over a period of three years, to account for the time horizon of risks.

Cash bonuses are subject to clawback within six years of payment.

### **Share-based incentives**

The Company does not have any share option scheme or share plan in place. Instead, the Company’s ultimate holding company, OCBC Bank, grants share awards pursuant to the OCBC Deferred Share Plan to selected senior executives of the Company, based on recommendations of the Board. The Company has ceased granting OCBC share options to eligible executives with effect from FY2019 for FY2018 performance.

Details of the share options (granted previously) and the award of deferred shares to the Company’s eligible executives are disclosed in the financial statements. Further details of the above share option scheme and deferred share plan of OCBC Bank are set out in the Company’s financial statements and in OCBC Bank’s Annual Report.

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All grants and awards are subject to cancellation and clawback if it is determined that they were made on the basis of materially inaccurate financial statements and/or the employee has engaged in conduct that results in financial loss, reputational harm, restatement of financial results and/or adverse changes of the Company's risk profile/rating, which takes into consideration the risks that could have a long-term negative impact on the Company.

**Disclosure on Directors' and the Group CEO's remuneration**

The remuneration of each individual Director and the Group CEO in respect of FY2021 is shown in the table below. Non-executive Directors will be paid Directors' fees totalling \$972,000 in respect of FY2021, subject to the shareholder's approval at the 2022 AGM. For the financial year ended 31 December 2020, non-executive Directors were paid Directors' fees totalling \$928,000. The increase in Directors' fees for FY2021 was mainly attributable to the Directors' fees payable for the full year in 2021 to the Chairman and members of the Sustainability Committee which was established on 1 March 2020 (2020: 9 months), and the Directors' fees payable to Directors of the Company who are members of the Digital Initiatives Working Group which was established in March 2021 to assist the Board in reviewing Great Eastern Group's digital strategy.

**Directors' and the Group CEO's remuneration for FY2021**

<b>Name of Director</b>	<b>Total Remuneration \$'000</b>	<b>Directors' Fees \$'000</b>	<b>Salary \$'000</b>	<b>Bonuses<sup>(1)</sup> \$'000</b>	<b>Long-term incentives<sup>(2)</sup> \$'000</b>	<b>Benefits-in-kind<sup>(3)</sup> \$'000</b>
Koh Beng Seng	173	173	-	-	-	-
Mimi Ho	162	162	-	-	-	-
Norman Ip	125	125	-	-	-	-
Kyle Lee	165	165	-	-	-	-
Leo Mun Wai	173	173	-	-	-	-
Quah Wee Ghee	157	157	-	-	-	-
<b>Group CEO</b>						
Khor Hock Seng <sup>(4)</sup>	4,400	-	1,100	1,638	1,198	464

Notes:

(1) Bonuses comprise variable bonus paid in 2021.

(2) Represents fair value of share options under the OCBC Share Option Scheme 2001, award of deferred shares under the OCBC Deferred Share Plan and long-term incentive take-out.

(3) Represents non-cash component and comprises housing allowance, car, club, insurance benefits and employer's contribution to the Central Provident Fund.

(4) This is the same remuneration information as disclosed in the Annual Report of GEH.

**Remuneration of Top Five Key Management Personnel in 2021**

The Code recommends the disclosure of the individual remuneration of the Company's top five key management personnel as well as their aggregate remuneration. The Board considered this matter carefully and has decided against such a disclosure for the time being as it is not a standard business practice to do so, having taken into account the highly competitive conditions for talent in the industry.

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**Remuneration of Immediate Family of Directors / Group CEO / Substantial Shareholder**

None of the Directors or the Group CEO had immediate family members who were employees of the Company in 2021. As the Company's substantial shareholder, GEH, is not an individual, the disclosure on remuneration of employees who are immediate family of substantial shareholders is not applicable.

**ACCOUNTABILITY AND AUDIT  
RISK MANAGEMENT AND INTERNAL CONTROLS**

**The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.**

The Board is responsible for the governance of risk. It sets the tone for the Company's risk culture and monitors, through the Risk Management Committee, the effectiveness and adequacy of the risk management processes and systems of the Company and its principal subsidiaries. The Board approves the Company's risk appetite and has oversight of the risk activities to ensure that the Company's strategic intent, operating environment, internal control mechanisms and capital sufficiency are consistent with the Company's risk appetite and regulatory standards.

The Board of Directors emphasises the importance of institutionalising a strong risk culture within the Company. As a subset of the broader organisational culture, a strong risk culture supports appropriate risk awareness, bolsters effective risk management and promotes sound risk taking to ensure the Company's risk profile remains within its risk appetite. The Board also approves the risk culture principles and, along with it, the set of desired risk culture behaviors to support the target risk culture throughout the Company.

**Accountability**

The Company has in place a process for Management to represent to the Board on the integrity of the Company's and the Group's financial statements and internal control system.

The Board is kept apprised of material changes in legislation and regulatory requirements. The Board takes necessary steps to ensure that the Company complies with these requirements. The Board and Management also observe the Guidelines on Risk Management Practices and the Guidelines on Individual Accountability and Conduct issued by the MAS.

To keep Board members informed and updated, Management provides the Board with monthly financial updates on the performance and position of the Company. The Board is also updated on any significant events that have occurred or affected the industry during the year.

**Internal Controls**

The Board is responsible for ensuring that the Company's system of internal controls are adequate to safeguard the shareholder's interest and the Company's assets. Self-assessment

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processes are in place for all business units to assess the adequacy and effectiveness of their systems and processes of their internal controls, and level of compliance with applicable rules and regulations. The results of evaluations are reviewed by senior management. The Board has received assurance from the Group CEO (which includes assurance provided by key management personnel to the Group CEO) on the effectiveness of the Company's risk management and internal control systems. The Board also received assurance from the Group CEO and Group CFO that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances.

Based on the established internal controls, work performed by the internal and external auditors, and reviews performed by Management and various Board Committees, the Board, with the concurrence of the Audit and Risk Management Committees, is of the view that the system of internal controls, including financial, operational, compliance and information technology controls and risk management policies and systems, were adequate and effective as at 31 December 2021, to address the risks which the Group considers relevant and material to its operations.

The system of internal controls provides reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that could be reasonably foreseen as it strives to achieve its business objectives. However, the Board also notes that no system of internal controls can provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgment in decision-making, human error, losses, fraud or other irregularities.

### **AUDIT COMMITTEE**

#### **The Board has an Audit Committee which discharges its duties objectively.**

The composition of the Audit Committee is provided under the caption "Audit Committee" in this Report. The Audit Committee adopts, where appropriate, relevant best practices set out in the Guidebook for Audit Committees in Singapore.

The responsibilities of the Audit Committee are set out in its Board-approved terms of reference. The functions performed by the Audit Committee and details of the Audit Committee's activities during FY2021 included the following:

1. Reviewed with the internal auditors:
  - 1.1 their audit plans, evaluation of the system of internal controls and audit reports;
  - 1.2 the scope and results of internal audits; and
  - 1.3 the assistance given by the officers of the Company to the auditors.
2. Reviewed with the external auditor:
  - 2.1 the audited financial statements of the Company for the financial year, which are prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)") and SFRS(I) Interpretations, for submission to the



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Board for consideration and approval thereafter;

- 2.2 their scope and overall audit procedures and cost effectiveness, and their independence and objectivity taking into consideration factors including the nature and extent of non-audit services provided by them;
  - 2.3 the implications and impact on the financial statements of proposed implementation of new financial reporting standards and any changes in accounting policies and regulatory requirements; and
  - 2.4 any significant financial reporting issues, to ensure the integrity of the financial statements of the Company.
3. Reviewed the draft audited financial statements with Management, including discussion on the accounting policies applied and significant judgments affecting the financial statements. The following key audit matters highlighted in the Independent Auditor's Report were also discussed with Management and the external auditor:
- 3.1 Valuation of life insurance contract liabilities – The Audit Committee has reviewed the life insurance contract liabilities, and the key assumptions and judgments made in valuing these liabilities. The Audit Committee considered information on key assumptions such as mortality, morbidity, expense, lapse, surrender and interest rates. The review included the methodology used in the valuation of the liabilities, rationale for changes to key assumptions during the year and explanation on the variances against past trends.
  - 3.2 Valuation of provision for current income tax and deferred tax– The Audit Committee has reviewed Management's analysis of the changes in current income tax and deferred tax provision during the year. The Committee also considered the input from Management on the adequacy of the provision.

No significant issue arose in respect of these items.

4. Reviewed the findings of the internal and external auditors on their reviews of the adequacy and effectiveness of the internal controls and risk management systems of the Company and its principal subsidiaries, including financial, operational, compliance and information technology controls and systems established by Management.
5. Reviewed the assurance from the Group CEO and Group CFO on the financial records and financial statements.
6. Assessed the adequacy and effectiveness of the internal audit functions of the Company and its principal subsidiaries.
7. Assessed the independence of the external and internal auditors.
8. Made recommendations to the Board on the re-appointment of the external auditor and

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approved the remuneration and terms of engagement of the external auditor.

9. Reviewed material related party transactions and the write-off of material related party transactions as may be required by the relevant regulatory authorities, and recommended the same to the Board for approval.

The Audit Committee undertook a review of all relationships between the Group and the external auditor (including non-audit services provided by the external auditor) for FY2021, and is satisfied that the provision of such non-audit services would not, in its opinion, affect the independence of the external auditor. Please refer to the financial statements for details of fees payable to the external auditor in respect of audit and non-audit services.

Taking into account the aforesaid and other factors such as the size and complexity of the Group and the adequacy of resources and experience of the external auditor, the Audit Committee has recommended the re-appointment of PricewaterhouseCoopers LLP as the external auditor at the 2022 AGM.

The Audit Committee, in performing its functions, met at least annually with the internal and external auditors in separate sessions without the presence of Management, to consider any other matters which may be raised privately. The auditors, both internal and external, have unrestricted access to the Audit Committee, and to information and such persons within the Group as necessary to conduct the audit.

### **Whistle-Blowing Policy**

The Company has a whistle-blowing policy in place whereby staff of the Group and external parties may raise concerns on possible improprieties in matters of financial reporting or other matters in confidence. The whistle-blowing policy and procedures for raising such concerns are disclosed and clearly communicated to employees. All whistle-blowing incidents will be reported to the Audit Committee. Concerns expressed anonymously will be considered and investigated on the basis of their merits. The Audit Committee ensures that arrangements are in place for the independent investigation of such matters and for appropriate follow-up action. If fraud is determined, appropriate remedial action will be taken and the Audit Committee will be updated regularly on its status. The whistle-blower will have protection against reprisals provided he/she has acted in good faith.

### **Internal Audit**

The internal audit function ("Group Internal Audit") serves to provide the Board and Management with an independent appraisal of the reliability, adequacy and effectiveness of the system of internal controls established by Management, to ensure that transactions are promptly and accurately recorded and that the Company's assets are safeguarded. Group Internal Audit resides in-house and is independent of the activities it audits. The Audit Manual and Audit Frequency Matrix are approved by the Audit Committee.

Group Internal Audit adopts a risk-based approach where audit work is prioritised and scoped according to an assessment of risk exposures, including not only financial risks, but operational, technology, compliance and strategic risks as well. The work undertaken by

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Group Internal Audit involves the assessment of the adequacy and effectiveness of the Company's risk management and internal control framework, including ascertaining if the internal controls are sufficient in ensuring prompt and accurate recording of transactions and the adequate safeguarding of assets. Reviews conducted by Group Internal Audit also focus on the Company's compliance with relevant laws and regulations, adherence to established policies and processes and whether Management has taken appropriate measures to address control deficiencies.

The Group Chief Internal Auditor reports to the Chairman of the Audit Committee and administratively to the Group CEO. His annual remuneration, evaluation, appointment, resignation and removal are approved by the Audit Committee.

Group Internal Audit is staffed by executives with the relevant qualifications and experience, and the Audit Committee ensures that Group Internal Audit is adequately resourced. Group Internal Audit has unfettered access to the Board, the Audit Committee and senior management executives, where necessary, and has the right to seek information and explanations as well as access to all the Company's documents, records, properties and personnel. Group Internal Audit meets or exceeds the International Standards for the Professional Practice of Internal Auditing of The Institute of Internal Auditors.

Group Internal Audit reports to the Audit Committee its annual or periodic plan and the proposed areas of audit focus, factors that may adversely affect the Group Internal Audit's independence, objectivity or effectiveness and material findings from audits conducted. During the year, Group Internal Audit carried out audits on selected significant business units in the Company, including an audit review of the IT systems. Group Internal Audit's summary of major findings and recommendations and Management's related responses were discussed at Audit Committee meetings. The Audit Committee ensures that procedures are in place to follow up on the recommendations by Group Internal Audit in a timely manner and to closely monitor any outstanding issues. From its review of the internal audit function for FY2021, the Audit Committee is of the view that the internal audit function is independent, effective and adequately resourced.

### **SHAREHOLDER RIGHTS AND ENGAGEMENT**

#### **Shareholder Rights and Conduct of General Meetings**

**The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.**

The Board is responsible for the provision of a balanced and understandable assessment of the performance, position and prospects of the Company and the Group, including financial statements and other reports.

The financial statements of the Company and the Group for the full year, together with a balanced view of the Company and the Group's performance, position and prospects are provided to its shareholder, GEH.

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### **Communication with Shareholders**

For the Company's AGMs, separate resolutions are set out on distinct issues, such as the proposed re-election of Directors, proposed Directors' fees and recommendation of final dividend. Where an extraordinary general meeting ("EGM") is convened by the Company, the proposed corporate action or transaction, as applicable, and the rationale and other pertinent details for such proposal are set out in the notice of EGM, with the proposed resolution set out for approval by the shareholder at the EGM. The Company does not "bundle" resolutions, unless the resolutions are interdependent and linked so as to form one significant proposal. The Company Secretary prepares minutes of general meetings.

### **Dividend Policy**

The Company is committed to maintaining a sustainable dividend policy that will enhance long-term shareholder value. In determining the dividend pay-out, the Board will take into consideration the Company's financial position, business expansion plans, market conditions and capital requirements.

## **ENGAGEMENT WITH SHAREHOLDERS**

**The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.**

The Company recognises that regular, effective, timely and fair communication with its shareholder, GEH, is essential to enable the shareholder to make informed decisions about the Company. The Company ensures that timely and adequate disclosures of material information on the Company are available to its shareholder, including periodic financial results with balanced and comprehensive assessments of the performance and position of the Company.

The shareholder and public can access the Company's website [www.greateasternlife.com](http://www.greateasternlife.com) for the latest media releases, financial results and other corporate information on the Company. The Company's vision and mission statements can also be found in the Company's website. One of the key roles of the Company's Group Corporate Communications and Investor Relations Departments is to keep the market apprised of the Company's major corporate developments and financial performance through regular media releases, briefings and meetings with the media, analysts and fund managers.

## **MANAGING STAKEHOLDER RELATIONSHIPS**

### **Engagement With Stakeholders**

**The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.**

The Company recognises the importance of maintaining positive stakeholder relationships,

## **THE GREAT EASTERN ASSURANCE LIFE COMPANY LIMITED CORPORATE GOVERNANCE REPORT (as at 1 April 2022)**

and adopts an inclusive approach in the management and engagement of its stakeholders - namely customers, suppliers, regulators, investors, employees, financial representatives and community partners.

The Company maintains a corporate website, [www.greateasternlife.com](http://www.greateasternlife.com), to communicate and engage with its stakeholders.

### **RELATED PARTY TRANSACTIONS**

The Company has implemented policies and procedures on related party transactions covering the definitions of relatedness, limits applied, terms of transactions, and the authorities and procedures for approving, monitoring and, where necessary, writing off such transactions. All related party transactions are conducted on normal commercial terms and in the ordinary course of business. The terms and conditions of such transactions are carried out on an arm's length basis. Directors with conflicts of interest are excluded from the approval process of granting and managing related party transactions. Material related party transactions and the write-off of material related party transactions are reported to the Audit Committee for review and to the Board for approval. Details of the Company's related party transactions during FY2021 are set out in the financial statements.

### **ETHICAL STANDARDS**

The Directors and Management are committed to promoting and maintaining values which emphasise integrity, honesty and proper conduct at all times in the business operations and dealings of the Company. The Company has adopted a Code of Conduct that sets out the guiding principles and minimum standards expected of its employees such as the highest standards of conduct and professional integrity. The Code of Conduct also provides guidance on areas such as responsible stewardship of the Company's resources, the Company's position against fraudulent conduct, conflicts of interests and the appropriate disclosures to be made, and maintaining confidentiality of information. The Code of Conduct is available on the Company's staff intranet. The Group Human Capital Department provides an annual attestation to the Audit Committee that the Code of Conduct has been properly disseminated to all staff.

The Company has a suite of policies in place for proper governance and management that staff have to comply with. All policies are prepared in accordance with the Company's risk management and internal control systems and processes, including Management's self-assessment and independent audits.

The Company treats feedback and complaints from its customers seriously, and has instituted channels whereby customers may provide feedback or complaints. The Company aims to resolve feedback and complaints professionally and fairly in accordance with the service standards indicated on its website.

**THE GREAT EASTERN LIFE ASSURANCE COMPANY LIMITED**

(Incorporated in the Republic of Singapore)

(Company Registration No.: 190800011G)

**CORPORATE INFORMATION**

(as at 1 April 2022)

**BOARD OF DIRECTORS**

Koh Beng Seng, Chairman

Mimi Ho

Norman Ip

Kyle Lee

Leo Mun Wai

Quah Wee Ghee

**REGISTERED OFFICE**

1 Pickering Street

#16-01 Great Eastern Centre

Singapore 048659

Telephone : (65) 6248 2000

Facsimile : (65) 6438 3889

Website: [www.greasternlife.com](http://www.greasternlife.com)

Email: [wecare-sg@greasternlife.com](mailto:wecare-sg@greasternlife.com)

**AUDIT COMMITTEE**

Leo Mun Wai, Chairman

Mimi Ho

Kyle Lee

**AUDITOR**

PricewaterhouseCoopers LLP

7 Straits View

Marina One East Tower, Level 12

Singapore 018936

Partner In Charge: Koopmans Hans  
Bernardus

(since financial year 2020)

**RISK MANAGEMENT COMMITTEE**

Quah Wee Ghee, Chairman

Norman Ip

Kyle Lee

**SUSTAINABILITY COMMITTEE**

Mimi Ho, Chairman

Koh Beng Seng

Leo Mun Wai

**GROUP CHIEF EXECUTIVE OFFICER**

Khor Hock Seng

**APPOINTED ACTUARY**

Tan Eng Yau

**COMPANY SECRETARY**

Jennifer Wong Pakshong