

# Corporate Governance

## Board's Conduct of Affairs

### Board Responsibility and Accountability

The Board oversees the affairs of Prudential Singapore, including providing oversight over the setting of the strategic goals of the Company, ensuring that there are adequate resources available, establishing a framework of controls to assess and manage risks, and reviewing the business performance of the Company.

### Board Committees

Prudential Singapore is an indirect wholly-owned subsidiary of Prudential plc. The Board at Prudential Singapore has established several Board committees consisting of the Audit Committee, Board Risk Committee, and Nomination and Remuneration Committee, which have been constituted with clear Board-approved written terms of reference.

### Board/Committee Meetings and Attendance

The Board meets at least four times a year to review business performance and key activities, as well as to approve policies. Board Risk Committee and Audit Committee meetings are also held not less than four times a year and usually before the Board meetings. At least one meeting of the Nomination and Remuneration Committee is held in a year. Ad-hoc Board or Board Committee meetings will be convened if warranted. The table below lists the number of meetings of the Board and the Board committees held and attended by each director (including his/her attendance as an invitee) throughout 2025.

<b>Board/Committee Meetings and Attendance</b>	<b>Board Meetings</b> (include one Ad hoc Board Meeting and one Strategic Planning Meeting)	<b>Board Risk Committee Meetings</b> (include one Ad hoc BRC Meeting)	<b>Audit Committee Meetings</b>	<b>Nomination and Remuneration Committee Meetings</b>
Number of meetings held in 2025	6	5	6	2
<b>Directors</b>				
Benjamin James Bulmer <sup>1</sup>	0	0	0	0
Tan Thean Oon Dennis <sup>2</sup>	6	5	6	2
Chan San San <sup>3</sup>	6	5	6	2
Annie Koh	6	5	6	2
Teo Teow Hock	6	5	6	2
Simon Christopher John Mechell	6	5	6	2

<sup>1</sup>Stepped down as Non-Executive Director, Board Chairman and Member of Nomination and Remuneration Committee (NRC) with effect from 17 March 2025

<sup>2</sup>Appointed as Board Chairman and Member of Nomination and Remuneration Committee (NRC) with effect from 18 March 2025

<sup>3</sup>Appointed as Executive Director and Member of Board Risk Committee (BRC) with effect from 20 March 2025

The Board has developed internal guidelines on matters which require its approval, as well as matters for which it has to be informed on a regular basis. The types of material transactions that require Board approval include non-routine transactions that are not made in the ordinary course of business and/or any transactions exceeding its approved pre-defined limits.

## Board Composition and Independence

The Board conducts a review and determines the independence of its directors annually. In accordance with the Corporate Governance Regulations, an independent director in Prudential Singapore is one who is independent from management and business relationships with the Company, its substantial shareholders and has not served for more than nine years on the Board. 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.

As at 31 December 2025, the Board comprises the Chairman, Mr Tan Thean Oon Dennis, the Chief Executive Officer (CEO), Ms Chan San San and four non-executive directors, namely, Mr Tan Thean Oon Dennis, Prof Annie Koh, Mr Teo Teow Hock and Mr Simon Christopher John Machell. Further to the foregoing, there are three independent directors, namely Prof Annie Koh, Mr Teo Teow Hock and Mr Simon Christopher John Machell. The current composition of the Board satisfies the statutory requirement of having a majority of directors who are independent from any management and business relationship with Prudential Singapore.

The directors possess a wide spectrum of competencies in finance, business/management, risk, strategy, sustainability and education. The non-executive directors are constructively involved in discussing strategic proposals, as well as in reviewing the performance of management in meeting agreed goals and objectives, and monitoring the reporting of performance. The directors' profiles can be found in the Board of Directors section of this company website.

## Chairman and CEO

The division of responsibilities between the Chairman and CEO has been approved by the Board and is set out in the Board Terms of Reference.

Among the other responsibilities, the Chairman is tasked with the leadership and the governance of the Board as a whole. The Chairman approves the agenda of the Board, monitors the quality and timeliness of the flow of information to the Board, and promotes effective communication and constructive relationships between the Board and management.

With the assistance of members of the Core Leadership Team (CLT), Appointed Actuary and relevant senior management staff, the CEO is responsible for the management of Prudential Singapore and the implementation of the Company's strategies and plans, as well as oversight of its day-to-day operations.

The Board has not appointed a lead independent director because the Chairman and the CEO are separate persons and Prudential Singapore is a wholly-owned subsidiary of Prudential plc.

## Board Membership

### Role of the Nominating Committee

In performing the functions of a Nominating Committee, the Nomination and Remuneration Committee supports the Board with a formal, documented and transparent process for the nomination, selection, appointment, removal as well as succession of directors and the CLT, Appointed Actuary and relevant senior management staff of Prudential Singapore. The Nomination and Remuneration Committee assesses candidates for directorship and CLT, Appointed Actuary and relevant senior management staff positions and propose appointments for approval by the Board, taking into consideration the candidate's merit, as well as his/her fulfilment of pre-defined criteria. The Nomination and Remuneration Committee considers the re-appointment of directors every three years, and reasons for resignations of directors as well as the members of the CLT, Appointed Actuary and relevant senior management staff. Directors who are above 70 years of age are also subject to annual re-appointment at the Annual General Meeting (AGM).

As at 31 December 2025, the Nomination and Remuneration Committee comprises Prof Annie Koh (Chairman), Mr Tan Thean Oon Dennis, Mr Teo Teow Hock, and Mr Simon Christopher John Machell.

On an annual basis, the Nomination and Remuneration Committee determines whether each director remains qualified for office, taking into account various factors such as the extent of independence, fit and proper status and experience. It is Prudential Singapore's policy not to set a one-size-fits-all policy on the number of directorships which may be held by each director. Directors may serve on a number of other Boards, provided that they are able to demonstrate satisfactory time commitment to their roles at Prudential Singapore.

## Process for Appointment of New Directors

Prudential Singapore has a transparent and established formal process for the appointment of new Directors. When there is a need for an appointment of a new Director, the search for new directors is conducted through a third party and/or through third party recommendations and suitable prospective candidates are evaluated thoroughly in view of the Nomination and Remuneration Committee deliberating and thereafter recommending the appropriate candidate to the Board for necessary approval.

In the process for appointment of new directors, the Nomination and Remuneration Committee considers a variety of factors such as diversity, independence, views of stakeholders and relevant competencies necessary for a director of Prudential Singapore. The Nomination and Remuneration Committee will head towards procuring the Board and Board Committees that are of an appropriate size, and comprise directors who, as a group, provide the appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity such as gender and age, so as to avoid groupthink and foster constructive debate.

## Induction

Newly appointed directors are provided with induction/orientation programmes covering an overview of the Company, its structure and principal activities.

All directors are also issued the Board Terms of Reference, which covers internal policies and guidelines observed by the Board in its oversight activities.

## Continuous Professional Development

Prudential Singapore has developed a continuous professional training programme which commences with a regular gap analysis on the required skill sets based on the expected business operating environment of the year. Directors complete survey forms to provide an assessment of how effective the training programme is. Based on the 2025 survey results, the training programme provided to directors was effective in equipping them with relevant knowledge and skills to perform their roles effectively.

Throughout their period in office, directors are also regularly updated on Prudential Singapore's businesses and the regulatory and industry specific environment in which the Company operates, as well as on their duties and obligations. These updates can be in the form of written reports to the Board, or presentations by internal staff or external professionals.

In addition to the regular schedule of meetings, the Board holds at least one "Away Day" on an annual basis to discuss the latest developments within the industry, including changes to regulations, corporate governance, accounting standards, risk management and control, where relevant.

## Board Performance

Board evaluations are conducted on an annual basis. This process comprises evaluations by each director on the Board's performance as a whole and its Board committees, the contribution by the Chairman as well as self-evaluations of individual performance.

In carrying out their assessments, the following are considered: (a) the key performance criteria which include qualitative measures such as the provision of oversight over the establishment of strategic directions and impacts; and (b) the achievement of objectives where they have been set and approved by the Board.

## Access To Information

All directors have direct access to the Company Secretary, who attends all Board meetings and prepares minutes of Board proceedings. Directors also have full access to members of the CLT, Appointed Actuary and relevant senior management staff.

The Board has approved a procedure, as established in the Board Terms of Reference, whereby directors have the right to seek independent professional advice, to enable them to fulfil their obligations.

## Remuneration

### Development of Policies

The Board approves the remuneration framework for directors and members of the CLT, Appointed Actuary and relevant senior management staff as developed by Prudential Singapore and the Regional Head Office in Hong Kong respectively. In performing the functions of a Remuneration Committee, the Nomination and Remuneration Committee is tasked to, amongst others, review and recommend to the Board the remuneration packages for independent directors as well as the CLT, Appointed Actuary and relevant senior management staff. The Board endorses the remuneration packages for independent directors and members of the CLT, Appointed Actuary and relevant senior management staff.

The composition of the Nomination and Remuneration Committee is provided in the section above on Board Membership.

### Director, CLT, Appointed Actuary and Relevant Senior Management Staff Remuneration

The independent directors are paid directors' fees which are reviewed regularly. Considerations such as the director's effort, time spent and responsibilities are taken into account during the review.

The remuneration policy for the members of the CLT, Appointed Actuary and relevant senior management staff, including the CEO, is formulated to ensure that they are compensated in line with individual performance and performance of Prudential Singapore based on a balanced scorecard of key performance indicators (KPIs) which include both financial and strategic objectives. Members of the CLT, Appointed Actuary and relevant senior management staff with control job functions such as risk management, compliance, etc, are also subject to these KPIs. Factors such as market competitiveness and industry benchmarks are taken into account.

The remuneration of members of the CLT, Appointed Actuary and relevant senior management staff largely comprises fixed remuneration, ie, their basic salary, variable remuneration, which is a performance-based variable bonus and closely linked to the performance of Prudential Singapore and the individual concerned, as well as long-term incentives which provide alignment to Prudential Group's value through making share awards to key individuals on a selected basis. The long-term incentive will vest after three years subject to continued employment.

The remuneration of the CEO and members of the CLT, Appointed Actuary and relevant senior management staff are reviewed by the Regional Head Office in Hong Kong as well as the Nomination and Remuneration Committee, and endorsed by the Board.

While the Regional Head Office takes into account the Implementation Standards<sup>1</sup> issued by the Financial Stability Board, its policies are intended for the broader audience of all Prudential entities across Asia. Consequently, there may be some differences between its policies and the Implementation Standards.

### Disclosure on Remuneration

After careful consideration, Prudential Singapore has decided not to disclose information on the remuneration of directors and the members of the CLT, Appointed Actuary and relevant senior management staff. We are of the view that the disadvantages to Prudential Singapore's business interests would far outweigh the benefits of such disclosure, in view of the disparities in remuneration in the industry and the competitive pressures which are likely to result from such disclosure.

## Accountability

As a private limited company, Prudential Singapore is accountable to its Regional Head Office and Group Head Office, and provides updates and reports on a regular basis. Financial updates on the performance, position and prospects are also provided to the Board on a quarterly basis, as well as on any significant events which have occurred or affected the Company during the year.

## Risk Management and Internal Controls

Overall, the Board is satisfied that the internal control and risk management systems are adequate and effective, having considered factors such as the truth and fairness of the financial statements prepared by management, the internal auditors' independent assessment of the internal control, risk management practices and management letter points highlighted by the external auditors. The Board has received assurance from the CEO and the CFO that Prudential Singapore's risk management and internal control systems are effective, the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances.

## Risk Management

### Principles and Objectives

Risk is defined as the uncertainty that Prudential Singapore faces in successfully implementing its strategies and objectives. This includes all internal or external events, acts or omissions that have the potential to threaten the success and survival of Prudential Singapore. Accordingly, material risks will be retained selectively where we think there is value to do so, and where it is consistent with the Company's risk appetite and philosophy towards risk-taking.

The control procedures and systems established within Prudential Singapore are designed to manage rather than eliminate the risk of failure to meet business objectives. They can only provide reasonable and not absolute assurance against material misstatement or loss, and focus on aligning the levels of risk-taking with the achievement of business objectives.

Material risks will only be retained where consistent with Prudential Group Risk Framework and its philosophy towards risk-taking. Prudential Singapore's current approach is to retain such risks, where doing so contributes to value creation and Prudential Singapore is able to withstand the impact of an adverse outcome, and has the necessary capabilities, expertise, processes, and controls to appropriately manage the risk.

Internal reporting is performed by the business in accordance with the standards set by the Group Risk function. Risks inherent in the business operations are reviewed as part of the annual preparation of the business plan. Clear escalation criteria and processes are in place for the timely reporting of risks and incidents by the business to the risk management and compliance functions and, where appropriate, the Board and regulators.

### Risk Governance

Prudential Singapore's risk governance setup comprises of organisational structures, reporting relationships, delegations of authority, roles and responsibilities, and Group risk policy addendums to enable business units to make decisions and control activities on risk related matters. Business units establish processes for identifying, evaluating, and managing the key risks faced by Prudential Singapore. The setup is based on the concept of 'three lines of defence' comprising risk taking and management, risk control and oversight, and independent assurance.

Primary responsibility for strategy, performance management, and risk control lies with the Board, which had established a Board Risk Committee to assist in providing leadership, direction, and oversight in respect of Prudential Singapore's significant risks. The Board Risk Committee is supported by the Risk Management Council at the management level.

## Board Risk Committee

As at 31 December 2025, the Board Risk Committee comprises Mr Simon Christopher John Machell (Chairman), Mr Tan Thean Oon Dennis, Prof Annie Koh, Mr Teo Teow Hock, and Ms Chan San San. The principal responsibilities of the Board Risk Committee are to provide oversight on:

- The operation and effectiveness of the independent risk management system for the management of all material financial and non-financial risks faced by Prudential Singapore on an enterprise-wide basis.
- Compliance with relevant Singapore regulatory requirements relating to risk and fair dealing with customers, sales advisory requirements, and Prudential Group Risk Framework.

In 2025, the Board Risk Committee met at least once every quarter and approved components of the risk framework, including Prudential Singapore's Own Risk and Solvency Assessment (ORSA) Report and Recovery Plan. These components are also endorsed by the Risk Management Council.

## Risk Management Council

The Risk Management Council is chaired by the CEO and comprises of all members of the Prudential Singapore Group Leadership Team (GLT) and senior management representation as standing invitees to ensure that there is an adequate risk management system to identify, measure, monitor, control, and report risks.

The principal responsibilities of the Risk Management Council (RMC) are to:

- Review, advise on, and monitor Prudential Singapore's risk appetite statements and limits (such as the Group Approved Limits, regulatory/economic capital positions), and review mitigation strategies where appropriate.
- Provide direction and guidance on the operationalisation of risk management activities, including but not limited to risk culture, business environment and strategic risk, financial and sustainability risk, technology risk, and non-financial risks (including regulatory compliance).
- Oversee Prudential Singapore's key financial and non-financial risks, emerging risks, and incidents to ensure the necessary remedial measures are implemented promptly.
- Highlight to the Board Risk Committee significant matters arising out of the RMC's review of Prudential Singapore's risks, including any breaches of risk appetite, indications that material risks may potentially crystallise, and significant modifications to risk mitigation strategies, controls, and action plans.

The Risk Management Council also ensures that the risk management function has adequate resources and is staffed by experienced and qualified employees. The risk management function is led by the Chief Risk Officer who is also accountable to the Board Risk Committee and the Board.

## Risk Framework and Capital Management

As a provider of financial services, including insurance, the management of risk lies at the heart of Prudential Singapore's business. As a result, effective risk management capabilities represent a key source of competitive advantage for Prudential Singapore.

Prudential Group Risk Framework includes its appetite for risk exposures as well as its approach to risk management. Under this approach, Prudential Singapore continuously assesses its top risks and monitors its risk profile against approved limits.

### A. Risk Appetite

Prudential Singapore defines and monitors aggregate risk limits based on financial and non-financial stresses for its liquidity, solvency, and operational risks.

**Liquidity:** the objective is to ensure that Prudential Singapore is able to generate sufficient cash resources to meet financial obligations as they fall due in business-as-usual and stressed scenarios.

**Solvency:** the limits aim to ensure that supervisory intervention is avoided. The primary measure used is the Capital Adequacy Ratio (CAR) under the Singapore Risk Based Capital (RBC) requirements.

**Operational Risk:** limits are set to support the monitoring and management of risks as Prudential Singapore has no appetite for material losses suffered as a result of failing to develop, implement and monitor appropriate controls to manage operational risks.

## B. Risk policies and risk exposures

Prudential Singapore wholly adopts the Group's risk policies, which set out the specific requirements and fundamental principles for risk management within the Group Risk Framework. The policies are reviewed against local requirements (e.g. regulatory requirements) at least once annually. There are core risk policies for insurance, market, liquidity, credit, and operational risks.

Risks are categorised as shown below:

Category	Risk type	Definition
Financial risks	<b>Product and Insurance Risk</b>	The risk of negative impacts resulting from changes in the level, trend or volatility of a number of insurance risk drivers. This includes adverse mortality, longevity, morbidity, persistency, and expense experience.
	<b>Market Risk</b>	The risk of negative impacts resulting directly or indirectly, from fluctuations in the level or volatility of market prices of assets and liabilities.
	<b>Liquidity Risk</b>	The risk of being unable to generate sufficient cash resources to meet financial obligations as they fall due in business as usual and stress scenarios.
	<b>Credit Risk</b>	The risk of negative impacts resulting from fluctuations in the credit standing of issuers of securities, counterparties and any debtors in the form of default or other significant credit event (e.g. downgrade or spread widening).
Non-financial risks	<b>Operational Risk</b>	The risk of loss (or unintended gain/ profit) arising from inadequate or failed internal processes, or from personnel and systems, or from external events.
	<b>Strategic Risk</b>	Ineffective, inefficient, or inadequate senior management processes for the development and implementation of business strategy in relation to the business environment and Prudential's capabilities.
	<b>Conduct and Regulatory Compliance Risk</b>	Failure to ensure the fair treatment of customers, to act in accordance with fair market practices, and to adhere to applicable legislative and regulatory requirements and expectations.
	<b>Technology Risk</b>	The risk of loss (e.g. prolonged customer service interruption, degraded resilience and performance of critical system, and material loss of data) arising from inadequate or failed technology processes, systems or technology use and implementation.

The key financial and non-financial risks and uncertainties faced by Prudential Singapore have been considered by the Risk Management Council and Board Risk Committee during the year.

## Risk Culture

Culture is a strategic priority of the Board who recognises the importance of good culture in the way that we do business. Risk culture is a subset of broader organisational culture, which shapes the organisation-wide values that we use to prioritise risk management behaviours and practices. Prudential Singapore defines its risk culture as the ecosystem of collective values, beliefs and attitudes of its employees that shapes their behaviour and conduct to manage risks in day-to-day business operations. As a further commitment to ensure business sustainability, Prudential Singapore became the first local business unit in the Prudential Group to develop and implement its own Risk Culture Assessment Methodology in 2019. As per this framework, a regular risk culture assessment is carried out to identify areas of strength and improvement and develop action plans to make progress on a consistent basis. The assessment was most recently conducted in 2025.

## Internal Controls

Prudential Singapore has established a sound system of internal controls to safeguard its investments and assets. A review of the effectiveness of controls is carried out by auditors from Group-wide Internal Audit (GwIA), with recommendations provided to the Audit Committee (AC). In turn, the AC provides oversight over processes developed to address these recommendations in a timely manner.

The AC believes that the system of internal controls (which covers financial, operational, compliance and information technology controls) and risk management systems provide adequate assurance against material financial, operational and compliance risks for this financial year.

## Audit Committee

As at 31 December 2025, the AC comprises Mr Teo Teow Hock (Chairman), Prof Annie Koh, and Mr Simon Christopher John Machell who are all non-executive directors. All the AC members have significant financial management expertise and experience.

The AC provides oversight over financial reporting and internal controls, and reviews the scope and results of audits. In addition, the AC is tasked with reviewing material related party transactions and informing the Board of such transactions.

In consultation with the Group AC, Prudential Singapore's AC also makes recommendations to the Board on the appointment, re-appointment, terms of engagement and remuneration of the external auditor. It also reviews the independence of external auditors.

The aggregate amount of fees, including those relating to non-audit services, paid to the external auditors for 2025 was not significant. The AC has reviewed the volume and nature of non-audit services provided by the external auditors during the year and is satisfied that their independence and objectivity have not been impaired by the provision of those services.

On an annual basis, the AC meets with the internal and external auditors without the presence of members of the CLT, Appointed Actuary and relevant senior management staff. The AC is of the view that the internal audit function is independent, effective and adequately resourced.

The Group AC has instituted an independent confidential whistle-blowing programme that includes helpline, web and mobile reporting options, available in multiple languages across all of Prudential's entities to support the Company's whistle-blowing policy. Employees of these companies may, in confidence, raise concerns about possible improprieties, whether in financial reporting or other matters. The AC of Prudential Singapore provides oversight over arrangements for the independent investigation of such matters within the Singapore business and for appropriate follow-up action.

### Internal Audit

The internal audit function, GwIA, is a group-wide function reporting to the Group Chief Internal Auditor (GCIA). The GCIA reports functionally to the Chair of the Group Audit Committee (AC), and has direct access to the Chair of the Board and to the Chief Executive Officer. In turn, the GCIA is directly responsible for the internal audit of Prudential entities throughout the Asia and Africa region. Being a group-wide function, the appointment, remuneration, resignation or dismissal of the GCIA is made by the Group.

The scope and role of GwIA's activities encompass the examination and evaluation of the adequacy and effectiveness of the Prudential Group's system of governance, risk management, internal controls and the quality of performance in carrying out assigned responsibilities. This includes performing an independent assessment of the risk and the adequacy of controls to ensure that the control environments are operating in line with the objectives, risk appetite and values of the organisation.

It also includes making objective and appropriate recommendations to improve the organisation's control environment and to assist the business in achieving its strategies. GwIA has unrestricted access to the AC, Board and senior management of all Prudential entities, including Prudential Singapore as well as the right to seek information and explanations.

In carrying out its audits, GwIA is compliant with Group Audit Standards, which adheres to mandatory requirements in the "International Professional Practice Framework as set out by the Institute of Internal Auditors (IIA) and the relevant regulatory requirements. GwIA will conduct itself in accordance with standards, policies and practices as set out in the GwIA Procedures Manual, and will carry out its audit work in accordance with the GwIA Methodology.

GwIA provides its services through audit teams located across the region, whose structure reflects its independence through direct reporting lines within GwIA, and, where required by local regulations, to the AC of the local unit, including Prudential Singapore.

GwIA will prepare and present the annual audit plans to the Group AC, as well as the AC of various Prudential entities, including Prudential Singapore, for approval. A formal reassessment of the audit plan will be conducted at the half-year to reflect topical control issues, changes in risk profile and/or regulatory focus and business initiatives.

## Shareholder Communication

As a private limited company, Prudential Singapore has a limited number of shareholders. Nonetheless, Prudential Singapore continues to place great significance on regular and effective communication with all its stakeholders, including policyholders.

The Company maintains a corporate website to communicate and engage with all its stakeholders, including policyholders.

## Board Executive Committee

Between its regular meetings, the Board continues to exercise its oversight of Prudential Singapore via electronic mail, a directors' online secured portal, as well as regular teleconversations with the CEO and members of the CLT, Appointed Actuary and relevant senior management staff. Given the ease with which the Board can be contacted for decisions on significant matters, as well as the regularity with which the Board is engaged in between meetings, a separate Board Executive Committee is not required.

## Related Party Transactions

Related party transactions framework is established at the Company. Details of the Company's material transactions and outstanding balances for FY2025 are set out in the Notes of the Company's Financial Statements which can be obtained from [www.acra.gov.sg](http://www.acra.gov.sg).