



SATS Ltd.

(Incorporated in the Republic of Singapore)
Company Registration No. 197201770G

LETTER TO SHAREHOLDERS

Directors:

Ms Euleen Goh Yiu Kiang
(Non-Executive Chairman and Independent Director)
Mr Irving Tan Tiang Yew
(Non-Executive Chairman-Designate and Independent Director)
Mr Kerry Mok Tee Heong
(Executive Director and President & Chief Executive Officer)
Mr Achal Agarwal *(Non-Executive, Independent Director)*
Ms Vinita Bali *(Non-Executive, Independent Director)*
Ms Chan Lai Fung *(Non-Executive, Independent Director)*
Mr Chia Kim Huat *(Non-Executive, Independent Director)*
Mr Eng Aik Meng *(Non-Executive, Independent Director)*
Ms Jenny Lee Hong Wei *(Non-Executive, Independent Director)*
Mr Mak Swee Wah *(Non-Executive, Independent Director)*
Mr Pier Luigi Sigismondi *(Non-Executive, Independent Director)*
Ms Deborah Tan Yang Sock (Mrs Deborah Ong)
(Non-Executive, Independent Director)
Ms Jessica Tan Soon Neo *(Non-Executive, Independent Director)*
Dr Detlef Andreas Trefzger *(Non-Executive, Independent Director)*

Registered Office:

20 Airport Boulevard
SATS Inflight Catering Centre 1
Singapore 819659

20 June 2024

To: The Shareholders of SATS Ltd.

Dear Sir/Madam

1. INTRODUCTION

1.1 Notice of 2024 AGM. We refer to:

- (a) the Notice of Annual General Meeting (the "**Notice**") of SATS Ltd. (the "**Company**") dated 20 June 2024, convening the 51st Annual General Meeting of the Company to be held on 19 July 2024 (the "**2024 AGM**");
- (b) Ordinary Resolution No. 13 relating to the proposed renewal of the IPT Mandate (as defined below, as proposed in the Notice);

- (c) Ordinary Resolution No. 14 relating to the proposed renewal of the Share Purchase Mandate (as defined below, as proposed in the Notice); and
 - (d) Ordinary Resolution No. 15 relating to the proposed extension of, and alterations to, the Share Plans (as defined below, as proposed in the Notice).
- 1.2 **Letter to Shareholders.** The purpose of this Letter is to provide shareholders of the Company (“Shareholders”) with information relating to Ordinary Resolution Nos. 13, 14 and 15 proposed in the Notice (the “Proposals”).
- 1.3 **SGX-ST.** The Singapore Exchange Securities Trading Limited (the “SGX-ST”) takes no responsibility for the accuracy of any statements or opinions made or reports contained in this Letter.
- 1.4 **Legal Adviser.** Allen & Gledhill LLP is the legal adviser to the Company in relation to the proposed renewal of the Share Purchase Mandate and the proposed extension of, and alterations to, the Share Plans.
- 1.5 **Advice to Shareholders.** Shareholders who are in any doubt as to the course of action they should take should consult their stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.
- 2. **THE PROPOSED RENEWAL OF THE MANDATE FOR INTERESTED PERSON TRANSACTIONS**
 - 2.1 **Background.** At the 50th Annual General Meeting of the Company held on 21 July 2023 (the “2023 AGM”), Shareholders approved, *inter alia*, the renewal of a mandate (the “IPT Mandate”) to enable the Company, its subsidiaries and associated companies which are considered to be “entities at risk” (as that term is used in Chapter 9 of the Listing Manual of the SGX-ST (the “Listing Manual”)) (the “EAR Group”) to enter into certain interested person transactions with the classes of interested persons (the “Interested Persons”) as set out in the IPT Mandate. Particulars of the IPT Mandate were set out in the Appendix to the Letter to Shareholders dated 22 June 2023 (the “2023 Letter”) and Ordinary Resolution No. 11 as set out in the notice convening the 2023 AGM.

The IPT Mandate was expressed to take effect until the conclusion of the next Annual General Meeting of the Company, being the 2024 AGM which is scheduled to be held on 19 July 2024.
 - 2.2 **Proposed Renewal of the IPT Mandate.** It is proposed that the IPT Mandate be renewed at the 2024 AGM, to take effect until the 52nd Annual General Meeting of the Company. There is no change to the scope and terms of the IPT Mandate which is proposed to be renewed.
 - 2.3 **Appendix 1.** Details of the IPT Mandate, including the rationale for the IPT Mandate, the benefits to the Company, the review procedures for determining transaction prices with the Interested Persons and other general information relating to Chapter 9 of the Listing Manual, are set out in the Appendix 1 to this Letter.
 - 2.4 **Audit Committee Statement.** The Audit Committee of the Company, comprising Mrs Deborah Ong, Ms Vinita Bali, Mr Mak Swee Wah and Ms Jessica Tan Soon Neo, confirms that:

- (a) the methods or procedures for determining the transaction prices under the IPT Mandate have not changed since the 2023 AGM; and
- (b) the methods or procedures referred to in sub-paragraph (a) above are sufficient to ensure that the transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

3. THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

- 3.1 **Background.** At the 2023 AGM, Shareholders approved, *inter alia*, the renewal of a mandate (the “**Share Purchase Mandate**”) to enable the Company to purchase or otherwise acquire issued ordinary shares of the Company (“**Shares**”). The rationale for, and the authority and limitations of, the Share Purchase Mandate were set out in the 2023 Letter and Ordinary Resolution No. 12 as set out in the notice convening the 2023 AGM.

The Share Purchase Mandate was expressed to take effect on the date of the passing of Ordinary Resolution No. 12 at the 2023 AGM and will expire on the date of the next Annual General Meeting of the Company, being the 2024 AGM which is scheduled to be held on 19 July 2024. Accordingly, it is proposed that the Share Purchase Mandate be renewed at the 2024 AGM.

As at 21 May 2024 (the “**Latest Practicable Date**”), the Company had not purchased or acquired any of its Shares by way of Market Purchases (as defined in paragraph 3.3.3(a) below) or Off-Market Purchases (as defined in paragraph 3.3.3(b) below) pursuant to the Share Purchase Mandate approved by Shareholders at the 2023 AGM.

- 3.2 **Rationale for the Share Purchase Mandate.** The rationale for the Company to undertake the purchase or acquisition of its Shares, as previously stated in the 2023 Letter, is as follows:

- (a) repurchased Shares which are held in treasury may be transferred for the purposes of, or pursuant to, share schemes implemented by the Company. Where Shares held in treasury are used for this purpose, such schemes will not have any dilutive effect to the extent that no new Shares are issued;
- (b) in managing the business of the Company and its subsidiaries (the “**Group**”), management will strive to increase Shareholders’ value by improving, *inter alia*, the return on equity (“**ROE**”) of the Company. Share purchases may be considered by the directors of the Company (the “**Directors**”) as one of the ways through which the ROE of the Company may be enhanced;
- (c) the Share Purchase Mandate will provide the Company with greater flexibility in managing its capital and maximising returns to its Shareholders. To the extent that the Company has capital and surplus funds which are in excess of its financial needs, taking into account its growth and expansion plans, the Share Purchase Mandate will facilitate the return of excess cash and surplus funds to Shareholders in an expedient, effective and cost-efficient manner; and
- (d) the Share Purchase Mandate will provide the Company the flexibility to undertake share repurchases at any time, subject to market conditions, during the period when the Share Purchase Mandate is in force.

The purchase or acquisition of Shares will only be undertaken if it can benefit the Company and Shareholders. Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Purchase Mandate may not be carried out to the full 2% limit described in paragraph 3.3.1 below. No purchase or acquisition of Shares will be made in circumstances which would have or may have a material adverse effect on the financial condition of the Group as a whole.

3.3 Authority and Limits on the Share Purchase Mandate. The authority and limitations placed on purchases or acquisitions of Shares by the Company pursuant to the Share Purchase Mandate, if renewed at the 2024 AGM, are the same as those previously approved by Shareholders at the 2023 AGM and are summarised below:

3.3.1 Maximum Number of Shares

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company. The total number of Shares which may be purchased or acquired by the Company is limited to that number of Shares representing not more than 2% of the total number of Shares as at the date of the 2024 AGM at which the renewal of the Share Purchase Mandate is approved. Treasury shares and subsidiary holdings (as defined in the Listing Manual)¹ will be disregarded for purposes of computing the 2% limit.

As at the Latest Practicable Date, the Company had 99,905 treasury shares and no subsidiary holdings.

Purely for illustrative purposes, on the basis of 1,490,731,171 issued Shares and excluding 99,905 Shares held in treasury as at the Latest Practicable Date, and assuming that on or prior to the 2024 AGM, (i) no further Shares are issued, (ii) no further Shares are purchased or acquired by the Company, or held as treasury shares, and (iii) no Shares are held as subsidiary holdings, the purchase or acquisition by the Company of up to the maximum limit of 2% of its issued Shares will result in the purchase or acquisition of 29,812,625 Shares.

3.3.2 Duration of Authority

Purchases or acquisitions of Shares may be made, at any time and from time to time, on and from the date of the 2024 AGM at which the renewal of the Share Purchase Mandate is approved, up to:

- (a) the date on which the next Annual General Meeting of the Company is held or required by law to be held;
- (b) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied; or
- (c) the date on which purchases and acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated,

whichever is the earliest.

¹ "Subsidiary holdings" is defined in the Listing Manual to mean shares referred to in sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act 1967.

3.3.3 **Manner of Purchases or Acquisitions of Shares**

Purchases or acquisitions of Shares may be made by way of:

- (a) on-market purchases ("**Market Purchases**") transacted on the SGX-ST through one or more duly licensed dealers appointed by the Company for the purpose; and/or
- (b) off-market purchases ("**Off-Market Purchases**") in accordance with an equal access scheme.

The Directors may impose such terms and conditions which are not inconsistent with the Share Purchase Mandate, the Listing Manual and the Companies Act 1967 (the "**Companies Act**") as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme or schemes. An equal access scheme must, however, satisfy all the following conditions:

- (i) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;
- (ii) all of those persons shall be given a reasonable opportunity to accept the offers made; and
- (iii) the terms of all the offers shall be the same, except that there shall be disregarded (1) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements; and (2) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

If the Company wishes to make an Off-Market Purchase in accordance with an equal access scheme, it will issue an offer document containing at least the following information:

- (I) the terms and conditions of the offer;
- (II) the period and procedures for acceptances; and
- (III) the information required under Rules 883(2), (3), (4), (5) and (6) of the Listing Manual.

3.3.4 **Purchase Price**

The purchase price (excluding related brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) to be paid for a Share will be determined by the Directors. The purchase price to be paid for the Shares as determined by the Directors, in the case of a Market Purchase and an Off-Market Purchase pursuant to an equal access scheme, must not exceed 105% of the Average Closing Price of the Shares, in either case, excluding related expenses of the purchase or acquisition (the "**Maximum Price**").

For the above purposes:

“Average Closing Price” means the average of the last dealt prices of a Share for the five consecutive market days on which the Shares are transacted on the SGX-ST immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted in accordance with the listing rules of the SGX-ST for any corporate action that occurs during the relevant five-day period and the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase; and

“date of the making of the offer” means the date on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from holders of Shares, stating therein the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

- 3.4 **Status of Purchased Shares.** Shares purchased or acquired by the Company are deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Shares will expire on such cancellation) unless such Shares are held by the Company as treasury shares. At the time of each purchase or acquisition of Shares by the Company, the Directors will decide whether the Shares purchased or acquired will be cancelled or kept as treasury shares, or partly cancelled and partly kept as treasury shares, depending on the needs of the Company at that time. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company which are cancelled and are not held as treasury shares.

- 3.5 **Treasury Shares.** Under the Companies Act, Shares purchased or acquired by the Company may be held or dealt with as treasury shares. Some of the provisions on treasury shares under the Companies Act are summarised below:

3.5.1 ***Maximum Holdings***

The number of Shares held as treasury shares² cannot at any time exceed 10% of the total number of issued Shares.

3.5.2 ***Voting and Other Rights***

The Company cannot exercise any right in respect of treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

² For these purposes, **“treasury shares”** shall be read as including shares held by a subsidiary under sections 21(4B) or 21(6C) of the Companies Act 1967.

In addition, no dividend may be paid, and no other distribution of the Company's assets may be made, to the Company in respect of treasury shares. However, the allotment of shares as fully paid bonus shares in respect of treasury shares is allowed. A subdivision or consolidation of any treasury share is also allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

3.5.3 **Disposal and Cancellation**

Where Shares are held as treasury shares, the Company may at any time but subject always to the Singapore Code on Take-overs and Mergers (the "**Take-over Code**"):

- (a) sell the treasury shares for cash;
- (b) transfer the treasury shares for the purposes of or pursuant to any share scheme, whether for employees, directors or other persons;
- (c) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (d) cancel the treasury shares; or
- (e) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance.

Under the Listing Manual, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares. Such announcement must include details such as the date of the sale, transfer, cancellation and/or use of such treasury shares, the purpose of such sale, transfer, cancellation and/or use of such treasury shares, the number of treasury shares which have been sold, transferred, cancelled and/or used, the number of treasury shares before and after such sale, transfer, cancellation and/or use, the percentage of the number of treasury shares against the total number of issued shares (of the same class as the treasury shares) which are listed on the SGX-ST before and after such sale, transfer, cancellation and/or use, and the value of the treasury shares if they are used for a sale or transfer, or cancelled.

3.6 **Source of Funds.** The Company may purchase or acquire its own Shares out of capital, as well as from its profits.

The Company intends to use internal sources of funds, external borrowings, or a combination of internal resources and external borrowings, to finance purchases or acquisitions of its Shares. The Directors do not propose to exercise the Share Purchase Mandate in a manner and to such extent that it would materially affect the working capital requirements of the Group.

3.7 **Financial Effects.** The financial effects on the Group and the Company arising from purchases or acquisitions of Shares which may be made pursuant to the Share Purchase Mandate will depend on, *inter alia*, the number of Shares purchased or acquired and the price paid for such Shares. The financial effects on the Group and the Company, based on the audited consolidated financial statements of the Group and the Company for the financial year ended 31 March 2024, are based on the assumptions set out below:

3.7.1 **Purchase or Acquisition out of Capital or Profits**

Purchases or acquisitions of Shares by the Company may be made out of the Company's profits and/or capital so long as the Company is solvent.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, the amount available for the distribution of cash dividends by the Company will be correspondingly reduced. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced.

3.7.2 **Number of Shares Purchased or Acquired**

Based on the number of issued and paid-up Shares as at the Latest Practicable Date (excluding treasury shares) and on the assumptions set out in paragraph 3.3.1 above, the purchase or acquisition by the Company of up to the maximum limit of 2% of its issued Shares will result in the purchase or acquisition of 29,812,625 Shares.

3.7.3 **Maximum Price Paid for Shares Purchased or Acquired**

Assuming that the Company purchases or acquires 29,812,625 Shares at the Maximum Price, in the case of both Market Purchases and Off-Market Purchases of S\$2.71 for one Share (being the price equivalent to 5% above the Average Closing Price of the Shares for the five consecutive market days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase of 29,812,625 Shares is approximately S\$80,792,213.

3.7.4 **Illustrative Financial Effects**

The financial effects on the Group and the Company arising from purchases or acquisitions of Shares which may be made pursuant to the proposed Share Purchase Mandate will depend on, *inter alia*, the aggregate number of Shares purchased or acquired and the consideration paid at the relevant time.

For illustrative purposes only and on the basis of the assumptions set out in paragraphs 3.7.1 to 3.7.3 above, the financial effects on the consolidated financial statements of the Group and the financial statements of the Company for the financial year ended 31 March 2024 would have been as follows:

	Group		Company	
	Before Share Purchase	After Share Purchase	Before Share Purchase	After Share Purchase
Equity attributable to equity holders of the Company (S\$ million)	2,375.0	2,294.2	2,786.6	2,705.8
Total Equity (S\$ million)	2,559.5	2,478.7	2,786.6	2,705.8
Net asset value per Share (S\$)	1.59	1.51	1.87	1.78
Profit attributable to equity holders of the Company (S\$ million)	56.4	56.4	224.6	224.6
Weighted average no. of issued and paid up Shares (million)	1,490.6	1,460.8	1,490.6	1,460.8
Basic earnings per Share (cents)	3.8	3.9	15.1	15.4
Total borrowings ⁽¹⁾ (S\$ million)	4,092.1	4,092.1	1,207.7	1,207.7
Cash and cash equivalents (S\$ million)	659.0	578.0	176.5	95.7
Net borrowings ⁽²⁾ (S\$ million)	3,433.1	3,514.0	1,031.2	1,112.0
Gearing ⁽³⁾ (times)	1.60	1.65	0.43	0.45
Current ratio (times)	0.70	0.67	1.16	1.01

Notes:

- (1) "Total borrowings" means notes, borrowings and lease liabilities.
(2) "Net borrowings" means total borrowings less cash and cash equivalents.
(3) "Gearing" is defined as the ratio of total borrowings to total equity.

Shareholders should note that the financial effects set out above, based on the respective aforementioned assumptions, are for illustration purposes only. In particular, it is important to note that the above analysis is based on historical numbers for the financial year ended 31 March 2024, and is not necessarily representative of future financial performance.

It should be noted that although the Share Purchase Mandate would authorise the Company to purchase or acquire up to 2% of the issued Shares (excluding treasury shares and subsidiary holdings), the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire 2% of the issued Shares (excluding treasury shares and subsidiary holdings). In addition, the Company may cancel or hold in treasury all or part of the Shares purchased or acquired. The Company will take into account both financial and non-financial factors (for example, share market conditions and the performance of the Shares) in assessing the relative impact of a share purchase before execution.

- 3.8 **Tax Implications.** Shareholders who are in doubt as to their respective tax positions or the tax implications of share repurchases by the Company, or who may be subject to tax whether in or outside Singapore, should consult their own professional advisers.
- 3.9 **Listing Rules.** The Listing Manual specifies that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST not later than 9.00 a.m. (a) in the case of a Market Purchase, on the market day following the day of purchase or acquisition of any of its shares and (b) in the case of an Off-Market Purchase under an equal access scheme, on the second market

day after the close of acceptances of the offer. Such announcement must include, *inter alia*, details of the date of the purchase, the total number of shares purchased, the number of shares cancelled, the number of shares held as treasury shares, the purchase price per share or the highest and lowest prices paid for such shares (as applicable), the total consideration (including stamp duties and clearing charges) paid or payable for the shares, the number of shares purchased as at the date of the announcement (on a cumulative basis), the number of issued shares excluding treasury shares and subsidiary holdings after the purchase, the number of treasury shares held after the purchase and the number of subsidiary holdings after the purchase.

While the Listing Manual does not expressly prohibit any purchase or acquisition of shares by a listed company during any particular time or times, because the listed company would be regarded as an “insider” in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the proposed Share Purchase Mandate at any time after a price or trade sensitive development has occurred or has been the subject of a decision until the price or trade sensitive information has been publicly announced.

In particular, the Company will not purchase or acquire any Shares through Market Purchases or Off-Market Purchases during the period of one month immediately preceding the announcement of the Company’s half year and full year financial statements. The Company will also not purchase or acquire any Shares through Market Purchases or Off-Market Purchases during the period of two weeks immediately preceding the announcement of the Company’s voluntary quarterly business updates for the first and third quarters of each financial year.

The Listing Manual requires a listed company to ensure that at least 10% of the total number of issued shares (excluding treasury shares, preference shares and convertible equity securities) in a class that is listed is at all times held by public shareholders. As at the Latest Practicable Date, Temasek Holdings (Private) Limited (“**Temasek**”), a substantial Shareholder of the Company, has a deemed interest in 603,555,369 Shares, representing approximately 40.49% of the issued Shares (excluding treasury shares). Temasek is wholly-owned by the Minister for Finance. As at the Latest Practicable Date, approximately 59.03% of the issued Shares (excluding treasury shares) are held by public Shareholders. Accordingly, the Company is of the view that there is a sufficient number of the Shares in issue held by public Shareholders which would permit the Company to undertake purchases or acquisitions of its Shares through Market Purchases up to the full 2% limit pursuant to the proposed Share Purchase Mandate without affecting the listing status of the Shares on the SGX-ST, and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or to affect orderly trading.

- 3.10 **Shareholding Limit.** The Constitution of the Company provides that no person or related group of persons may, without prior approval of the Directors, have an interest (directly or indirectly) in 10% or more of the issued Shares for the time being, excluding treasury shares (the “**Shareholding Limit**”). Temasek (the “**Approved Shareholder**”) is currently entitled to have an interest in Shares in excess of the Shareholding Limit under the Constitution.

The percentage of Shares in which a person has an interest will increase immediately following any purchase or acquisition of Shares where the Shares which are the subject of the purchase or acquisition are not Shares in which that person has an interest. Similarly, the percentage of voting rights of a Shareholder whose Shares are not the subject of a purchase or acquisition by the Company will increase immediately following any purchase or acquisition of Shares by the Company.

THE COMPANY WISHES TO DRAW THE ATTENTION OF SHAREHOLDERS TO THE FOLLOWING CONSEQUENCES OF A PURCHASE OR ACQUISITION OF SHARES BY THE COMPANY PURSUANT TO THE SHARE PURCHASE MANDATE, IF SHAREHOLDERS APPROVE THE RENEWAL OF THE SHARE PURCHASE MANDATE AT THE 2024 AGM.

A PURCHASE OR ACQUISITION OF SHARES BY THE COMPANY MAY INADVERTENTLY CAUSE THE INTEREST IN THE SHARES OF ANY PERSON (OTHER THAN THE APPROVED SHAREHOLDER) TO REACH OR EXCEED THE SHAREHOLDING LIMIT (IN PARTICULAR, ANY SUCH PERSON WHOSE INTEREST IN SHARES IS CURRENTLY CLOSE TO THE SHAREHOLDING LIMIT).

ACCORDINGLY, PERSONS WHOSE INTERESTS IN SHARES ARE CLOSE TO THE SHAREHOLDING LIMIT AND WHOSE INTERESTS MAY EXCEED THE SHAREHOLDING LIMIT BY REASON OF ANY PURCHASE OR ACQUISITION OF SHARES BY THE COMPANY WOULD HAVE TO SEEK THE PRIOR APPROVAL OF THE DIRECTORS TO CONTINUE TO HAVE, ON SUCH TERMS AS MAY BE IMPOSED BY THE DIRECTORS, AN INTEREST IN THE SHARES REPRESENTING THE NUMBER OF SHARES IN EXCESS OF THE SHAREHOLDING LIMIT, AS A CONSEQUENCE OF A SHARE PURCHASE OR ACQUISITION BY THE COMPANY.

- 3.11 **Take-over Implications.** Appendix 2 of the Take-over Code contains the Share Buy-Back Guidance Note. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below:

3.11.1 ***Obligation to Make a Take-over Offer***

If, as a result of any purchase or acquisition by the Company of its Shares, a Shareholder's proportionate interest in the voting capital of the Company increases, such increase will be treated as an acquisition for the purposes of the Take-over Code. If such increase results in the change of effective control, or, as a result of such increase, a Shareholder or group of Shareholders acting in concert obtains or consolidates effective control of the Company, such Shareholder or group of Shareholders acting in concert could become obliged to make a take-over offer for the Company under Rule 14 of the Take-over Code.

3.11.2 ***Persons Acting in Concert***

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), cooperate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company.

Unless the contrary is established, the following persons, *inter alia*, will be presumed to be acting in concert:

- (a) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts); and
- (b) a company, its parent, subsidiaries and fellow subsidiaries, and their associated companies and companies of which such companies are associated companies,

all with each other, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing companies for the purchase of voting rights. For this purpose, a company is an associated company of another company if the second company owns or controls at least 20% but not more than 50% of the voting rights of the first-mentioned company.

The circumstances under which the Shareholders (including the Directors) and persons acting in concert with them respectively will incur an obligation to make a take-over offer under Rule 14 after a purchase or acquisition of Shares by the Company are set out in Appendix 2 of the Take-over Code.

3.11.3 ***Effect of Rule 14 and Appendix 2 of the Take-over Code***

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, the Directors and persons acting in concert with them will incur an obligation to make a take-over offer for the Company under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Directors and their concert parties would increase to 30% or more, or if the voting rights of such Directors and their concert parties fall between 30% and 50% of the Company's voting rights, the voting rights of such Directors and their concert parties would increase by more than 1% in any period of six months. In calculating the percentages of voting rights of such Directors and their concert parties, treasury shares shall be excluded.

Under Appendix 2 of the Take-over Code, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder in the Company would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of six months. Such Shareholder need not abstain from voting in respect of the Ordinary Resolution authorising the Share Purchase Mandate.

Based on the interests of substantial Shareholders as at the Latest Practicable Date, none of the substantial Shareholders would become obliged to make a take-over offer for the Company under Rule 14 of the Take-over Code as a result of the purchase or acquisition by the Company of the maximum limit of 2% of its issued Shares (excluding treasury shares) as at the Latest Practicable Date.

Shareholders are advised to consult their professional advisers and/or the Securities Industry Council at the earliest opportunity as to whether an obligation to make a general offer would arise by reason of any purchase or acquisition of Shares by the Company.

4. THE PROPOSED EXTENSION OF, AND ALTERATIONS TO, THE SATS PERFORMANCE SHARE PLAN AND THE SATS RESTRICTED SHARE PLAN

- 4.1 **Background.** The SATS Performance Share Plan (the "**SATS PSP**") and the SATS Restricted Share Plan (the "**SATS RSP**") were approved and adopted at the Extraordinary General Meeting of the Company held on 19 July 2005 for an initial duration of 10 years. Subsequently, at the 41st Annual General Meeting of the Company held on 23 July 2014, the SATS PSP and the SATS RSP (collectively, the "**Share Plans**") were extended for a further period of 10 years up to 18 July 2025.

Shareholders also approved alterations to the SATS RSP at the 46th Annual General Meeting of the Company held on 18 July 2019 (the “**2019 AGM**”) to, *inter alia*, enable non-executive directors of the Group to participate in the SATS RSP.

As the Share Plans are due to expire on 18 July 2025, Shareholders’ approval is being sought for an extension of the duration of the Share Plans for a further period of 10 years from (and including) 19 July 2025, namely, up to (and including) 18 July 2035.

4.2 **Rationale.** Under the Share Plans, awards (“**Awards**”) are granted to participants by which they may receive fully-paid Shares, their equivalent cash value or combinations thereof, free of charge, provided that certain prescribed performance conditions (if any) are met and/or upon expiry of any prescribed vesting period(s). The Share Plans are an integral part of the Company’s share incentive schemes and aim to provide participants with an opportunity to have a personal equity interest in the Company and will help to achieve the following positive objectives:

- (a) motivate Group employees to optimise their performance standards and efficiency, maintain a high level of contribution to the Group and strive to deliver long-term shareholder value;
- (b) align the interests of Group employees and Group non-executive Directors with the interests of Shareholders;
- (c) retain key Group employees whose contributions are key to the long-term growth and profitability of the Group;
- (d) instil loyalty to, and a stronger identification by Group employees with the long-term prosperity of, the Company; and
- (e) attract potential Group employees with relevant skills to contribute to the Group and to create value for the shareholders of the Company.

The SATS PSP and the SATS RSP serve different objectives. The SATS PSP applies to a select group of key senior management while the SATS RSP applies to a broader base of employees of managerial grade and above. Generally, the range of performance targets set under the SATS PSP and the SATS RSP are different, with the former emphasising stretched or strategic targets aimed at sustaining longer term growth.

As the Share Plans remain a key part of the Company’s compensation arrangements, the Directors propose that the duration of the SATS PSP and the SATS RSP be extended for a further period of 10 years up to (and including) 18 July 2035.

The Remuneration and Human Resource Committee of the Company (the “**Committee**”), the Board Committee which administers the SATS PSP and the SATS RSP, has approved the proposed extension of the duration of the SATS PSP and the SATS RSP.

4.3 **Maximum Limit.** There will be no change to the maximum limit of new Shares which may be issued under the SATS PSP and the SATS RSP following the extension of their respective durations to 18 July 2035. The aggregate number of new Shares which may be issued pursuant to the SATS

PSP, the SATS RSP and the SATS Employee Share Option Plan (the “**SATS ESOP**”)³ cannot exceed 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) from time to time.

In addition, Ordinary Resolution No. 15 will also provide that the total number of Shares under Awards to be granted pursuant to the SATS PSP and the SATS RSP from the 2024 AGM to the next Annual General Meeting of the Company shall not exceed 1% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) from time to time.

- 4.4 **Proposed Alterations.** The Directors are taking this opportunity to propose certain alterations to the Rules of the Share Plans to introduce malus and clawback rights, to take into account amendments to the Companies Act and the Listing Manual, and to streamline and rationalise certain other provisions, including amendments for consistency between the Share Plans. The Amended and Restated Rules of the SATS PSP and the SATS RSP, incorporating the proposed alterations, are set out in Appendix 2 and Appendix 3 to this Letter respectively, and the proposed alterations are blacklined for ease of reference. The following is a summary of the principal proposed alterations:

4.4.1 ***Malus and Clawback Rights***

In order to better align the Company’s remuneration policies with good corporate governance practices and to protect the interests of the Company, the Share Plans are proposed to be altered to introduce new malus and clawback rights, which will apply in relation to Awards granted on or after 19 July 2025, that is, in relation to Awards granted during the extended 10-year period of the Share Plans. Under these new provisions, the grant of each Award, each release of Shares and each payment in lieu of Shares which would otherwise have been released to participants under the Share Plans will be subject to, and conditional upon, the Company’s malus and clawback rights.

The new malus and clawback provisions provide that, if certain exceptional circumstances occur in relation to a participant, the Committee can cancel all or part of any Award to the extent not yet released, and exercise the right of clawback (“**Clawback Right**”) in respect of Shares which were released (“**Released Shares**”) within the clawback period, which is 6 years prior to the date on which the Committee makes the determination to exercise the Clawback Right (“**Clawback Determination Date**”).

The exceptional circumstances are where:

- (a) the grant of a relevant Award was based (in whole or in part) on inaccurate financial statements (irrespective of when such inaccuracy was discovered and irrespective of who caused such inaccuracy, and whether such financial statements were audited or unaudited);

³ The SATS ESOP was adopted in 2000 and expired in 2010. The final grant of share options under the SATS ESOP was made in July 2008 and the last options granted under the SATS ESOP expired on 30 June 2018. There are no longer any outstanding options under the SATS ESOP.

- (b) the participant had, at any time, engaged in conduct that:
 - (i) directly or indirectly caused, resulted in and/or contributed to, or is likely (in the opinion of the Committee) to cause, result in and/or contribute to (whether directly or indirectly):
 - (1) any financial loss or reputational harm to the Group, any company within the Group or an Associated Company⁴; and/or
 - (2) the need for a restatement of the financial results or financial statements (whether audited or unaudited) of the Group, any company within the Group or an Associated Company; and/or
 - (3) any adverse change in the risk profile or rating of the Group, any company within the Group or an Associated Company; and/or
 - (ii) is otherwise detrimental to the Group, any company within the Group or an Associated Company, and/or detrimental to the business conducted by the Group, any company within the Group or an Associated Company; or
- (c) the participant had, at any time, engaged in any misconduct or committed any misfeasance, fraud or breach of trust or duty in relation to the Group, any company within the Group or an Associated Company.

The Committee has the sole and absolute discretion to determine the amount which the participant is required to return to the Company, subject to a limit being the aggregate of the following:

- (aa) in respect of such of the Released Shares in relation to which the participant received cash in lieu, the aggregate payments received by such participant (in lieu of such Released Shares which would otherwise have been released to the participant under the relevant Share Plan) prior to the Clawback Determination Date; and
- (bb) in respect of all other Released Shares, the aggregate of the amounts recorded in the Company's records as the monetary benefit received by the participant by virtue of the release of such Released Shares to him.

The Clawback Right is in addition to, and without prejudice to, any right or remedy that the Company has vis-à-vis a participant (whether under the Share Plans, contract, tort or any other theory of law).

4.4.2 **Companies Act**

The respective references in Rules 2.1 and 7.3 of the SATS PSP to the "memorandum and articles of association" of the Company are proposed to be replaced with references to the

⁴ "Associated Company", in relation to the Company, is defined in the Share Plans to mean a company, not being a subsidiary of the Company, in which (a) the Group has an interest of not less than 20% in the equity and in whose financial and operating policy decisions the Group exercises significant influence; or (b) the Group has an interest of not more than 50% in the equity and has joint control of the company's commercial and financial affairs.

“constitution” of the Company, following the merging of the “memorandum and articles of association” of a company into one document called the “constitution” pursuant to the Companies (Amendment) Act 2014 which took effect on 3 January 2016.⁵

4.4.3 **Listing Manual**

Rule 8.1 of the SATS PSP currently provides that the aggregate number of new Shares which may be issued pursuant to the SATS PSP, the SATS RSP and the SATS ESOP cannot exceed 15% of the total number of issued Shares (excluding treasury shares) on the day preceding that date. In line with the amendments to Rule 845(1) of the Listing Manual which took effect on 31 March 2017, Rule 8.1 of the SATS PSP is proposed to be altered to specifically exclude subsidiary holdings (in addition to treasury shares) in the denominator when calculating the size limit of the SATS PSP.⁶

Rules 9.1 and 9.3(a) of the Share Plans, which relate to adjustments to Awards and the auditors’ confirmation on such adjustments, are proposed to be altered to replace the respective references to “capitalisation of profits or reserves” and “capitalisation issue” as an adjustment event with references to “bonus” and “bonus issue”, in line with the amendments to Rules 850(1) and (4) of the Listing Manual which took effect on 7 February 2020.

4.4.4 **Other Alterations**

The alterations which are being proposed to streamline and rationalise certain provisions of the Rules of the Share Plans include:

- (a) altering Rule 7.2.2 of the SATS RSP to clarify that for a performance-related Award which is not subject to any vesting period, the vesting date for Shares which are the subject of a released Award is a market day falling as soon as practicable after the last day of the relevant performance period; and
- (b) altering Rules 11.1, 11.2 and 11.3 of each of the Share Plans to remove references to facsimile transmission as a mode of transmission in respect of notices, documents or other communication to be given under the Share Plans.

Other alterations which are being proposed under this category are blacklined in Appendix 2 and Appendix 3 to this Letter.

4.5 **Outstanding Awards/Shares Delivered.** Details of outstanding Awards granted under the Share Plans and Shares delivered under the Share Plans and the SATS ESOP are set out below:

4.5.1 **Awards/Options**

As at the Latest Practicable Date:

- (a) (i) there are outstanding awards (“**PSP Awards**”) granted to 9 participants under the SATS PSP in respect of up to a maximum of 1,570,872 Shares

⁵ Corresponding alterations to the SATS RSP were approved by Shareholders at the 2019 AGM.

⁶ Corresponding alterations to the SATS RSP were approved by Shareholders at the 2019 AGM.

(representing approximately 0.11% of the issued Shares (excluding treasury shares) as at the Latest Practicable Date); and

- (ii) an aggregate of 9,706,200 Shares (representing approximately 0.65% of the issued Shares (excluding treasury shares) as at the Latest Practicable Date) have been delivered upon vesting of awards granted under the SATS PSP since the commencement of the SATS PSP;
- (b) (i) there are outstanding awards ("**RSP Awards**") granted to 270 participants under the SATS RSP in respect of up to a maximum of 3,830,421 Shares (representing approximately 0.26% of the issued Shares (excluding treasury shares) as at the Latest Practicable Date); and
- (ii) an aggregate of 20,184,104 Shares (representing approximately 1.35% of the issued Shares (excluding treasury shares) as at the Latest Practicable Date) have been delivered upon vesting of awards granted under the SATS RSP since the commencement of the SATS RSP; and
- (c) (i) there are no outstanding options under the SATS ESOP; and
- (ii) an aggregate of 133,133,545 Shares (representing approximately 8.93% of the issued Shares (excluding treasury shares) as at the Latest Practicable Date) have been delivered pursuant to the exercise of options granted under the SATS ESOP since the commencement of the SATS ESOP.

Save as disclosed in this Letter and as provided in the Rules of the Share Plans and save for the prescribed performance, time-based and/or other conditions attached to the Awards, the outstanding Awards as at the Latest Practicable Date are not subject to any material conditions.

No Awards have been granted to controlling shareholders of the Company or associates of such controlling shareholders under the Share Plans.

4.5.2 **Awards Granted to Director**

Details of outstanding PSP Awards granted under the SATS PSP to a Director who held office as at the Latest Practicable Date, and which are outstanding and unvested as at the Latest Practicable Date are as follows:

Name of Director	Date of PSP Award	Number of Shares comprised in PSP Award⁽¹⁾
Mr Kerry Mok Tee Heong	02/08/2021	89,887
	24/06/2022	91,262
	22/03/2024	165,000

Note:

- (1) The final number of performance Shares to be vested will range from 0% to 150% of the initial grant and is contingent on the achievement of pre-determined targets over a three-year performance period.

Details of outstanding RSP Awards granted under the SATS RSP to a Director who held office as at the Latest Practicable Date, and which are outstanding and unvested as at the Latest Practicable Date are as follows:

Name of Director	Date of RSP Award	Number of Shares comprised in RSP Award⁽¹⁾
Mr Kerry Mok Tee Heong	24/06/2022	40,058
	03/07/2023	192,000

Note:

(1) The restricted Shares will vest equally over a three-year period from the respective dates of grant provided the terms and conditions of the SATS RSP are met.

As at the Latest Practicable Date, an aggregate of 117,600 Shares have been delivered to Mr Kerry Mok Tee Heong upon vesting of awards granted under the SATS PSP since the commencement of the SATS PSP, and an aggregate of 297,885 Shares have been delivered to Mr Kerry Mok Tee Heong upon vesting of awards granted under the SATS RSP since the commencement of the SATS RSP.

Other than Mr Kerry Mok Tee Heong, none of the other Directors who held office as at the Latest Practicable Date held any outstanding Awards as at the Latest Practicable Date.

4.5.3 **Awards Granted as Directors' Fees**

Beginning with the financial year ended 31 March 2019, a proportion of the aggregate Directors' fees for the non-executive Directors approved by Shareholders for the particular financial year (approximately 15% for the financial year ended 31 March 2019 and approximately 30% for the financial year ended 31 March 2020 onwards) has been paid in the form of awards granted under the SATS RSP in lieu of cash. Such awards consisted of fully paid Shares with no performance conditions attached, and no vesting periods imposed. However, each non-executive Director was required to retain a base shareholding worth up to one year's retainer fee for as long as he/she is on the Board of Directors of the Company, and for a period of one year after stepping down as a Director, in order to better align the interests of non-executive Directors with the interests of Shareholders. The Directors as at the Latest Practicable Date who were paid part of their Directors' fees in the form of awards granted under the SATS RSP are as follows:

Directors	Date of appointment as Director	Aggregate number of Shares delivered under the SATS RSP as part of Directors' fees
Ms Euleen Goh Yiu Kiang	1 August 2013	96,700
Mr Achal Agarwal	1 September 2016	42,400
Ms Vinita Bali	10 May 2021	15,300
Mr Chia Kim Huat	15 March 2017	40,000
Ms Jenny Lee Hong Wei	25 January 2019	24,300
Ms Deborah Tan Yang Sock (Mrs Deborah Ong)	16 November 2020	25,200
Ms Jessica Tan Soon Neo	17 April 2017	43,200

- 4.6 **SGX-ST.** The SGX-ST has granted in-principle approval for the listing and quotation of the new Shares to be issued pursuant to the Share Plans (as proposed to be extended and altered), subject to, *inter alia*, compliance with the SGX-ST's listing requirements and guidelines and independent Shareholders' approval being obtained for the proposed extension of, and alterations to, the Share Plans. The SGX-ST's in-principle approval is not to be taken as an indication of the merits of the Share Plans (as proposed to be extended and altered), the new Shares, the Company and/or its subsidiaries.

5. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

- 5.1 **Directors' Interests in Shares.** The interests of the Directors in Shares as recorded in the Register of Directors' Shareholdings as at the Latest Practicable Date are set out below:

Directors	Direct Interest		Deemed Interest ⁽¹⁾		No. of Shares comprised in outstanding awards
	Number of Shares	% ⁽²⁾	Number of Shares	% ⁽²⁾	
Ms Euleen Goh Yiu Kiang	188,548	0.013	-	-	-
Mr Irving Tan Tiang Yew	-	-	-	-	-
Mr Kerry Mok Tee Heong	497,126	0.033	-	-	232,058 ⁽³⁾ 346,149 ⁽⁴⁾
Mr Achal Agarwal	91,683	0.006	-	-	-
Ms Vinita Bali	17,044	0.001	-	-	-
Ms Chan Lai Fung	-	-	-	-	-
Mr Chia Kim Huat	51,876	0.003	-	-	-
Mr Eng Aik Meng	-	-	20,000	0.001	-
Ms Jenny Lee Hong Wei	29,694	0.002	-	-	-
Mr Mak Swee Wah	21,235	0.001	-	-	-
Mr Pier Luigi Sigismondi	-	-	-	-	-
Ms Deborah Tan Yang Sock (Mrs Deborah Ong)	28,623	0.002	-	-	-
Ms Jessica Tan Soon Neo	52,986	0.004	-	-	-
Dr Detlef Andreas Trefzger	-	-	-	-	-

Notes:

- (1) Deemed interests refer to interests determined pursuant to section 4 of the Securities and Futures Act 2001 (the "SFA").
- (2) Based on 1,490,631,266 issued Shares (excluding treasury shares) as at the Latest Practicable Date.
- (3) 232,058 restricted Shares to be vested under the SATS RSP. The restricted Shares will vest equally over a three-year period from the respective dates of grant provided the terms and conditions of the SATS RSP are met.
- (4) 346,149 performance Shares to be vested under the SATS PSP. The final number of performance Shares to be vested will range from 0% to 150% of the initial grant and is contingent on the achievement of pre-determined targets over a three-year performance period.

- 5.2 **Substantial Shareholders' Interests in Shares.** The interests of the substantial Shareholders in Shares as at the Latest Practicable Date are set out below:

Substantial Shareholders	Direct Interest		Deemed Interest		Total Interest	
	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾
Temasek Holdings (Private) Limited	-	-	603,555,369 ⁽²⁾	40.49	603,555,369	40.49
Tembusu Capital Pte. Ltd.	-	-	601,786,003 ⁽²⁾	40.37	601,786,003	40.37
Napier Investments Pte. Ltd.	-	-	590,511,303 ⁽²⁾	39.61	590,511,303	39.61
Venezio Investments Pte. Ltd.	590,220,938	39.60	-	-	590,220,938	39.60

Notes:

- (1) Based on 1,490,631,266 issued Shares (excluding treasury shares) as at the Latest Practicable Date.
- (2) Tembusu Capital Pte. Ltd. ("**Tembusu**") is the holding company of Napier Investments Pte. Ltd. ("**Napier**"), which is in turn the holding company of Venezia Investments Pte. Ltd. ("**Venezio**"). Tembusu and Napier are deemed to be interested in the Shares held by Venezia by virtue of section 4 of the SFA. Temasek is the holding company of Tembusu and the ultimate holding company of Venezia. Accordingly, Temasek has a deemed interest in all the Shares held by Venezia. In addition, Temasek is deemed to be interested in a further 13,334,431 Shares in which its other subsidiaries and associated companies have or are deemed to have an interest pursuant to section 4 of the SFA.

6. DIRECTORS' RECOMMENDATIONS AND VOTING ABSTENTIONS

- 6.1 **Proposed Renewal of IPT Mandate.** The Directors (save for Ms Jenny Lee Hong Wei, who is a non-executive director of Temasek and who has recused herself from discussions and decisions relating to the IPT Mandate) are of the opinion that the entry into of the interested person transactions between the EAR Group (as described in paragraph 2.1.2 of Appendix 1 to this Letter) and those Interested Persons (as described in paragraph 2.3.1 of Appendix 1 to this Letter) in the ordinary course of their respective businesses will be made to enhance the efficiency of the EAR Group and are in the best interests of the Company. For the reasons set out in paragraphs 2.1 and 2.6 of Appendix 1 to this Letter, the Directors (save for Ms Jenny Lee Hong Wei) recommend that Shareholders vote in favour of Ordinary Resolution No. 13, being the Ordinary Resolution relating to the proposed renewal of the IPT Mandate to be proposed at the 2024 AGM.

Temasek and its associates, being Interested Persons, will abstain from voting in respect of their holdings of Shares (if any) on Ordinary Resolution No. 13. The Company will disregard any votes cast by Temasek and its associates on Ordinary Resolution No. 13.

Ms Jenny Lee Hong Wei will abstain from voting in respect of her holding of Shares (if any) on Ordinary Resolution No. 13. She will also decline to accept appointment as proxy for any other Shareholder to vote in respect of Ordinary Resolution No. 13, unless the Shareholder concerned shall have given instructions in a validly completed and submitted Proxy Form as to voting, or abstentions from voting, in respect of Ordinary Resolution No. 13.

- 6.2 **Proposed Renewal of Share Purchase Mandate.** The Directors are of the opinion that the proposed renewal of the Share Purchase Mandate is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of Ordinary Resolution No. 14, being the Ordinary Resolution relating to the proposed renewal of the Share Purchase Mandate to be proposed at the 2024 AGM.
- 6.3 **Proposed Extension of, and Alterations to, the Share Plans.** All the Directors are eligible to participate in the SATS RSP (as proposed to be extended and altered). Accordingly, they have refrained from making any voting recommendation to Shareholders in respect of Ordinary Resolution No. 15, being the Ordinary Resolution relating to, *inter alia*, the proposed extension of, and alterations to, the Share Plans to be proposed at the 2024 AGM.

The Directors will abstain from voting their Shares (if any) on Ordinary Resolution No. 15, and the Company will disregard any votes cast by Directors in respect of their Shares (if any) on Ordinary Resolution No. 15. The Directors will also decline to accept appointment as proxies for Shareholders to vote in respect of Ordinary Resolution No. 15, unless the Shareholder concerned has given specific instructions in a validly completed and submitted instrument appointing a proxy(ies) as to voting, or abstentions from voting, in respect of Ordinary Resolution No. 15.

The Company will procure persons who are eligible to participate in the Share Plans (as proposed to be extended and altered) to abstain from voting their Shares on Ordinary Resolution No. 15, and will disregard any votes cast by such persons in respect of their Shares on Ordinary Resolution No. 15. The Company will also procure such persons to decline to accept appointment as proxies for Shareholders to vote in respect of Ordinary Resolution No. 15, unless the Shareholder concerned has given specific instructions in a validly completed and submitted instrument appointing a proxy(ies) as to voting, or abstentions from voting, in respect of Ordinary Resolution No. 15.

7. INSPECTION OF DOCUMENTS

- 7.1 The Annual Report 2023-24 may be accessed from 4 July 2024 at the Company's website at the URL <https://www.sats.com.sg/AGM2024> by clicking on the link for "SATS Annual Report FY2023-24" under "AGM 2024 Documents".
- 7.2 The 2023 Letter may be accessed from the date of this Letter at the Company's website at the URL <https://www.sats.com.sg/AGM2024> by clicking on the link for "Letter to Shareholders 2023" under "AGM 2024 Documents".

8. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Letter and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Letter constitutes full and true disclosure of all material facts about the Proposals, and the Company and its subsidiaries which are relevant to the Proposals, and the Directors are not aware of any facts the omission of which would make any statement in this Letter misleading. Where information in this Letter has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Letter in its proper form and context.

Yours faithfully
for and on behalf of the Board of Directors of
SATS Ltd.

Ms Euleen Goh Yiu Kiang
Chairman

APPENDIX 1

THE IPT MANDATE

1. CHAPTER 9 OF THE LISTING MANUAL

- 1.1 Chapter 9 of the listing manual (the “**Listing Manual**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) governs transactions by a listed company, as well as transactions by its subsidiaries and associated companies that are considered to be at risk, with the listed company’s interested persons. When this Chapter applies to a transaction and the value of that transaction alone or on aggregation with other transactions conducted with the same interested person during the same financial year reaches, or exceeds, certain materiality thresholds, the listed company is required to make an immediate announcement, or to make an immediate announcement and seek its shareholders’ approval for that transaction.
- 1.2 Except for certain transactions which, by reason of the nature of such transactions, are not considered to put the listed company at risk to its interested persons and hence are excluded from the ambit of Chapter 9 of the Listing Manual (“**Chapter 9**”), immediate announcement and shareholders’ approval would be required in respect of transactions with interested persons if certain financial thresholds (which are based on the value of the transaction as compared with the listed company’s latest audited consolidated net tangible assets (“**NTA**”)) are reached or exceeded. In particular, shareholders’ approval is required for an interested person transaction of a value equal to, or exceeding:
- (a) 5% of the listed company’s latest audited consolidated NTA; or
 - (b) 5% of the listed company’s latest audited consolidated NTA, when aggregated with other transactions entered into with the same interested person (as such term is construed under Chapter 9) during the same financial year.
- 1.3 Chapter 9 permits a listed company, however, to seek a general mandate from its shareholders for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials (but not in respect of the purchase or sale of assets, undertakings or businesses) that may be carried out with the listed company’s interested persons.
- 1.4 Under the Listing Manual:
- (a) an “**approved exchange**” means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles to Chapter 9;
 - (b) (in the case of a company) an “**associate**” in relation to an interested person who is a director, chief executive officer or controlling shareholder means an immediate family member (that is, the spouse, child, adopted-child, step-child, sibling or parent) of such director, chief executive officer or controlling shareholder, the trustees of any trust of which the director/his immediate family, the chief executive officer/his immediate family or controlling shareholder/his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object, and any company in which the director and his

immediate family, the chief executive officer and his immediate family or controlling shareholder and his immediate family have an aggregate interest (directly or indirectly) of 30% or more, and, where a controlling shareholder is a corporation, its subsidiary or holding company or fellow subsidiary or a company in which it and/or they have (directly or indirectly) an interest of 30% or more;

- (c) an “**associated company**” means a company in which at least 20% but not more than 50% of its shares are held by the listed company or group;
- (d) “**control**” means the capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company;
- (e) a “**controlling shareholder**” means a person who (i) holds directly or indirectly 15% or more of the total number of issued shares in the company excluding treasury shares and subsidiary holdings (the SGX-ST may determine that such person is not a controlling shareholder) or (ii) in fact exercises control over a company;
- (f) an “**entity at risk**” means:
 - (i) the listed company;
 - (ii) a subsidiary of the listed company that is not listed on the SGX-ST or an approved exchange; or
 - (iii) an associated company of the listed company that is not listed on the SGX-ST or an approved exchange, provided that the listed company and/or its subsidiaries (the “**listed group**”), or the listed group and its interested person(s), has control over the associated company;
- (g) (in the case of a company) an “**interested person**” means a director, chief executive officer or controlling shareholder of the listed company or an associate of such director, chief executive officer or controlling shareholder. The SGX-ST may also deem any person or entity to be an interested person if the person or entity has entered into, or proposes to enter into (i) a transaction with an entity at risk, and (ii) an agreement or arrangement with an interested person in connection with that transaction; and
- (h) an “**interested person transaction**” means a transaction between an entity at risk and an interested person.

2. THE IPT MANDATE

2.1 Rationale for the IPT Mandate

- 2.1.1 It is anticipated that the EAR Group (as defined in paragraph 2.1.2 below) would, in the ordinary course of its business, enter into certain transactions with its Interested Persons (as defined in paragraph 2.1.2 below). It is likely that such transactions will occur with some degree of frequency and could arise at any time. Such transactions include, but are not limited to, the transactions described in paragraph 2.4 below. Among other things, the entry into of financial and treasury support transactions described in paragraph 2.4(b) below will benefit the EAR Group, as the EAR

Group will have access to competitive quotes from its Interested Persons in addition to obtaining quotes from, or transacting with, non-Interested Persons.

- 2.1.2 Owing to the time-sensitive nature of commercial transactions, approval from the shareholders of SATS Ltd. ("**SATS**" or the "**Company**") (the "**Shareholders**") is being sought for this proposed IPT Mandate pursuant to Chapter 9 to enable:

- (a) SATS;
- (b) subsidiaries of SATS (excluding subsidiaries listed on the SGX-ST or an approved exchange); and
- (c) associated companies of SATS (excluding associated companies listed on the SGX-ST or an approved exchange) over which SATS and its subsidiaries (collectively, the "**SATS Group**"), or the SATS Group and interested person(s) of SATS has or have control,

(together, the "**EAR Group**"), or any of them, in the normal course of their business, to enter into the categories of interested person transactions ("**Interested Person Transactions**") described in paragraph 2.4 below with the specified classes of SATS' interested persons (the "**Interested Persons**") set out in paragraph 2.3.1 below, provided that such transactions are made on the EAR Group's normal commercial terms.

- 2.1.3 The IPT Mandate will take effect from the date of the passing of the ordinary resolution relating thereto, to be proposed at the Annual General Meeting of the Company to be held on 19 July 2024 and will (unless revoked or varied in general meeting) continue in force until the next Annual General Meeting ("**AGM**") of the Company. Thereafter, approval from Shareholders for a renewal of the IPT Mandate will be sought at each subsequent AGM of the Company or Extraordinary General Meeting of the Company, as the case may be, subject to the satisfactory review by the Audit Committee of the Company (the "**Audit Committee**") of its continued application to the transactions with Interested Persons.

2.2 Scope of the IPT Mandate

- 2.2.1 The EAR Group provides a whole range of services, including air freight and ground handling services, inflight meal and food catering services, laundry and linen services and security services, to Singapore Airlines Limited ("**SIA**") and its subsidiaries. The EAR Group also provides certain security and other services to SIA Engineering Company Limited.
- 2.2.2 The IPT Mandate will not cover any transaction by a company in the EAR Group with an Interested Person that is below S\$100,000 in value as the threshold and aggregation requirements of Chapter 9 would not apply to such transactions. The IPT Mandate would, however, cover Interested Person Transactions with values below S\$100,000 entered into during the same financial year and which are aggregated by the SGX-ST under Chapter 9 and treated as if they were one Interested Person Transaction which has a value of S\$100,000 or more.

2.3 Classes of Interested Persons

- 2.3.1 The IPT Mandate will apply to the Interested Person Transactions (as described in paragraph 2.4 below) which are carried out with Temasek Holdings (Private) Limited and its associates (which include SIA and its associates).
- 2.3.2 Transactions with Interested Persons which do not fall within the ambit of the IPT Mandate shall be subject to the relevant provisions of the Listing Manual. The IPT Mandate does not apply to Interested Person Transactions with the President & Chief Executive Officer of the Company (the “CEO”), the directors of the Company (the “**Directors**”), and their respective associates, for which separate Shareholders’ approval will be obtained if it becomes necessary to do so.

2.4 Interested Person Transactions

The Interested Person Transactions which will be covered by the IPT Mandate and the benefits to be derived from them are the general transactions by the EAR Group relating to the provision to, or the obtaining from or through, Interested Persons, or the joint transacting with Interested Persons for, products and services in the normal course of business of the EAR Group (but not in respect of the purchase or sale of assets, undertakings or businesses), including:

- (a) air freight, logistics and other cargo-related services, and passenger, baggage and other ground handling services, food supply, inflight meal and food catering services, food testing services, laundry and linen services and security services;
- (b) provision of central purchasing, financial and treasury support (including borrowing of funds from, and placement of funds with, Interested Persons, entry into forex, swap and option transactions with or through Interested Persons for hedging purposes, subscription of debt securities issued by Interested Persons, and provision of fund management services), tax, internal audit, staff training and centrally organised activities and meetings for staff and management, staff transportation and other personnel-related or staff welfare-related services, provision of management and corporate support, staff pooling, technical support, central reservations and other telecommunications systems and support, and other related services;
- (c) provision of technical and information technology services, including the acquisition and leasing of computer equipment, provision of computer maintenance services and systems, development, licensing and acquisition of computer software programmes, and other information technology-related equipment, goods and services;
- (d) rental and licensing of space, both as lessor/lessee and licensor/licensee, provision of building maintenance services, property management services, and the development of property for investment purposes;
- (e) the obtaining of insurances and the underwriting of risks;
- (f) the obtaining of electricity and other power sources and utilities; and
- (g) any other transaction relating to the provision of or obtaining from or through, Interested Persons, or the joint transacting with Interested Persons for, products and services related

to the EAR Group's principal and ancillary activities in the normal course of its business and on normal commercial terms.

2.5 Review Procedures for Interested Person Transactions subject to the IPT Mandate (the "Mandated Interested Person Transactions")

2.5.1 The EAR Group has established the following procedures to ensure that Mandated Interested Person Transactions are undertaken on the EAR Group's normal commercial terms:

(a) *Review Procedures*

There are procedures established by the EAR Group to ensure that Mandated Interested Person Transactions are undertaken on the EAR Group's normal commercial terms, consistent with the EAR Group's usual business practices and policies, which are generally no more favourable to the Interested Persons than those extended to unrelated third parties.

In particular, the following review procedures have been put in place.

(i) *Provision of Services or the Sale of Products*

The review procedures are:

- (aa) all contracts entered into or transactions with Interested Persons are to be carried out at the prevailing market rates or prices of the service or product providers, on terms which are generally no more favourable to the Interested Persons than the usual commercial terms that would be extended to unrelated third parties (including, where applicable, preferential rates/prices/discounts accorded for bulk or high volume purchases) or otherwise in accordance with applicable industry norms; and
- (bb) where the prevailing market rates or prices are not available due to the nature of service to be provided or the product to be sold, the EAR Group's pricing for such services to be provided or products to be sold to Interested Persons is determined in accordance with the EAR Group's usual business practices and pricing policies, consistent with the key terms to be obtained by the EAR Group for the same or substantially similar type of contract or transaction with unrelated third parties, taking into consideration factors including but not limited to, quantity, volume, consumption, customer requirements, specifications, duration of contract, strategic purposes of the transaction or the limited resources available to the EAR Group.

(ii) *Obtaining of Services or the Purchasing of Products*

All purchases made by the EAR Group, including purchases from Interested Persons are governed by internal control procedures which detail matters such as the constitution of internal approving authorities, their monetary jurisdictions, the number of vendors from whom bids are to be obtained and the review procedures.

The guiding principle is to objectively obtain the best goods and/or services on the best terms. Tender exercises are generally conducted for most of our purchases except in the case of transactions of value below certain thresholds specified in the internal control procedures. Where it is not possible, practicable or appropriate for a tender to be called (for example, where the service is required urgently or where conducting an effective tender would require disclosure of confidential price-sensitive information), an authorised senior management staff within the EAR Group will determine whether the price and terms offered by the Interested Person are on normal commercial terms.

In the case where a tender exercise is conducted, the invitation for bids will generally include a specimen contract to preclude negotiations by the vendor on the terms of supply after the successful vendor is selected by the tenders committee. There will be written contractual terms of supply applicable to each tender. The tender review procedures require:

- (aa) (in the case of the SATS Group) an open tender for bids to be called if there are more than 6 known vendors for the contract or item unless this requirement is waived by the tenders committee in exceptional circumstances, in which case a closed tender will be called; if there are 6 or fewer known vendors, a closed tender for bids will be called inviting all the known vendors to bid; and
- (bb) (in the case of the associated company of the Company forming part of the EAR Group) an open tender for bids to be called if the value of the contract exceeds a specified amount; if it does not exceed such amount, a closed tender for bids will be called inviting all known vendors to bid.

For the purpose of this provision, the expression “**known vendors**” refers to vendors known to the relevant purchaser of services or products within the EAR Group or the relevant purchasing authority, which the tenders committee considers to have the requisite qualification for the contract. Bids which are received, regardless of whether they are from Interested Persons or not will be subject to the same evaluation criteria based on price, product quality, delivery schedules, specification compliance, track record, experience and expertise. Preferential rates, rebates or discounts accorded for bulk purchases are also taken into account.

(iii) *Treasury Transactions*

(aa) Placements

In relation to the placement with any Interested Person by the EAR Group of its funds, the Company will require that quotations be obtained from such Interested Person and at least two other potential counterparties for rates of deposits with such counterparties of an equivalent amount, and for the equivalent period, of the funds to be placed by the EAR Group. The EAR Group will only place its funds with such Interested Person, provided that the terms quoted are generally no less favourable than the terms

quoted by such counterparties for equivalent amounts, taking into account all relevant factors.

(bb) Borrowings

In relation to the borrowing of funds from any Interested Person by the EAR Group, the Company will require that quotations be obtained from such Interested Person and at least two other potential counterparties for rates for loans from such counterparties of an equivalent amount, and for the equivalent period, of the funds to be borrowed by the EAR Group. The EAR Group will only borrow funds from such Interested Person if the Interested Person offers the best rates and terms and best meets the EAR Group's requirements, taking into account all relevant factors.

(cc) Debt Securities and Preference Shares

In relation to the subscription of debt securities or preference shares issued by, or the purchase of debt securities or preference shares from, Interested Persons, the EAR Group will only subscribe for or purchase such debt securities or preference shares after assessment of the credit risk of such Interested Persons, provided that the price(s) at which the EAR Group subscribes for or purchases such debt securities or preference shares is not higher than the price(s) at which such debt securities or preference shares are subscribed for or purchased by unrelated third parties.

In relation to the issue or sale to Interested Persons of debt securities or preference shares, the EAR Group will issue or sell such debt securities or preference shares to Interested Persons provided that the price(s) at which the EAR Group issues or sells such debt securities or preference shares is not lower than the price(s) at which such debt securities or preference shares are issued or sold to unrelated third parties. The EAR Group will also comply with all applicable laws and regulations in connection with the issue or sale of such debt securities or preference shares to Interested Persons.

(dd) Forex, Swaps, Options

In relation to forex, swaps and options transactions with any Interested Person by the EAR Group, the Company will require that rate quotations be obtained from such Interested Person and at least two other potential counterparties. The EAR Group will only enter into such forex, swaps or options transactions with such Interested Person if the Interested Person offers the best rates and terms and best meets the EAR Group's requirements, taking into account all relevant factors.

For the purposes of this sub-paragraph (iii), references to "**counterparties**" include, but are not limited to, banks, financial institutions or other corporates, which are not Interested Persons.

(b) *Threshold Limits*

In addition to the review procedures, the following review and approval procedures will be implemented to supplement existing internal control procedures for general transactions:

- (i) Interested Person Transactions equal to or exceeding S\$100,000 but less than S\$3 million in value will be reviewed and approved by (aa) a senior member of the Company's management designated for such purpose by the CEO, (bb) the CEO or (cc) the Audit Committee;
- (ii) Interested Person Transactions equal to or exceeding S\$3 million but less than S\$30 million in value will be reviewed and approved by (aa) the CEO or (bb) the Audit Committee;
- (iii) Interested Person Transactions equal to or exceeding S\$30 million in value will be reviewed and approved by the Board of Directors of the Company (the "**Board**") and the Audit Committee;
- (iv) where the aggregate value of all Interested Person Transactions (including the latest Interested Person Transaction) entered into with the same Interested Person in the current financial year is equal to or exceeds S\$3 million but below S\$30 million in value, the latest and all future Interested Person Transactions equal to or above S\$100,000 but below S\$30 million in value will be reviewed and approved by (aa) the CEO or (bb) the Audit Committee; and
- (v) where the aggregate value of all Interested Person Transactions (including the latest Interested Person Transaction) entered into with the same Interested Person in the current financial year is equal to or exceeds S\$30 million in value, the latest and all future Interested Person Transactions equal to or above S\$100,000 in value will be reviewed and approved by the Board and the Audit Committee.

References to the "**same Interested Person**" shall bear the meaning set out in Rule 908 of the Listing Manual.

Individual transactions of a value less than S\$100,000 do not require review and approval and will not be taken into account in the aggregation referred to in subparagraphs (iv) and (v) above. Interested Person Transactions entered into with the same Interested Person in previous financial years will not be taken into account in the aggregation of transactions for the purpose of the IPT Mandate under subparagraphs (iv) and (v) above.

- 2.5.2 A register will be maintained by the Company to record all Interested Person Transactions which are entered into pursuant to the IPT Mandate. The internal audit plan will incorporate an audit of Interested Person Transactions entered into pursuant to the IPT Mandate to ensure that the relevant approvals have been obtained and the review procedures in respect of such transactions are adhered to.
- 2.5.3 The Board and the Audit Committee shall review the internal audit reports to ascertain that the guidelines and procedures to monitor Interested Person Transactions have been complied with.

- 2.5.4 The Board and the Audit Committee shall have overall responsibility for the determination of the review procedures (including the interpretation and implementation thereof) with the authority to sub-delegate to individuals or committees within the Company as they deem appropriate. If a member of the Board or the Audit Committee has an interest in the transaction to be reviewed by the Board or the Audit Committee, as the case may be, he will abstain from any decision-making by the Board or the Audit Committee in respect of that transaction.

2.6 Benefit to Shareholders

- 2.6.1 The IPT Mandate and its subsequent renewal on an annual basis would eliminate the need to convene separate general meetings from time to time to seek Shareholders' approval as and when potential Interested Person Transactions with a specific class of Interested Persons arise, thereby reducing substantially administrative time and expenses in convening such meetings, without compromising the corporate objectives or adversely affecting the business opportunities available to the Company.
- 2.6.2 The IPT Mandate is intended to facilitate transactions in the normal course of business of the EAR Group which are transacted from time to time with the specified classes of Interested Persons, provided that they are carried out on the normal commercial terms of the relevant company in the EAR Group and are not prejudicial to the Shareholders.
- 2.6.3 Pursuant to Rules 907 and 920(1) of the Listing Manual, the Company will:
- (a) announce the aggregate value (as determined by the Board) of transactions entered into with Interested Persons pursuant to the IPT Mandate, for the financial periods which it is required to report on pursuant to the Listing Manual, and within the time required for the announcement of such report; and
 - (b) disclose the IPT Mandate in the annual report of SATS, giving details of the aggregate value of Interested Person Transactions entered into pursuant to the IPT Mandate during the current financial year, and in the annual reports for the subsequent financial years during which a shareholders' mandate for interested person transactions is in force or as otherwise required by the provisions of the Listing Manual.

The name of the Interested Person, nature of relationship and the corresponding aggregate value of the Interested Person Transactions entered into with the same Interested Person will be presented in the following format:

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions pursuant to the IPT Mandate (or a shareholders' mandate for interested person transactions under Rule 920 of the Listing Manual))	Aggregate value of all interested person transactions under the IPT Mandate (or a shareholders' mandate for interested person transactions under Rule 920 of the Listing Manual) during the financial year under review (excluding transactions less than S\$100,000)

2.7 Audit Committee's Statements

- 2.7.1 The Audit Committee has reviewed the terms of the IPT Mandate, as proposed to be renewed, and is satisfied that the methods and procedures for determining the transaction prices as set out in the IPT Mandate are sufficient to ensure that Interested Person Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.
- 2.7.2 The Audit Committee will, in conjunction with its review of the internal audit reports and relevant Interested Person Transactions, as the case may be, also review the established guidelines and procedures to ascertain that they have been complied with. Further, if during these periodic reviews by the Audit Committee, the Audit Committee is of the view that the methods and procedures as stated above are not sufficient to ensure that these Interested Person Transactions will be on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders, the Company will revert to Shareholders for a fresh mandate based on new methods and procedures for transactions with Interested Persons.

APPENDIX 2

AMENDED AND RESTATED RULES OF THE SATS PERFORMANCE SHARE PLAN (Incorporating all amendments up to 19 July 2024)

1. NAME OF THE PLAN

The Plan shall be called the “**SATS Performance Share Plan**”.

2. DEFINITIONS

2.1 In the Plan, unless the context otherwise requires, the following words and expressions shall have the following meanings:

“ Act ”	:	The Companies Act, Chapter 50 of Singapore <u>1967</u> .
“ Adoption Date ”	:	The date on which the Plan is adopted by the Company in general meeting.
“ Articles ”	:	The Articles of Association of the Company, as amended from time to time.
“ Associated Company ”	:	In relation to SATS, means a company, not being a subsidiary of SATS, in which (a) the Group has an interest of not less than 20% in the equity and in whose financial and operating policy decisions the Group exercises significant influence; or (b) the Group has an interest of not more than 50% in the equity and has joint control of the company's commercial and financial affairs.
“ Auditors ”	:	The auditors of the Company for the time being.
“ Award ”	:	A contingent award of Shares granted under Rule 5.
“ Award Date ”	:	In relation to an Award, the date on which the Award is granted pursuant to Rule 5.
“ Award Letter ”	:	A letter in such form as the Committee shall approve confirming an Award granted to a Participant by the Committee.
“ CDP ”	:	The Central Depository (Pte) Limited.
“ <u>Clawback Determination Date</u> ”	:	<u>Has the meaning given to it in Rule 7.5.4.</u>

<u>“Clawback Notification Date”</u>	:	<u>Has the meaning given to it in Rule 7.5.4(a).</u>
<u>“Clawback Period”</u>	:	<u>Has the meaning given to it in Rule 7.5.2(b)(ii).</u>
<u>“Clawback Right”</u>	:	<u>Has the meaning given to it in Rule 7.5.2(b)(ii).</u>
“Committee”	:	A committee comprising directors of the Company duly authorised and appointed by the board of directors of the Company to administer the Plan.
“Communication”	:	An Award, including the Award Letter and/or any correspondence made or to be made under the Plan (individually or collectively).
“Company” or “SATS”	:	SATS Ltd., a company incorporated in the Republic of Singapore.
<u>“Constitution”</u>	:	<u>The Constitution of the Company, as amended from time to time.</u>
<u>“Depository Agent”</u>	:	<u>Has the meaning given to it in the Securities and Futures Act 2001.</u>
“Group”	:	The Company and its subsidiaries.
“Group Employee”	:	Any employee of the Group (including any Group Executive Director) selected by the Committee to participate in the Plan in accordance with Rule 4.
“Group Executive Director”	:	A director of the Company and/or any of its subsidiaries, as the case may be, who performs an executive function.
“Listing Manual”	:	The Listing Manual of the Singapore Exchange.
“Market Day”	:	A day on which the Singapore Exchange is open for trading in securities.
“Market Value”	:	In relation to a Share, on any day: (a) the volume-weighted average price of a Share on the Singapore Exchange over the five (5) immediately preceding Market Days on which the Shares are transacted on the Singapore Exchange; or (b) if the Committee is of the opinion that the Market Value as determined in accordance with (a) above is not representative of the value of a Share, such price as the Committee may determine, such

determination to be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.

"Participant"	: A Group Employee who has been granted an Award.
"Performance Condition"	: In relation to an Award, the condition specified on the Award Date in relation to that Award.
"Performance Period"	: In relation to an Award, a period, the duration of which is to be determined by the Committee on the Award Date, during which the Performance Condition is to be satisfied.
"Plan"	: The SATS Performance Share Plan, as the same may be modified or altered from time to time.
<u>"Record Date"</u>	: <u>The date fixed by the Company for the purposes of determining entitlements to dividends or other distributions to, or rights of, holders of Shares.</u>
<u>"Recoverable Monies"</u>	: <u>Has the meaning given to it in Rule 7.5.2(b)(ii).</u>
"Release"	: In relation to an Award, the release at the end of the Performance Period relating to that Award of all or some of the Shares to which that Award relates in accordance with Rule 7 and, to the extent that any Shares which are the subject of the Award are not released pursuant to Rule 7, the Award in relation to those Shares shall lapse accordingly, and "Released" shall be construed accordingly.
<u>"Release Value"</u>	: <u>In relation to Released Shares, has the meaning given to it in Rule 7.5.4(b)(ii).</u>
"Released Award"	: An Award which has been Released in full or in part in accordance with Rule 7.
<u>"Released Shares"</u>	: <u>Has the meaning given to it in Rule 7.5.2(b)(ii).</u>
"SATS ESOP"	: The SATS Employee Share Option Plan adopted by the Company, as the same may be modified or altered from time to time.
"SATS RSP"	: The SATS Restricted Share Plan adopted or to be adopted by the Company, as the same may be modified or altered from time to time.

"Security Device"	: Any smartcard, digital certificate, digital signature, encryption device, electronic key, logon identifier, password, personal identification number, and/or other code or any access procedure incorporating any one or more of the foregoing, designated by the Company for use in conjunction with the Plan.
"Shares"	: Ordinary shares in the capital of the Company.
"Singapore Exchange"	: The Singapore Exchange Securities Trading Limited.
"Vesting"	: In relation to Shares which are the subject of a Released Award, the absolute entitlement to all or some of the Shares which are the subject of a Released Award and "Vest" and "Vested" shall be construed accordingly.
"Vesting Date"	: In relation to Shares which are the subject of a Released Award, the date (as determined by the Committee and notified to the relevant Participant) on which those Shares have Vested pursuant to Rule 7.
"S"	: Singapore dollar.
"%"	: Per centum or percentage.

- 2.2 Words importing the singular number shall, where applicable, include the plural number and vice versa. Words importing the masculine gender shall, where applicable, include the feminine and neuter gender.
- 2.3 Any reference to a time of a day in the Plan is a reference to Singapore time unless otherwise stated.
- 2.4 Any reference in the Plan to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Act or any statutory modification thereof and not otherwise defined in the Plan and used in the Plan shall have the meaning assigned to it under the Act or any statutory modification thereof, as the case may be.

3. OBJECTIVES OF THE PLAN

The Plan is a share incentive scheme. The Plan is proposed on the basis that it is important to retain ~~employees~~Group Employees whose contributions are essential to the well-being and prosperity of the Group and to give recognition to outstanding ~~employees~~Group Employees and ~~executive directors of the Group~~ Executive Directors who have contributed to the growth of the Group. The Plan will give Participants an opportunity to have a personal equity interest in the Company and will help to achieve the following positive objectives:

- (a) motivate ~~Participants~~Group Employees to optimise their performance standards and efficiency, maintain a high level of contribution to the Group and strive to deliver long-term shareholder value;

- (b) align the interests of ~~employees~~Group Employees with the interests of the shareholders of the Company;
- (c) retain key ~~employees and executive directors of the Group~~ Employees whose contributions are key to the long-term growth and profitability of the Group;
- (d) instil loyalty to, and a stronger identification by ~~employees~~Group Employees with the long-term prosperity of, the Company; and
- (e) attract potential ~~employees~~Group Employees with relevant skills to contribute to the Group and to create value for the shareholders of the Company.

4. ELIGIBILITY OF PARTICIPANTS

Group Employees who have attained the ~~legal~~ age of twenty-one (21) years and hold such rank as may be designated by the Committee from time to time shall be eligible to participate in the Plan at the absolute discretion of the Committee unless they are also controlling shareholders (as defined in the Listing Manual) of the Company or associates (as defined in the Listing Manual) of such controlling shareholders.

5. GRANT OF AWARDS

- 5.1 Subject as provided in Rule 8, the Committee may grant Awards to Group Employees, as the Committee may select, in its absolute discretion, at any time during the period when the Plan is in force.
- 5.2 The number of Shares which are the subject of each Award to be granted to a Participant in accordance with the Plan shall be determined at the absolute discretion of the Committee, which shall take into account such criteria such as it considers fit, including (but not limited to) his rank, job performance, years of service and potential for future development, his contribution to the success and development of the Group and the extent of effort and resourcefulness required to achieve the Performance Condition within the Performance Period.
- 5.3 The Committee shall decide in relation to an Award:
 - (a) the Participant;
 - (b) the Award Date;
 - (c) the number of Shares which are the subject of the Award;
 - (d) the Performance Condition;
 - (e) the Performance Period;
 - (f) the extent to which the Shares which are the subject of that Award shall be Released on the Performance Condition being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the Performance Period; and

(g) any other condition which the Committee may determine in relation to that Award.

5.4 The Committee may amend or waive the Performance Period, the Performance Condition and/or any condition applicable in respect of an Award:

(a) in the event of a take-over offer being made for the Shares or ~~if, under the Act, the court sanctions a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies~~ being approved by shareholders of the Company and/or sanctioned by the court under the Act or in the event of an order being made or a resolution passed for the winding-up of the Company (other than as provided in Rule 6.1(d) or for reconstruction or amalgamation) or a proposal to sell all or substantially all of the assets of the Company; or

(b) if anything happens which causes the Committee to conclude that:

(i) a changed Performance Condition would be a fairer measure of performance, and would be no less difficult to satisfy; or

(ii) the Performance Condition should be waived,

and shall notify the relevant Participant(s) of such change or waiver.

5.5 As soon as reasonably practicable after making an Award, the Committee shall send to each Participant an Award Letter confirming the Award and specifying in relation to the Award:

(a) the Award Date;

(b) the number of Shares which are the subject of the Award;

(c) the Performance Condition;

(d) the Performance Period;

(e) the extent to which the Shares which are the subject of that Award shall be Released on the Performance Condition being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the Performance Period; and

(f) any other condition which the Committee may determine in relation to that Award.

5.6 Participants are not required to pay for the grant of Awards.

5.7 An Award or Released Award shall be personal to the Participant to whom it is granted and, prior to the allotment and/or transfer to the Participant of the Shares to which the Released Award relates, shall not be transferred, charged, assigned, pledged or otherwise disposed of, in whole or in part, except with the prior approval of the Committee and if a Participant shall do, suffer or permit any such act or thing as a result of which he would or might be deprived of any rights under an Award or Released Award, that Award or Released Award shall immediately lapse.

6. EVENTS PRIOR TO THE VESTING DATE

6.1 An Award shall, to the extent not yet Released, immediately lapse without any claim whatsoever against the Company in any of the following events, namely:

- (a) the Participant ceasing to be in the employment of the Group for any reason whatsoever (other than as specified in Rules 6.2 (a), (b) and (c) below);
- (b) the bankruptcy of ~~a~~the Participant or the happening of any other event which results in his being deprived of the legal or beneficial ownership of the Award;
- (c) the misconduct on the part of ~~a~~the Participant as determined by the Committee in its discretion; or
- (d) an order being made or a resolution passed for the winding-up of the Company on the basis, or by reason, of its insolvency.

6.2 In any of the following events, namely:

- (a) the retirement of ~~a~~the Participant or the Participant ceasing to be employed by the Group by reason of (i) ill health, injury or disability (in each case, evidenced to the satisfaction of the Committee) or death, (ii) redundancy, or (iii) any other reason approved in writing by the Committee;
- (b) the completion of a fixed term contract for a Participant on a fixed term contract;
- (c) the Participant ceasing to be in the employment of the Group by reason of:
 - (i) a transfer of employment to any of the Company's Associated Companies, where such reason for cessation of employment is approved in writing by the Committee;
 - (ii) a subsequent transfer of employment (from time to time) to any of the Company's Associated Companies ~~of the Company~~, following a transfer of employment by a Participant to any of the companies described in sub-paragraph (i) above; or
 - (iii) the subsidiary of the Company in which a Participant is employed, or the Associated Company of the Company in which a Participant is employed following transfer(s) of employment by that Participant as described in sub-paragraphs (i) and (ii) above, being subsequently wholly or partially disposed of by the Company; or
- (d) any other event approved by the Committee,

then the Committee may, in its absolute discretion, preserve all or any part of any Award and decide as soon as reasonably practicable following such event either to Vest some or all of the Shares which are the subject of the Award or to preserve all or part of any Award until the end of the Performance Period and subject to the provisions of the Plan. In exercising its discretion, the Committee will have regard to all circumstances on a case-by-case basis, including (but not limited

to) the contributions made by that Participant and the extent to which the Performance Condition has been satisfied.

6.3 For the purpose of Rule 6, a Participant shall be deemed to have ceased to be employed by any company within the Group as of the last day of his employment with such company.

6.4 Without prejudice to the provisions of Rule 5.4, if before the Vesting Date, any of the following occurs:

- (a) a take-over offer for the Shares becomes or is declared unconditional;
- (b) ~~the court sanctions~~ a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies being approved by shareholders of the Company and/or sanctioned by the court under the Act; or
- (c) an order being made or a resolution passed for the winding-up of the Company (other than as provided in Rule 6.1(d) or for amalgamation or reconstruction),

the Committee will consider, at its discretion, whether or not to Release any Award, and will take into account all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that Participant. If the Committee decides to Release any Award, then in determining the number of Shares to be Vested in respect of such Award, the Committee will have regard to the proportion of the Performance Period which has elapsed and the extent to which the Performance Condition has been satisfied. Where Awards are Released, the Committee will, as soon as practicable after the Awards have been Released, procure the allotment or transfer to each Participant of the number of Shares so determined, such allotment or transfer to be made in accordance with Rule 7. If the Committee so determines, the Release of Awards may be satisfied in cash as provided in Rule 7.

7. RELEASE OF AWARDS AND MALUS AND CLAWBACK RIGHTS

7.1 Review of Performance Condition

7.1.1 As soon as reasonably practicable after the end of each Performance Period, the Committee shall review the Performance Condition specified in respect of each Award and determine at its discretion whether it has been satisfied and, if so, the extent to which it has been satisfied, and, subject to the Committee having determined that any other condition applicable thereto has been satisfied and (subject to Rule 6) provided that the relevant Participant has continued to be a Group Employee from the Award Date up to the end of the Performance Period, shall Release to that Participant all or part (as determined by the Committee at its discretion in the case where the Committee has determined that there has been partial satisfaction of the Performance Condition) of the Shares to which his Award relates in accordance with the Performance Condition specified in respect of his Award on the Vesting Date. If not, the Awards shall lapse and be of no value.

~~The Committee shall have the discretion to determine~~In determining whether the Performance Condition has been satisfied (whether fully or partially) or exceeded ~~and in making any such determination~~, the Committee shall have the right to make reference to

the audited results of the Company or the Group to take into account such factors as the Committee may determine to be relevant, such as changes in accounting methods, taxes and extraordinary events, and further, the right to amend the Performance Condition if the Committee decides that a changed performance target would be a fairer measure of performance.

7.1.2 Shares which are the subject of a Released Award shall be Vested to a Participant on the Vesting Date, which shall be a Market Day falling as soon as practicable after the review by the Committee referred to in Rule 7.1.1 and, on the Vesting Date, the Committee will procure the allotment or transfer to each Participant of the number of Shares (which may, in the case of a transfer of Shares, include Shares held by the Company in treasury) so determined.

7.1.3 Where new Shares are allotted upon the Vesting of any Award, the Company shall, as soon as practicable after such allotment, apply to the Singapore Exchange for permission to deal in and for quotation of such Shares.

7.2 Release of Award

Shares which are allotted or transferred on the Release of an Award to a Participant shall be issued in the name of, or transferred to, CDP to the credit of the securities account of that Participant maintained with CDP ~~or, the securities sub-account of that Participant maintained with a Depository Agent or such other securities account or securities sub-account~~, in each case, as designated by that Participant.

7.3 Ranking of Shares

New Shares allotted and issued, and existing Shares procured by the Company for transfer, on the Release of an Award shall:

- (a) be subject to all the provisions of the ~~Articles and the Memorandum of Association of the Company~~ Constitution; and
- (b) rank in full for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Shares, the Record Date for which is on or after the relevant Vesting Date, and shall in all other respects rank *pari passu* with other existing Shares then in issue.

~~In this Rule 7.3, "Record Date" means the date fixed by the Company for the purposes of determining entitlements to dividends or other distributions to or rights of holders of Shares.~~

7.4 Cash Awards

The Committee, in its absolute discretion, may determine to make a Release of an Award, wholly or partly, in the form of cash rather than Shares, in which event the Participant shall receive on the Vesting Date, in lieu of all or part of the Shares which would otherwise have been allotted or transferred to him on Release of his Award, the aggregate Market Value of such Shares on the Vesting Date.

7.5 Malus and Clawback Rights

7.5.1 This Rule 7.5 (and the Company's rights thereunder) shall apply in relation to Awards granted on or after 19 July 2025 and, for the avoidance of doubt, shall apply to every such Award without need for a reference to this Rule 7.5 in the Award Letter or for the Committee to decide that this Rule 7.5 shall apply (whether pursuant to Rule 5.3 or otherwise).

7.5.2 (a) The grant of each Award, each Release of Shares, and each payment in lieu of Shares which would otherwise have been Released to the Participant is subject to, and conditional upon, the Company's rights as set out in this Rule 7.5.

(b) If the Committee in its sole and absolute discretion determines that any of the exceptional circumstances enumerated in Rule 7.5.3 has occurred in relation to a Participant, then:

(i) without prejudice to the provisions of Rule 6.1, the Committee may cancel all or part of any Award to the extent not yet Released to such Participant; and

(ii) in respect of all the Shares which were Released to such Participant within the period of 6 years prior to the Clawback Determination Date ("**Clawback Period**") (and, for the purposes of this Rule 7.5, a Share shall be deemed to have been Released to such Participant if such Participant had received payment of cash in lieu of such Share pursuant to Rule 7.4) (such Shares Released during the Clawback Period, the "**Released Shares**"), the Company has the right ("**Clawback Right**") to compel or otherwise require a Participant to (and the Participant shall) pay to the Company such amount(s) as determined by the Committee ("**Recoverable Monies**") up to the aggregate of:

(1) in respect of such of the Released Shares in relation to which the Participant received cash in lieu, the aggregate payments received by such Participant in lieu of such Released Shares pursuant to Rule 7.4 prior to the Clawback Determination Date; and

(2) in respect of all other Released Shares, the Release Value of all such Released Shares.

subject to, in accordance with, and as more fully set out in, Rules 7.5.4 and 7.5.5.

7.5.3 The exceptional circumstances referred to in Rule 7.5.2(b) are as follows:

(a) any Award:

(i) which was granted to the Participant within the Clawback Period; and/or

- (ii) pursuant to which any of the Released Shares were Released to the Participant,

was based (in whole or in part) on inaccurate financial statements (irrespective of when such inaccuracy was discovered and irrespective of who caused such inaccuracy, and whether such financial statements were audited or unaudited);

- (b) the Participant had, at any time, engaged in conduct that:

- (i) directly or indirectly caused, resulted in and/or contributed to, or is likely (in the opinion of the Committee) to cause, result in and/or contribute to (whether directly or indirectly):

- (1) any financial loss or reputational harm to the Group, any company within the Group or an Associated Company; and/or

- (2) the need for a restatement of the financial results or financial statements (whether audited or unaudited) of the Group, any company within the Group or an Associated Company; and/or

- (3) any adverse change in the risk profile or rating of the Group, any company within the Group or an Associated Company; and/or

- (ii) is otherwise detrimental to the Group, any company within the Group or an Associated Company, and/or detrimental to the business conducted by the Group, any company within the Group or an Associated Company; or

- (c) the Participant had, at any time, engaged in any misconduct or committed any misfeasance, fraud or breach of trust or duty in relation to the Group, any company within the Group or an Associated Company.

7.5.4 Following the Committee making the determination to exercise the Clawback Right (the date on which the determination is made, the “**Clawback Determination Date**”), the Clawback Right shall be exercised in the manner set out in this Rule 7.5.4.

- (a) The Committee shall, in its sole and absolute discretion, determine (1) the limit on the quantum of the Recoverable Monies pursuant to Rule 7.5.2(b)(ii), and (2) the quantum of the Recoverable Monies. The Committee shall then, within 30 calendar days of the Clawback Determination Date, issue a written notice to the Participant of the following (and the Participant shall be required to comply with all directions issued as part of or pursuant to such notice):

- (i) the Clawback Determination Date;

- (ii) the quantum of the Recoverable Monies, which amount shall be due and payable to the Company in accordance with such notice;

- (iii) the method of payment or transfer of the Recoverable Monies to the Company, and who shall bear the fees associated with such payment or transfer (if any);
- (iv) the date by which the Participant has to pay or transfer the Recoverable Monies to the Company; and
- (v) the interest that will accrue if the Participant fails to pay or transfer to the Company the whole of the Recoverable Monies by the date stipulated in such notification (if the Committee so decides in its sole and absolute discretion to impose such interest).

The date of such notice by the Committee to the Participant shall be the “**Clawback Notification Date**”.

(b) For the purposes of:

- (i) Rule 7.5.2(b)(ii)(1), the total of the payments made shall be calculated as follows:
 - (1) this amount shall be equal to the total cash paid (prior to the Clawback Determination Date) to the relevant Participant pursuant to Rule 7.4 in lieu of any of the Released Shares; and
 - (2) the amount referred to in sub-paragraph (1) above shall be the aggregate cash paid (prior to the Clawback Determination Date) to the relevant Participant pursuant to Rule 7.4 *simpliciter* and shall therefore not be adjusted for inflation, without prejudice to the interest payable by such Participant pursuant to Rule 7.5.4(a); and
- (ii) Rule 7.5.2(b)(ii)(2), the “**Release Value**” of the Released Shares means the aggregate of the respective amounts recorded in the Company’s records as the quantum of monetary benefit received by the relevant Participant by virtue of the Release of such Released Shares to such Participant.

(c) The Company may exercise its Clawback Right more than once, provided that the Recoverable Monies as determined by the Committee for the purposes of such subsequent exercise shall not include any amount which has been paid or which is payable to the Company pursuant to the Company’s previous exercise(s) of its Clawback Right in respect of the Released Shares which are the subject of such subsequent exercise.

(d) The Participant acknowledges and agrees that:

- (i) the Participant shall have no right under any circumstances to recover any part of any amount which has been paid or transferred to the Company;

- (ii) under no circumstances will the amount of money that is payable by the Participant to the Company pursuant to Rule 7.5.4 be reduced in any way; and
 - (iii) any part of the Recoverable Monies which the Participant has failed to pay or transfer to the Company in accordance with a notice issued by the Committee pursuant to Rule 7.5.4 shall, together with the interest accrued in accordance with such notice, be a debt due and payable by such Participant to the Company.
 - (e) The Participant shall not have any right of dispute, set-off, deduction or withholding against the Company. The Company, by contrast, shall have a right to set-off any sum or liability owed by the Company to the Participant, whether arising under the Plan or otherwise, and whether as damages or otherwise.
 - (f) The quantum of the Recoverable Monies shall be quoted and payable in Singapore dollars or such other currency (and using such exchange rate) as may be determined by the Committee in its sole and absolute discretion.
- 7.5.5 (a) The Clawback Right, for the avoidance of doubt, is enforceable against all Participants, including Participants whose Awards have fully Vested and/or been Released and Participants who have ceased to be employed by a company within the Group.
- (b) The Clawback Right is in addition to, and without prejudice to, any right or remedy that the Company has vis-à-vis a Participant (whether under the Plan, contract, tort or any other theory of law).

8. LIMITATION ON THE SIZE OF THE PLAN

- 8.1 The aggregate number of new Shares which may be issued pursuant to Awards granted under the Plan on any date, when added to the number of new Shares issued and issuable in respect of:
- (a) all Awards granted under the Plan; and
 - (b) all options or awards granted under the SATS ESOP and the SATS RSP,
- shall not exceed 15% of the total number of issued Shares of the Company (excluding ~~Shares held by the Company as treasury shares~~ and subsidiary holdings (as defined in the Listing Manual)) on the day preceding that date.
- 8.2 Shares which are the subject of Awards which have lapsed for any reason whatsoever may be the subject of further Awards granted by the Committee under the Plan.

9. ADJUSTMENT EVENTS

9.1 If a variation in the ordinary share capital of the Company (whether by way of a ~~capitalisation of profits or reserves~~ bonus or rights issue, reduction, subdivision, consolidation, distribution or otherwise) shall take place or if the Company shall make a declaration of a special dividend (whether interim or final and whether in cash or *in specie*), then:

- (a) the class and/or number of Shares which are the subject of an Award to the extent not yet Vested; and/or
- (b) the class and/or number of Shares in respect of which future Awards may be granted under the Plan,

shall be adjusted in such manner as the Committee may determine to be appropriate.

9.2 Unless the Committee considers an adjustment to be appropriate, the issue of securities as consideration for a private placement of securities or in connection with an acquisition of any assets, or upon the exercise of any options or conversion of any loan stock or any other securities convertible into Shares or subscription rights of any warrants or the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares undertaken by the Company on the Singapore Exchange or any other stock exchange on which the Shares are quoted or listed during the period when a share purchase mandate granted by shareholders of the Company (including any renewal of such mandate) is in force, shall not normally be regarded as a circumstance requiring adjustment.

9.3 Notwithstanding the provisions of Rule 9.1:

- (a) any adjustment (except in relation to a ~~capitalisation~~ bonus issue) must be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable; and
- (b) the adjustment must be made in such a way that a Participant will not receive a benefit that a holder of Shares does not receive.

9.4 Upon any adjustment required to be made pursuant to this Rule 9, the Company shall notify the Participant (or his duly appointed personal representatives where applicable) in writing and deliver to him (or his duly appointed personal representatives where applicable) a statement setting forth the class and/or number of Shares thereafter to be issued or transferred on the Vesting of an Award. Any adjustment shall take effect upon such written notification being given or on such date as may be specified in such written notification.

10. ADMINISTRATION OF THE PLAN

10.1 The Plan shall be administered by the Committee in its absolute discretion with such powers and duties as are conferred on it by the board of directors of the Company, provided that no member of the Committee shall participate in any deliberation or decision in respect of Awards to be granted to him or held by him.

- 10.2 The Committee shall have the power, from time to time, to make and vary such arrangements, guidelines and/or regulations (not being inconsistent with the Plan) for the implementation and administration of the Plan, to give effect to the provisions of the Plan and/or to enhance the benefit of the Awards and the Released Awards to the Participants, as it may, in its absolute discretion, think fit. Any matter pertaining or pursuant to the Plan and any dispute and uncertainty as to the interpretation of the Plan, any rule, regulation or procedure thereunder or any rights under the Plan shall be determined by the Committee.
- 10.3 Neither the Plan nor the grant of Awards under the Plan shall impose on the Company or the Committee or any of its members any liability whatsoever in connection with:
- (a) the lapsing of any Awards pursuant to any provision of the Plan;
 - (b) the failure or refusal by the Committee to exercise, or the exercise by the Committee of, any discretion under the Plan; and/or
 - (c) any decision or determination of the Committee made pursuant to any provision of the Plan.
- 10.4 Any decision or determination of the Committee made pursuant to any provision of the Plan (other than a matter to be certified by the Auditors) shall be final, binding and conclusive (including for the avoidance of doubt, any decisions pertaining to disputes as to the interpretation of the Plan or any rule, regulation or procedure hereunder or as to any rights under the Plan). The Committee shall not be required to furnish any reasons for any decision or determination made by it.

11. NOTICES AND COMMUNICATIONS

- 11.1 Any notice required to be given by a Participant to the Company shall be sent or made to the registered office of the Company or such other addresses (including electronic mail addresses) ~~or facsimile number~~, and marked for the attention of the Committee, as may be notified by the Company to him in writing.
- 11.2 Any notices or documents required to be given to a Participant or any correspondence to be made between the Company and the Participant shall be given or made by the Committee (or such person(s) as it may from time to time direct) on behalf of the Company and shall be delivered to him by hand or sent to him at his home address, or electronic mail address ~~or facsimile number~~ according to the records of the Company or the last known address, or electronic mail address ~~or facsimile number~~ of the Participant.
- 11.3 Any notice or other communication from a Participant to the Company shall be irrevocable, and shall not be effective until received by the Company. Any ~~other~~ notice or ~~other~~ communication from the Company to a Participant shall be deemed to be received by that Participant, when left at the address specified in Rule 11.2 or, if sent by post, on the day following the date of posting or, if sent by electronic mail ~~or facsimile transmission~~, on the day of despatch.
- 11.4 Any Communication under the Plan may be communicated electronically through the use of a Security Device, or through an electronic page, site, or environment designated by the Company which is accessible only through the use of a Security Device, and such Communication shall thereby be deemed to have been sent by the designated holder of such Security Device.

- 11.5 The Company may accept and act upon any Communication issued and/or transmitted through the use of the Participant's Security Device pursuant to Rule 11.4 (whether actually authorised by the Participant or not) as his authentic and duly authorised Communication and the Company shall be under no obligation to investigate the authenticity or authority of persons effecting the Communication or to verify the accuracy and completeness of the Communication and the Company may treat the Communication as valid and binding on the Participant, notwithstanding any error, fraud, forgery, lack of clarity or misunderstanding in the terms of such Communication.
- 11.6 All Communications issued and/or transmitted through the use of a Participant's Security Device pursuant to Rule 11.4 (whether authorised by the Participant or not) are irrevocable and binding on the Participant upon transmission to the Company and the Company shall be entitled to effect, perform or process such Communications without the Participant's further consent and without any further reference or notice to the Participant.
- 11.7 It shall be the Participant's sole responsibility to ensure that all information contained in a Communication is complete, accurate, current, true and correct.
- 11.8 A Participant shall ensure (and shall take all necessary precautions to ensure) that:
- (a) he complies with the Company's procedural and/or operational guidelines relating to Security Devices;
 - (b) all his Security Devices are kept completely confidential and secure; and
 - (c) there is no unauthorised use or abuse of any of his Security Devices.
- 11.9 A Participant shall notify and/or contact the Company immediately if he becomes aware, has reason to believe, or suspects that any Security Device has become compromised, including but not limited to where:
- (a) the security or integrity of any Security Device may have been compromised;
 - (b) such Security Device has become known or been revealed to any other person;
 - (c) there has been unauthorised use of the Security Device; and/or
 - (d) such Security Device is lost, damaged, defective or stolen,
- and the Participant shall immediately cease to use such compromised Security Device until further notice from the Company. The Participant shall be bound by all Communications and transactions resulting from any Communications made which are referable to any compromised Security Device until such time as the Company has received a notification from the Participant under this Rule 11.9.
- 11.10 The Company's records of the Communications, and its record of any transactions maintained by any relevant person authorised by the Company relating to or connected with the Plan, whether stored in electronic or printed form, shall be binding and conclusive on a Participant and shall be conclusive evidence of such Communications and/or transactions. All such records shall be admissible in evidence and the Participant shall not challenge or dispute the admissibility, reliability, accuracy or the authenticity of the contents of such records merely on the basis that such records were

incorporated and/or set out in electronic form or were produced by or are the output of a computer system, and the Participant waives any of his/~~her~~ rights (if any) to so object.

- 11.11 Any provision in these Rules or any regulation of the Committee requiring a Communication to be signed by a Participant may be satisfied in the case of an electronic Communication, by the execution of any on-line act, procedure or routine designated by the Company to signify the Participant's intention to be bound by such Communication.

12. MODIFICATIONS TO THE PLAN

- 12.1 Any or all of the provisions of the Plan may be modified and/or altered at any time and from time to time by resolution of the Committee, except that:

- (a) no modification or alteration shall adversely affect the rights attached to any Award granted prior to such modification or alteration except with the consent in writing of such number of Participants who, if their Awards were Released to them upon the Performance Conditions for their Awards being satisfied in full, would thereby become entitled to not less than three-quarters in number of all the Shares which would fall to be Vested upon Release of all outstanding Awards upon the Performance Conditions for all outstanding Awards being satisfied in full;
- (b) the definitions of "Committee", "Group", "Group Employee", "Group Executive Director", "Participant" and "Performance Period" and the provisions of Rules 4, 5, 6, 7, 8, 9, 10 and this Rule 12 shall not be altered to the advantage of Participants except with the prior approval of the Company's shareholders in general meeting; and
- (c) no modification or alteration shall be made without the prior approval of the Singapore Exchange and such other regulatory authorities as may be necessary.

For the purposes of Rule 12.1(a), the opinion of the Committee as to whether any modification or alteration would adversely alter the rights attached to any Award shall be final, binding and conclusive. For the avoidance of doubt, nothing in this Rule 12.1 shall affect the right of the Committee under any other provision of the Plan to amend or adjust any Award.

- 12.2 Notwithstanding anything to the contrary contained in Rule 12.1, the Committee may at any time by resolution (and without any other formality, save for the prior approval of the Singapore Exchange) amend or alter the Plan in any way to the extent necessary or desirable, in the opinion of the Committee, to cause the Plan to comply with, or take into account, any statutory provision (or any amendment or modification thereto) or the provision or the regulations of any regulatory or other relevant authority or body (including the Singapore Exchange).
- 12.3 Written notice of any modification or alteration made in accordance with this Rule 12 shall be given to all Participants.

13. TERMS OF EMPLOYMENT UNAFFECTED

The terms of employment of a Participant shall not be affected by his participation in the Plan, which shall neither form part of such terms nor entitle him to take into account such participation in calculating any compensation or damages on the termination of his employment for any reason.

14. DURATION OF THE PLAN

- 14.1 The Plan shall continue to be in force at the discretion of the Committee, subject to a maximum period of ten (10) years commencing on the Adoption Date, provided always that the Plan may continue beyond the above stipulated period with the approval of the Company's shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.
- 14.2 The Plan may be terminated at any time by the Committee or, at the discretion of the Committee, by resolution of the Company in general meeting, subject to all relevant approvals which may be required and if the Plan is so terminated, no further Awards shall be granted by the Committee hereunder.
- 14.3 The expiry or termination of the Plan shall not affect Awards which have been granted prior to such expiry or termination, whether such Awards have been Released (whether fully or partially) or not.

15. TAXES

All taxes (including income tax) arising from the grant or Release of any Award granted to any Participant under the Plan shall be borne by that Participant.

16. COSTS AND EXPENSES OF THE PLAN

- 16.1 Each Participant shall be responsible for all fees of CDP relating to or in connection with the ~~issue and allotment and issue~~ or transfer of any Shares pursuant to the Release of any Award in CDP's name, the deposit of share certificate(s) with CDP, the Participant's securities account with CDP, ~~or the Participant's securities sub-account with a CDP-Depository Agent or such other securities or securities sub-account as designated by the Participant.~~
- 16.2 Save for the taxes referred to in Rule 15 and such other costs and expenses expressly provided in the Plan to be payable by the Participants, all fees, costs and expenses incurred by the Company in relation to the Plan including but not limited to the fees, costs and expenses relating to the allotment and issue, or transfer, of Shares pursuant to the Release of any Award shall be borne by the Company.

17. DISCLAIMER OF LIABILITY

Notwithstanding any provisions herein contained, the Committee and the Company and the Company's directors and employees shall not under any circumstances be held liable for any costs, losses, expenses and damages whatsoever and howsoever arising in any event, including but not limited to the Company's delay in issuing, or procuring the transfer of, the Shares or applying for or procuring the listing of new Shares on the Singapore Exchange in accordance with Rule 7.1.3.

18. DISCLOSURES IN ANNUAL REPORTS

~~The following disclosures or the appropriate negative statements (as applicable) will be made by the Company in its annual report for so long as the Plan continues in operation~~For as long as the Plan continues in operation, the Company will make such disclosures (or include the appropriate negative statements) in its annual report as from time to time required by the Listing Manual, including the following (where applicable):

- (a) the names of the members of the Committee administering the Plan;
- (b) in respect of the following Participants of the Plan:
 - (i) directors of the Company; and
 - (ii) Participants (other than those in paragraph (i) above) who have been granted options under the SATS ESOP and/or who have received Shares pursuant to the Release of Awards granted under the Plan and/or the release of awards granted under the SATS RSP which, in aggregate, represent 5% or more of the aggregate of:
 - (1) the total number of new Shares available under the Plan, the SATS ESOP and the SATS RSP collectively; and
 - (2) the total number of existing Shares delivered pursuant to Awards Released under the Plan, options exercised under the SATS ESOP and awards released under the SATS RSP collectively,

the following information:

- (aa) the name of the Participant;
- (bb) the following particulars relating to options granted under the SATS ESOP:
 - (i) options granted during the financial year under review (including terms);
 - (ii) the aggregate number of Shares comprised in options granted since the commencement of the SATS ESOP to the end of the financial year under review;
 - (iii) the aggregate number of Shares arising from options exercised since the commencement of the SATS ESOP to the end of the financial year under review;
 - (iv) the aggregate number of Shares comprised in options outstanding as at the end of the financial year under review;
 - (v) the number of new Shares issued to such Participant during the financial year under review; and
 - (vi) the number of existing Shares transferred to such Participant during the financial year under review; and
- (cc) the following particulars relating to Awards Released under the Plan and/or awards released under the SATS RSP:
 - (i) the number of new Shares issued to such Participant during the financial year under review; and

- (ii) the number of existing Shares transferred to such Participant during the financial year under review; and
- (c) in relation to the Plan and the SATS RSP, the following particulars:
 - (i) the aggregate number of Shares comprised in Awards granted under the Plan and awards granted under the SATS RSP since the commencement of the Plan and the SATS RSP respectively to the end of the financial year under review;
 - (ii) the aggregate number of Shares comprised in Awards which have Vested under the Plan and awards which have vested under the SATS RSP during the financial year under review and in respect thereof, the proportion of:
 - (1) new Shares issued; and
 - (2) existing Shares transferred and, where existing Shares were purchased for delivery, the range of prices at which such Shares have been purchased,

upon the Release of the Vested Awards granted under the Plan and the release of the vested awards granted under the SATS RSP; and
 - (iii) the aggregate number of Shares comprised in Awards granted under the Plan which have not been Released and awards granted under the SATS RSP which have not been released as at the end of the financial year under review.

19. COLLECTION, USE AND DISCLOSURE OF PERSONAL DATA

For the purposes of implementing and administering the Plan, and in order to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (including but not limited to the Personal Data Protection Act 2012), the Company will collect, use and disclose the personal data of the Participants, as contained in each Award Letter and/or any other notice or communication given or received pursuant to the Plan, and/or which is otherwise collected from the Participants (or their authorised representatives). By participating in the Plan, each Participant consents to the collection, use and disclosure of his personal data for all such purposes, including disclosure of data to related corporations of the Company and/or third parties who provide services to the Company (whether within or outside Singapore), and to the collection, use and further disclosure by such parties for such purposes. Each Participant also warrants that where he discloses the personal data of third parties to the Company in connection with this Plan, he has obtained the prior consent of such third parties for the Company to collect, use and disclose their personal data for the abovementioned purposes, in accordance with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (including but not limited to the Personal Data Protection Act 2012). Each Participant shall indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Participant's breach of this warranty.

20. DISPUTES

Any disputes or differences of any nature arising hereunder or in relation to any Award shall be referred to the Committee and its decision shall be final and binding in all respects.

21. GOVERNING LAW

The Plan shall be governed by, and construed in accordance with, the laws of the Republic of Singapore. The Participants, by accepting grants of Awards in accordance with the Plan, and the Company submit to the exclusive jurisdiction of the courts of the Republic of Singapore.

22. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT, ~~CHAPTER 53B~~ 2001

No person other than the Company or a Participant shall have any right to enforce any provision of the Plan or any Award by virtue of the Contracts (Rights of Third Parties) Act, ~~Chapter 53B of Singapore~~ 2001.

APPENDIX 3

AMENDED AND RESTATED RULES OF THE SATS RESTRICTED SHARE PLAN (Incorporating all amendments up to 19 July 2024)

1. NAME OF THE PLAN

The Plan shall be called the “**SATS Restricted Share Plan**”.

2. DEFINITIONS

- 2.1 In the Plan, unless the context otherwise requires, the following words and expressions shall have the following meanings:

“ Act ”	:	The Companies Act, Chapter 50 of Singapore <u>1967</u> .
“ Adoption Date ”	:	The date on which the Plan is adopted by the Company in general meeting.
“ Associated Company ”	:	In relation to SATS, means a company, not being a subsidiary of SATS, in which (a) the Group has an interest of not less than 20% in the equity and in whose financial and operating policy decisions the Group exercises significant influence; or (b) the Group has an interest of not more than 50% in the equity and has joint control of the company's commercial and financial affairs.
“ Auditors ”	:	The auditors of the Company for the time being.
“ Award ”	:	An award of Shares granted under Rule 5.
“ Award Date ”	:	In relation to an Award, the date on which the Award is granted pursuant to Rule 5.
“ Award Letter ”	:	A letter in such form as the Committee shall approve confirming an Award granted to a Participant by the Committee.
“ CDP ”	:	The Central Depository (Pte) Limited.
“ Clawback Determination Date ”	:	<u>Has the meaning given to it in Rule 7.6.4.</u>
“ Clawback Notification Date ”	:	<u>Has the meaning given to it in Rule 7.6.4(a).</u>
“ Clawback Period ”	:	<u>Has the meaning given to it in Rule 7.6.2(b)(ii).</u>

<u>“Clawback Right”</u>	: <u>Has the meaning given to it in Rule 7.6.2(b)(ii).</u>
“Committee”	: A committee comprising directors of the Company duly authorised and appointed by the board of directors of the Company to administer the Plan.
“Communication”	: An Award, including the Award Letter and/or any correspondence made or to be made under the Plan (individually or collectively).
“Company” or “SATS”	: SATS Ltd., a company incorporated in the Republic of Singapore.
“Constitution”	: The Constitution of the Company, as amended from time to time.
<u>“Depository Agent”</u>	: <u>Has the meaning given to it in the Securities and Futures Act 2001.</u>
“Group”	: The Company and its subsidiaries.
“Group Employee”	: Any employee of the Group (including any Group Executive Director) selected by the Committee to participate in the Plan in accordance with Rule 4.
“Group Executive Director”	: A director of the Company and/or any of its subsidiaries, as the case may be, who performs an executive function.
<u>“Group Non-Executive Director”</u>	: <u>A director of the Company and/or any of its subsidiaries, as the case may be, other than a Group Executive Director.</u>
“Listing Manual”	: The Listing Manual of the Singapore Exchange.
“Market Day”	: A day on which the Singapore Exchange is open for trading in securities.
“Market Value”	: In relation to a Share, on any day: (a) the volume-weighted average price of a Share on the Singapore Exchange over the five (5) immediately preceding Market Days on which the Shares are transacted on the Singapore Exchange; or (b) if the Committee is of the opinion that the Market Value as determined in accordance with (a) above is not representative of the value of a Share, such price as the Committee may determine, such determination to be confirmed in writing by the

Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.

“Non-Executive Director”	: A director of the Company and/or any of its subsidiaries, as the case may be, other than a Group Executive Director.
“Participant”	: A Group Employee or <u>Group Non-Executive Director</u> who has been granted an Award.
“Performance-related Award”	: An Award in relation to which a Performance Condition is specified.
“Performance Condition”	: In relation to a Performance-related Award, the condition specified on the Award Date in relation to that Award.
“Performance Period”	: In relation to a Performance-related Award, a period, the duration of which is to be determined by the Committee on the Award Date, during which the Performance Condition is to be satisfied.
“Plan”	: The SATS Restricted Share Plan, as the same may be modified or altered from time to time.
<u>“Record Date”</u>	: <u>The date fixed by the Company for the purposes of determining entitlements to dividends or other distributions to, or rights of, holders of Shares.</u>
<u>“Recoverable Monies”</u>	: <u>Has the meaning given to it in Rule 7.6.2(b)(ii).</u>
“Release”	: In relation to an Award, the release of all or some of the Shares to which that Award relates in accordance with Rule 7 and, to the extent that any Shares which are the subject of the Award are not released pursuant to Rule 7, the Award in relation to those Shares shall lapse accordingly, and “Released” shall be construed accordingly.
“Release Schedule”	: In relation to an Award, a schedule (if any) in such form as the Committee shall approve, in accordance with which Shares which are the subject of that Award shall be Released at the end of each Vesting Period.
<u>“Release Value”</u>	: <u>In relation to Released Shares, has the meaning given to it in Rule 7.6.4(b)(ii).</u>
“Released Award”	: An Award which has been Released in full or in part in accordance with Rule 7.
<u>“Released Shares”</u>	: <u>Has the meaning given to it in Rule 7.6.2(b)(ii).</u>

- “SATS ESOP”** : The SATS Employee Share Option Plan adopted by the Company, as the same may be modified or altered from time to time.
- “SATS PSP”** : The SATS Performance Share Plan adopted or to be adopted by the Company, as the same may be modified or altered from time to time.
- “Security Device”** : Any smartcard, digital certificate, digital signature, encryption device, electronic key, logon identifier, password, personal identification number, and/or other code or any access procedure incorporating any one or more of the foregoing, designated by the Company for use in conjunction with the Plan.
- “Shares”** : Ordinary shares of the Company.
- “Singapore Exchange”** : The Singapore Exchange Securities Trading Limited.
- “Vesting”** : In relation to Shares which are the subject of a Released Award, the absolute entitlement to all or some of the Shares which are the subject of a Released Award and **“Vest”** and **“Vested”** shall be construed accordingly.
- “Vesting Date”** : In relation to Shares which are the subject of a Released Award, the date (as determined by the Committee and notified to the relevant Participant) on which those Shares have Vested pursuant to Rule 7.
- “Vesting Period”** : In relation to an Award, each period (if any), the duration of which is to be determined by the Committee on the Award Date, after the expiry of which Shares which are subject to the applicable period shall be Vested to the relevant Participant on the relevant Vesting Date, subject to Rule 7.
- “\$”** : ~~Singapore dollar.~~
- “%”** : Per centum or percentage.
- 2.2 Words importing the singular number shall, where applicable, include the plural number and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter gender.
- 2.3 Any reference to a time of a day in the Plan is a reference to Singapore time unless otherwise stated.
- 2.4 Any reference in the Plan to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Act or any statutory modification thereof and not otherwise defined in the Plan and used in the Plan shall have the meaning assigned to it under the Act or any statutory modification thereof, as the case may be.

3. OBJECTIVES OF THE PLAN

The Plan is a share incentive scheme. The Plan is proposed on the basis that it is important to retain ~~employees~~Group Employees whose contributions are essential to the well-being and prosperity of the Group and to give recognition to outstanding ~~employees~~Group Employees and ~~executive directors of the Group~~ Executive Directors who have contributed to the growth of the Group. The Plan will also enable grants of fully paid Shares to be made to ~~non-executive directors of the Group~~ Non-Executive Directors as part of their remuneration in respect of their office as such in lieu of cash. The Plan will give Participants an opportunity to have a personal equity interest in the Company and will help to achieve the following positive objectives:

- (a) motivate ~~employees~~Group Employees to optimise their performance standards and efficiency, maintain a high level of contribution to the Group and strive to deliver long-term shareholder value;
- (b) align the interests of ~~employees~~Group Employees and ~~non-executive directors~~Group Non-Executive Directors with the interests of the shareholders of the Company;
- (c) retain key ~~employees and executive directors of the Group~~ Employees whose contributions are key to the long-term growth and profitability of the Group;
- (d) instil loyalty to, and a stronger identification by ~~employees~~Group Employees with the long-term prosperity of, the Company; and
- (e) attract potential ~~employees~~Group Employees with relevant skills to contribute to the Group and to create value for the shareholders of the Company.

4. ELIGIBILITY OF PARTICIPANTS

The following persons, unless they are also controlling shareholders (as defined in the Listing Manual) of the Company or associates (as defined in the Listing Manual) of such controlling shareholders, shall be eligible to participate in the Plan at the absolute discretion of the Committee:

- (a) Group Employees who have attained the ~~legal~~ age of twenty-one (21) years and hold such rank as may be designated by the Committee from time to time; and
- (b) Group Non-Executive Directors.

5. GRANT OF AWARDS

- 5.1 Subject as provided in Rule 8, the Committee may grant Awards to Group Employees and/or Group Non-Executive Directors, in each case, as the Committee may select, in its absolute discretion, at any time during the period when the Plan is in force.
- 5.2 The number of Shares which are the subject of each Award to be granted to a Participant in accordance with the Plan shall be determined at the absolute discretion of the Committee, which shall take into account such criteria as it considers fit, including (but not limited to):

- (a) in the case of a Group Employee, his rank, job performance, years of service and potential for future development, his contribution to the success and development of the Group and ~~{, in the case of a Performance-related Award}~~, the extent of effort and resourcefulness required to achieve the Performance Condition within the Performance Period; and
- (b) in the case of a Group Non-Executive Director, his board and board committee appointments and attendance, and his contribution as a director to the success and development of the Group.

No Performance Conditions may be specified, and no Vesting Periods may be imposed, in relation to Awards granted to Group Non-Executive Directors under the Plan.

5.3 The Committee shall decide in relation to an Award:

- (a) the Participant;
- (b) the Award Date;
- (c) the number of Shares which are the subject of the Award;
- (d) in the case of a Performance-related Award:
 - (i) the Performance Condition;
 - (ii) the Performance Period; and
 - (iii) the extent to which the Shares which are the subject of that Award shall be Released on the Performance Condition being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the Performance Period;
- (e) the Vesting Period(s), if any;
- (f) the Release Schedule, if any; and
- (g) any other condition which the Committee may determine in relation to that Award.

5.4 The Committee may amend or waive the Vesting Period(s), the Release Schedule and/or any condition applicable to an Award and, in the case of a Performance-related Award, the Performance Period and/or the Performance Condition in respect of an Award:

- (a) in the event of a take-over offer being made for the Shares or ~~if, under the Act, the court sanctions~~ a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies being approved by shareholders of the Company and/or sanctioned by the court under the Act or in the event of an order being made or a resolution passed for the winding-up of the Company (other than as provided in Rule 6.1(d) or for reconstruction or amalgamation) or a proposal to sell all or substantially all of the assets of the Company; or

- (b) in the case of a Performance-related Award, if anything happens which causes the Committee to conclude that:
 - (i) a changed Performance Condition would be a fairer measure of performance, and would be no less difficult to satisfy; or
 - (ii) the Performance Condition should be waived,

and shall notify the relevant Participant(s) of such change or waiver.

5.5 As soon as reasonably practicable after making an Award, the Committee shall send to each Participant an Award Letter confirming the Award and specifying in relation to the Award:

- (a) the Award Date;
- (b) the number of Shares which are the subject of the Award;
- (c) in the case of a Performance-related Award:
 - (i) the Performance Condition;
 - (ii) the Performance Period; and
 - (iii) the extent to which the Shares which are the subject of that Award shall be Released on the Performance Condition being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the Performance Period;
- (d) the Vesting Period(s), if any;
- (e) the Release Schedule, if any; and
- (f) any other condition which the Committee may determine in relation to that Award.

5.6 Participants are not required to pay for the grant of Awards.

5.7 An Award or Released Award shall be personal to the Participant to whom it is granted and, prior to the allotment and/or transfer to the Participant of the Shares to which the Released Award relates, shall not be transferred, charged, assigned, pledged or otherwise disposed of, in whole or in part, except with the prior approval of the Committee and if a Participant shall do, suffer or permit any such act or thing as a result of which he would or might be deprived of any rights under an Award or Released Award, that Award or Released Award shall immediately lapse.

6. EVENTS PRIOR TO THE VESTING DATE

6.1 An Award shall, to the extent not yet Released, immediately lapse without any claim whatsoever against the Company in any of the following events, namely:

- (a) the Participant (being a Group Employee) ceasing to be in the employment of the Group for any reason whatsoever (other than as specified in Rules 6.2 (a), (b) and (c) below);
- (b) the bankruptcy of ~~a~~the Participant or the happening of any other event which results in his being deprived of the legal or beneficial ownership of the Award;
- (c) the misconduct on the part of ~~a~~the Participant as determined by the Committee in its discretion; or
- (d) an order being made or a resolution passed for the winding-up of the Company on the basis, or by reason, of its insolvency.

6.2 In any of the following events, namely:

- (a) the retirement of ~~a~~the Participant (being a Group Employee) or the Participant (being a Group Employee) ceasing to be employed by the Group by reason of (i) ill health, injury or disability (in each case, evidenced to the satisfaction of the Committee) or death, (ii) redundancy, or (iii) any other reason approved in writing by the Committee;
- (b) the completion of a fixed term contract for a Participant (being a Group Employee) on a fixed term contract;
- (c) the Participant (being a Group Employee) ceasing to be in the employment of the Group by reason of:
 - (i) a transfer of employment to any of the Company's Associated Companies, where such reason for cessation of employment is approved in writing by the Committee;
 - (ii) a subsequent transfer of employment (from time to time) to any of the Company's Associated Companies ~~of the Company~~, following a transfer of employment by a Participant to any of the companies described in sub-paragraph (i) above; or
 - (iii) the subsidiary of the Company in which a Participant is employed, or the Associated Company of the Company in which a Participant is employed following transfer(s) of employment by that Participant as described in sub-paragraphs (i) and (ii) above, being subsequently wholly or partially disposed of by the Company;
- (d) the Participant (being a Group Non-Executive Director) ceasing to be a director of the Company or, as the case may be, the relevant subsidiary of the Company, for any reason whatsoever; or
- (e) any other event approved by the Committee,

then the Committee may, in its absolute discretion, preserve all or any part of any Award and decide as soon as reasonably practicable following such event either to Vest some or all of the Shares which are the subject of the Award or to preserve all or part of any Award until the end of the Performance Period (if any) and/or each Vesting Period (if any) and subject to the provisions of the Plan. In exercising its discretion, the Committee will have regard to all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that Participant and, in the

case of a Performance-related Awards, the extent to which the Performance Condition has been satisfied.

- 6.3 For the purpose of Rule 6, a Participant (being a Group Employee) shall be deemed to have ceased to be employed by any company within the Group as of the last day of his employment with such company.
- 6.4 Without prejudice to the provisions of Rule 5.4, if before the Vesting Date, any of the following occurs:
- (a) a take-over offer for the Shares becomes or is declared unconditional;
 - (b) ~~the court sanctions~~ a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies being approved by shareholders of the Company and/or sanctioned by the court under the Act; or
 - (c) an order being made or a resolution passed for the winding-up of the Company (other than as provided in Rule 6.1(d) or for amalgamation or reconstruction),

the Committee will consider, at its discretion, whether or not to Release any Award, and will take into account all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that Participant. If the Committee decides to Release any Award, then in determining the number of Shares to be Vested in respect of such Award, the Committee will (if applicable) have regard to the proportion of the Vesting Period(s) which has elapsed and, in the case of a Performance-related Awards, the extent to which the Performance Condition has been satisfied. Where Awards are Released, the Committee will, as soon as practicable after the Awards have been Released, procure the allotment or transfer to each Participant of the number of Shares so determined, such allotment or transfer to be made in accordance with Rule 7. If the Committee so determines, the Release of Awards may be satisfied in cash as provided in Rule 7.

7. RELEASE OF AWARDS AND MALUS AND CLAWBACK RIGHTS

7.1 Review of Performance Condition, in relation to Performance-related Awards

- 7.1.1 In relation to each Performance-related Award, as soon as reasonably practicable after the end of the relevant Performance Period, the Committee shall review the Performance Condition specified in respect of each Award and determine at its discretion whether it has been satisfied and, if so, the extent to which it has been satisfied, and (subject to Rule 6) provided that the relevant Participant has continued to be a Group Employee from the Award Date up to the end of the Performance Period, shall Release to that Participant all or part (as determined by the Committee at its discretion in the case where the Committee has determined that there has been partial satisfaction of the Performance Condition) of the Shares to which his Award relates in accordance with the Performance Condition specified in respect of his Award on the Vesting Date. ~~If not, the Awards shall lapse and be of no value.~~
- 7.1.2 If the Committee determines in its sole discretion that the Performance Condition has not been satisfied (whether fully or partially) or (subject to Rule 6) if the relevant Participant has

not continued to be a Group Employee from the Award Date up to the end of the relevant Performance Period, that Award shall lapse and be of no value and the provisions of Rules 7.2 to 7.5 shall be of no effect.

- 7.1.3 ~~The Committee shall have the discretion to determine~~In determining whether the Performance Condition has been satisfied (whether fully or partially) or exceeded~~and in making any such determination~~, the Committee shall have the right to make reference to the audited results of the Company or the Group to take into account such factors as the Committee may determine to be relevant, such as changes in accounting methods, taxes and extraordinary events, and further, the right to amend the Performance Condition if the Committee decides that a changed performance target would be a fairer measure of performance.

7.2 Vesting of Award

- 7.2.1 In relation to the Vesting of Awards granted under the Plan:

- (a) in the case of an Award granted to a Group Employee, subject to the Committee having determined that, in relation to a Performance-related Award, the Performance Condition and, in relation to all Awards, any conditions applicable thereto have been satisfied and (subject to Rule 6) provided, in relation to all Awards, that the relevant Participant has continued to be a Group Employee from the Award Date up to the end of the relevant Vesting Period (if any) and provided further that, in the opinion of the Committee, the job performance of the relevant Participant has been satisfactory, upon the expiry of each Vesting Period (if any) in relation to an Award, the Company shall Release to the relevant Participant the Shares to which his Award relates in accordance with the Release Schedule (if any) specified in respect of his Award on the relevant Vesting Date(s); and
- (b) in the case of an Award granted to a Group Non-Executive Director, subject to the Committee having determined that any conditions applicable thereto have been satisfied and (subject to Rule 6) provided that the relevant Participant has continued to be a Group Non-Executive Director from the Award Date up to the Vesting Date, the Company shall Release to the relevant Participant the Shares to which his Award relates in accordance with the Release Schedule (if any) specified in respect of his Award on the relevant Vesting Date(s).

- 7.2.2 Shares which are the subject of a Released Award shall be Vested to a Participant on the Vesting Date, which shall be:

- (a) in the case of an Award which is subject to a Vesting Period or Vesting Periods, a Market Day falling as soon as practicable after the last day of the relevant Vesting Period;~~and~~
- (b) in the case of a Performance-related Award which is not subject to any Vesting Period, a Market Day falling as soon as practicable after the last day of the relevant Performance Period; and

- (b) in the case of an Award (other than a Performance-related Award) which is not subject to any Vesting Period, a Market Day falling as soon as practicable after the relevant Award Date,

and, on the Vesting Date, the Committee will procure the allotment or transfer to each Participant of the number of Shares (which may, in the case of a transfer of Shares, include Shares held by the Company in treasury) so determined.

- 7.2.3 Where new Shares are allotted upon the Vesting of any Award, the Company shall, as soon as practicable after such allotment, apply to the Singapore Exchange for permission to deal in and for quotation of such Shares.

7.3 Release of Award

Shares which are allotted or transferred on the Release of an Award to a Participant shall be issued in the name of, or transferred to, CDP to the credit of the securities account of that Participant maintained with CDP ~~or, the securities sub-account of that Participant maintained with a Depository Agent or such other securities account or securities sub-account~~, in each case, as designated by that Participant.

7.4 Ranking of Shares

New Shares allotted and issued, and existing Shares procured by the Company for transfer, on the Release of an Award shall:

- (a) be subject to all the provisions of the Constitution; and
- (b) rank in full for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Shares, the Record Date for which is on or after the relevant Vesting Date, and shall in all other respects rank *pari passu* with other existing Shares then in issue.

~~In this Rule 7.4, "Record Date" means the date fixed by the Company for the purposes of determining entitlements to dividends or other distributions to or rights of holders of Shares.~~

7.5 Cash Awards

The Committee, in its absolute discretion, may determine to make a Release of an Award (other than an Award granted to a Group Non-Executive Director as part of his directors' remuneration in lieu of cash), wholly or partly, in the form of cash rather than Shares, in which event the Participant shall receive on the Vesting Date, in lieu of all or part of the Shares which would otherwise have been allotted or transferred to him on Release of his Award, the aggregate Market Value of such Shares on the Vesting Date.

7.6 Malus and Clawback Rights

7.6.1 This Rule 7.6 (and the Company's rights thereunder) shall apply in relation to Awards granted on or after 19 July 2025 and, for the avoidance of doubt, shall apply to every such Award without need for a reference to this Rule 7.6 in the Award Letter or for the Committee to decide that this Rule 7.6 shall apply (whether pursuant to Rule 5.3 or otherwise).

7.6.2 (a) The grant of each Award, each Release of Shares, and each payment in lieu of Shares which would otherwise have been Released to the Participant is subject to, and conditional upon, the Company's rights as set out in this Rule 7.6.

(b) If the Committee in its sole and absolute discretion determines that any of the exceptional circumstances enumerated in Rule 7.6.3 has occurred in relation to a Participant, then:

(i) without prejudice to the provisions of Rule 6.1, the Committee may cancel all or part of any Award to the extent not yet Released to such Participant; and

(ii) in respect of all the Shares which were Released to such Participant within the period of 6 years prior to the Clawback Determination Date ("**Clawback Period**") (and, for the purposes of this Rule 7.6, a Share shall be deemed to have been Released to such Participant if such Participant had received payment of cash in lieu of such Share pursuant to Rule 7.5) (such Shares Released during the Clawback Period, the "**Released Shares**"), the Company has the right ("**Clawback Right**") to compel or otherwise require a Participant to (and the Participant shall) pay to the Company such amount(s) as determined by the Committee ("**Recoverable Monies**") up to the aggregate of:

(1) in respect of such of the Released Shares in relation to which the Participant received cash in lieu, the aggregate payments received by such Participant in lieu of such Released Shares pursuant to Rule 7.5 prior to the Clawback Determination Date; and

(2) in respect of all other Released Shares, the Release Value of all such Released Shares.

subject to, in accordance with, and as more fully set out in, Rules 7.6.4 and 7.6.5.

7.6.3 The exceptional circumstances referred to in Rule 7.6.2(b) are as follows:

(a) any Award:

(i) which was granted to the Participant within the Clawback Period; and/or

- (ii) pursuant to which any of the Released Shares were Released to the Participant,

was based (in whole or in part) on inaccurate financial statements (irrespective of when such inaccuracy was discovered and irrespective of who caused such inaccuracy, and whether such financial statements were audited or unaudited);

- (b) the Participant had, at any time, engaged in conduct that:

- (i) directly or indirectly caused, resulted in and/or contributed to, or is likely (in the opinion of the Committee) to cause, result in and/or contribute to (whether directly or indirectly):

- (1) any financial loss or reputational harm to the Group, any company within the Group or an Associated Company; and/or

- (2) the need for a restatement of the financial results or financial statements (whether audited or unaudited) of the Group, any company within the Group or an Associated Company; and/or

- (3) any adverse change in the risk profile or rating of the Group, any company within the Group or an Associated Company; and/or

- (ii) is otherwise detrimental to the Group, any company within the Group or an Associated Company, and/or detrimental to the business conducted by the Group, any company within the Group or an Associated Company; or

- (c) the Participant had, at any time, engaged in any misconduct or committed any misfeasance, fraud or breach of trust or duty in relation to the Group, any company within the Group or an Associated Company.

7.6.4 Following the Committee making the determination to exercise the Clawback Right (the date on which the determination is made, the “**Clawback Determination Date**”), the Clawback Right shall be exercised in the manner set out in this Rule 7.6.4.

- (a) The Committee shall, in its sole and absolute discretion, determine (1) the limit on the quantum of the Recoverable Monies pursuant to Rule 7.6.2(b)(ii), and (2) the quantum of the Recoverable Monies. The Committee shall then, within 30 calendar days of the Clawback Determination Date, issue a written notice to the Participant of the following (and the Participant shall be required to comply with all directions issued as part of or pursuant to such notice):

- (i) the Clawback Determination Date;

- (ii) the quantum of the Recoverable Monies, which amount shall be due and payable to the Company in accordance with such notice;

- (iii) the method of payment or transfer of the Recoverable Monies to the Company, and who shall bear the fees associated with such payment or transfer (if any);
- (iv) the date by which the Participant has to pay or transfer the Recoverable Monies to the Company; and
- (v) the interest that will accrue if the Participant fails to pay or transfer to the Company the whole of the Recoverable Monies by the date stipulated in such notification (if the Committee so decides in its sole and absolute discretion to impose such interest).

The date of such notice by the Committee to the Participant shall be the “**Clawback Notification Date**”.

- (b) For the purposes of:
 - (i) Rule 7.6.2(b)(ii)(1), the total of the payments made shall be calculated as follows:
 - (1) this amount shall be equal to the total cash paid (prior to the Clawback Determination Date) to the relevant Participant pursuant to Rule 7.5 in lieu of any of the Released Shares; and
 - (2) the amount referred to in sub-paragraph (1) above shall be the aggregate cash paid (prior to the Clawback Determination Date) to the relevant Participant pursuant to Rule 7.5 *simpliciter* and shall therefore not be adjusted for inflation, without prejudice to the interest payable by such Participant pursuant to Rule 7.6.4(a); and
 - (ii) Rule 7.6.2(b)(ii)(2), the “**Release Value**” of the Released Shares means the aggregate of the respective amounts recorded in the Company’s records as the quantum of monetary benefit received by the relevant Participant by virtue of the Release of such Released Shares to such Participant.
- (c) The Company may exercise its Clawback Right more than once, provided that the Recoverable Monies as determined by the Committee for the purposes of such subsequent exercise shall not include any amount which has been paid or which is payable to the Company pursuant to the Company’s previous exercise(s) of its Clawback Right in respect of the Released Shares which are the subject of such subsequent exercise.
- (d) The Participant acknowledges and agrees that:
 - (i) the Participant shall have no right under any circumstances to recover any part of any amount which has been paid or transferred to the Company;

- (ii) under no circumstances will the amount of money that is payable by the Participant to the Company pursuant to Rule 7.6.4 be reduced in any way; and
 - (iii) any part of the Recoverable Monies which the Participant has failed to pay or transfer to the Company in accordance with a notice issued by the Committee pursuant to Rule 7.6.4 shall, together with the interest accrued in accordance with such notice, be a debt due and payable by such Participant to the Company.
 - (e) The Participant shall not have any right of dispute, set-off, deduction or withholding against the Company. The Company, by contrast, shall have a right to set-off any sum or liability owed by the Company to the Participant, whether arising under the Plan or otherwise, and whether as damages or otherwise.
 - (f) The quantum of the Recoverable Monies shall be quoted and payable in Singapore dollars or such other currency (and using such exchange rate) as may be determined by the Committee in its sole and absolute discretion.
- 7.6.5 (a) The Clawback Right, for the avoidance of doubt, is enforceable against all Participants, including Participants whose Awards have fully Vested and/or been Released, Participants who have ceased to be employed by a company within the Group and Participants who were Group Non-Executive Directors and who have ceased to be a director of a company within the Group.
- (b) The Clawback Right is in addition to, and without prejudice to, any right or remedy that the Company has vis-à-vis a Participant (whether under the Plan, contract, tort or any other theory of law).

8. LIMITATION ON THE SIZE OF THE PLAN

- 8.1 The aggregate number of new Shares which may be issued pursuant to Awards granted under the Plan on any date, when added to the number of new Shares issued and issuable in respect of:
- (a) all Awards granted under the Plan; and
 - (b) all options or awards granted under the SATS ESOP and the SATS PSP,
- shall not exceed 15% of the total number of issued Shares of the Company (excluding treasury shares and subsidiary holdings (as defined in the Listing Manual)) on the day preceding that date.
- 8.2 Shares which are the subject of Awards which have lapsed for any reason whatsoever may be the subject of further Awards granted by the Committee under the Plan.

9. ADJUSTMENT EVENTS

- 9.1 If a variation in the ordinary share capital of the Company (whether by way of a ~~capitalisation of profits or reserves~~ bonus or rights issue, reduction, subdivision, consolidation, distribution or otherwise) shall

take place or if the Company shall make a declaration of a special dividend (whether interim or final and whether in cash or in specie), then:

- (a) the class and/or number of Shares which are the subject of an Award to the extent not yet Vested; and/or
 - (b) the class and/or number of Shares in respect of which future Awards may be granted under the Plan,
- shall be adjusted in such manner as the Committee may determine to be appropriate.

9.2 Unless the Committee considers an adjustment to be appropriate, the issue of securities as consideration for a private placement of securities or in connection with an acquisition of any assets, or upon the exercise of any options or conversion of any loan stock or any other securities convertible into Shares or subscription rights of any warrants or the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares undertaken by the Company on the Singapore Exchange or any other stock exchange on which the Shares are quoted or listed during the period when a share purchase mandate granted by shareholders of the Company (including any renewal of such mandate) is in force, shall not normally be regarded as a circumstance requiring adjustment.

9.3 Notwithstanding the provisions of Rule 9.1:

- (a) any adjustment (except in relation to a ~~capitalisation~~ bonus issue) must be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable; and
- (b) the adjustment must be made in such a way that a Participant will not receive a benefit that a holder of Shares does not receive.

9.4 Upon any adjustment required to be made pursuant to this Rule 9, the Company shall notify the Participant (or his duly appointed personal representatives where applicable) in writing and deliver to him (or his duly appointed personal representatives where applicable) a statement setting forth the class and/or number of Shares thereafter to be issued or transferred on the Vesting of an Award. Any adjustment shall take effect upon such written notification being given or on such date as may be specified in such written notification.

10. ADMINISTRATION OF THE PLAN

10.1 The Plan shall be administered by the Committee in its absolute discretion with such powers and duties as are conferred on it by the board of directors of the Company, provided that no member of the Committee shall participate in any deliberation or decision in respect of Awards to be granted to him or held by him.

- 10.2 The Committee shall have the power, from time to time, to make and vary such arrangements, guidelines and/or regulations (not being inconsistent with the Plan) for the implementation and administration of the Plan, to give effect to the provisions of the Plan and/or to enhance the benefit of the Awards and the Released Awards to the Participants, as it may, in its absolute discretion, think fit. Any matter pertaining or pursuant to the Plan and any dispute and uncertainty as to the interpretation of the Plan, any rule, regulation or procedure thereunder or any rights under the Plan shall be determined by the Committee.
- 10.3 Neither the Plan nor the grant of Awards under the Plan shall impose on the Company or the Committee or any of its members any liability whatsoever in connection with:
- (a) the lapsing of any Awards pursuant to any provision of the Plan;
 - (b) the failure or refusal by the Committee to exercise, or the exercise by the Committee of, any discretion under the Plan; and/or
 - (c) any decision or determination of the Committee made pursuant to any provision of the Plan.
- 10.4 Any decision or determination of the Committee made pursuant to any provision of the Plan (other than a matter to be certified by the Auditors) shall be final, binding and conclusive (including for the avoidance of doubt, any decisions pertaining to disputes as to the interpretation of the Plan or any rule, regulation or procedure hereunder or as to any rights under the Plan). The Committee shall not be required to furnish any reasons for any decision or determination made by it.

11. NOTICES AND COMMUNICATIONS

- 11.1 Any notice required to be given by a Participant to the Company shall be sent or made to the registered office of the Company or such other addresses (including electronic mail addresses) ~~or facsimile number~~, and marked for the attention of the Committee, as may be notified by the Company to him in writing.
- 11.2 Any notices or documents required to be given to a Participant or any correspondence to be made between the Company and the Participant shall be given or made by the Committee (or such person(s) as it may from time to time direct) on behalf of the Company and shall be delivered to him by hand or sent to him at his home address, or electronic mail address ~~or facsimile number~~ according to the records of the Company or the last known address, or electronic mail address ~~or facsimile number~~ of the Participant.
- 11.3 Any notice or other communication from a Participant to the Company shall be irrevocable, and shall not be effective until received by the Company. Any ~~other~~ notice or ~~other~~ communication from the Company to a Participant shall be deemed to be received by that Participant, when left at the address specified in Rule 11.2 or, if sent by post, on the day following the date of posting or, if sent by electronic mail ~~or facsimile transmission~~, on the day of despatch.
- 11.4 Any Communication under the Plan may be communicated electronically through the use of a Security Device, or through an electronic page, site, or environment designated by the Company which is accessible only through the use of a Security Device, and such Communication shall thereby be deemed to have been sent by the designated holder of such Security Device.

- 11.5 The Company may accept and act upon any Communication issued and/or transmitted through the use of the Participant's Security Device pursuant to Rule 11.4 (whether actually authorised by the Participant or not) as his authentic and duly authorised Communication and the Company shall be under no obligation to investigate the authenticity or authority of persons effecting the Communication or to verify the accuracy and completeness of the Communication and the Company may treat the Communication as valid and binding on the Participant, notwithstanding any error, fraud, forgery, lack of clarity or misunderstanding in the terms of such Communication.
- 11.6 All Communications issued and/or transmitted through the use of a Participant's Security Device pursuant to Rule 11.4 (whether authorised by the Participant or not) are irrevocable and binding on the Participant upon transmission to the Company and the Company shall be entitled to effect, perform or process such Communications without the Participant's further consent and without any further reference or notice to the Participant.
- 11.7 It shall be the Participant's sole responsibility to ensure that all information contained in a Communication is complete, accurate, current, true and correct.
- 11.8 A Participant shall ensure (and shall take all necessary precautions to ensure) that:
- (a) he complies with the Company's procedural and/or operational guidelines relating to Security Devices;
 - (b) all his Security Devices are kept completely confidential and secure; and
 - (c) there is no unauthorised use or abuse of any of his Security Devices.
- 11.9 A Participant shall notify and/or contact the Company immediately if he becomes aware, has reason to believe, or suspects that any Security Device has become compromised, including but not limited to where:
- (a) the security or integrity of any Security Device may have been compromised;
 - (b) such Security Device has become known or been revealed to any other person;
 - (c) there has been unauthorised use of the Security Device; and/or
 - (d) such Security Device is lost, damaged, defective or stolen,
- and the Participant shall immediately cease to use such compromised Security Device until further notice from the Company. The Participant shall be bound by all Communications and transactions resulting from any Communications made which are referable to any compromised Security Device until such time as the Company has received a notification from the Participant under this Rule 11.9.
- 11.10 The Company's records of the Communications, and its record of any transactions maintained by any relevant person authorised by the Company relating to or connected with the Plan, whether stored in electronic or printed form, shall be binding and conclusive on a Participant and shall be conclusive evidence of such Communications and/or transactions. All such records shall be admissible in evidence and the Participant shall not challenge or dispute the admissibility, reliability, accuracy or the authenticity of the contents of such records merely on the basis that such records were

incorporated and/or set out in electronic form or were produced by or are the output of a computer system, and the Participant waives any of his/~~her~~ rights (if any) to so object.

- 11.11 Any provision in these Rules or any regulation of the Committee requiring a Communication to be signed by a Participant may be satisfied in the case of an electronic Communication, by the execution of any on-line act, procedure or routine designated by the Company to signify the Participant's intention to be bound by such Communication.

12. MODIFICATIONS TO THE PLAN

- 12.1 Any or all of the provisions of the Plan may be modified and/or altered at any time and from time to time by resolution of the Committee, except that:

- (a) no modification or alteration shall adversely affect the rights attached to any Award granted prior to such modification or alteration except with the consent in writing of such number of Participants who, if their Awards were Released to them upon the expiry of all the Vesting Periods applicable to their Awards, would thereby become entitled to not less than three-quarters in number of all the Shares which would fall to be Vested upon Release of all outstanding Awards upon the expiry of all the Vesting Periods applicable to all such outstanding Awards;
- (b) the definitions of "Committee", "Group", "Group Employee", "Group Executive Director", "Group Non-Executive Director", "Participant", "Performance Period" and "Vesting Period" and the provisions of Rules 4, 5, 6, 7, 8, 9, 10 and this Rule 12 shall not be altered to the advantage of Participants except with the prior approval of the Company's shareholders in general meeting; and
- (c) no modification or alteration shall be made without the prior approval of the Singapore Exchange, and such other regulatory authorities as may be necessary.

For the purposes of Rule 12.1(a), the opinion of the Committee as to whether any modification or alteration would adversely alter the rights attached to any Award shall be final, binding and conclusive. For the avoidance of doubt, nothing in this Rule 12.1 shall affect the right of the Committee under any other provision of the Plan to amend or adjust any Award.

- 12.2 Notwithstanding anything to the contrary contained in Rule 12.1, the Committee may at any time by resolution (and without any other formality, save for the prior approval of the Singapore Exchange) amend or alter the Plan in any way to the extent necessary or desirable, in the opinion of the Committee, to cause the Plan to comply with, or take into account, any statutory provision (or any amendment or modification thereto) or the provision or the regulations of any regulatory or other relevant authority or body (including the Singapore Exchange).
- 12.3 Written notice of any modification or alteration made in accordance with this Rule 12 shall be given to all Participants.

13. TERMS OF EMPLOYMENT UNAFFECTED

The terms of employment of a Participant (being a Group Employee) shall not be affected by his participation in the Plan, which shall neither form part of such terms nor entitle him to take into account

such participation in calculating any compensation or damages on the termination of his employment for any reason.

14. DURATION OF THE PLAN

- 14.1 The Plan shall continue to be in force at the discretion of the Committee, subject to a maximum period of ten (10) years commencing on the Adoption Date, provided always that the Plan may continue beyond the above stipulated period with the approval of the Company's shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.
- 14.2 The Plan may be terminated at any time by the Committee or, at the discretion of the Committee, by resolution of the Company in general meeting, subject to all relevant approvals which may be required and if the Plan is so terminated, no further Awards shall be granted by the Committee hereunder.
- 14.3 The expiry or termination of the Plan shall not affect Awards which have been granted prior to such expiry or termination, whether such Awards have been Released (whether fully or partially) or not.

15. TAXES

All taxes (including income tax) arising from the grant or Release of any Award granted to any Participant under the Plan shall be borne by that Participant.

16. COSTS AND EXPENSES OF THE PLAN

- 16.1 Each Participant shall be responsible for all fees of CDP relating to or in connection with the ~~issue and allotment~~ and issue or transfer of any Shares pursuant to the Release of any Award in CDP's name, the deposit of share certificate(s) with CDP, the Participant's securities account with CDP, ~~or the Participant's securities sub-account with a CDP-Depository Agent~~ or such other securities account or securities sub-account as designated by the Participant.
- 16.2 Save for the taxes referred to in Rule 15 and such other costs and expenses expressly provided in the Plan to be payable by the Participants, all fees, costs and expenses incurred by the Company in relation to the Plan including but not limited to the fees, costs and expenses relating to the allotment and issue, or transfer, of Shares pursuant to the Release of any Award shall be borne by the Company.

17. DISCLAIMER OF LIABILITY

Notwithstanding any provisions herein contained, the Committee and the Company and the Company's directors and employees shall not under any circumstances be held liable for any costs, losses, expenses and damages whatsoever and howsoever arising in any event, including but not limited to the Company's delay in issuing, or procuring the transfer of, the Shares or applying for or procuring the listing of new Shares on the Singapore Exchange in accordance with Rule 7.2.3.

18. DISCLOSURES IN ANNUAL REPORTS

~~The following disclosures or the appropriate negative statements (as applicable) will be made by the Company in its annual report for so long as the Plan continues in operation.~~ For as long as the Plan continues in operation, the Company will make such disclosures (or include the appropriate negative statements) in its annual report as from time to time required by the Listing Manual, including the following (where applicable):

- (a) the names of the members of the Committee administering the Plan;
- (b) in respect of the following Participants of the Plan:
 - (i) directors of the Company; and
 - (ii) Participants (other than those in paragraph (i) above) who have been granted options under the SATS ESOP and/or who have received Shares pursuant to the Release of Awards granted under the Plan and/or the release of awards granted under the SATS PSP which, in aggregate, represent 5% or more of the aggregate of:
 - (1) the total number of new Shares available under the Plan, the SATS ESOP and the SATS PSP collectively; and
 - (2) the total number of existing Shares delivered pursuant to Awards Released under the Plan, options exercised under the SATS ESOP and awards released under the SATS PSP collectively,

the following information:

- (aa) the name of the Participant;
- (bb) the following particulars relating to options granted under the SATS ESOP:
 - (i) options granted during the financial year under review (including terms);
 - (ii) the aggregate number of Shares comprised in options granted since the commencement of the SATS ESOP to the end of the financial year under review;
 - (iii) the aggregate number of Shares arising from options exercised since the commencement of the SATS ESOP to the end of the financial year under review;
 - (iv) the aggregate number of Shares comprised in options outstanding as at the end of the financial year under review;
 - (v) the number of new Shares issued to such Participant during the financial year under review; and

- (vi) the number of existing Shares transferred to such Participant during the financial year under review; and
- (cc) the following particulars relating to Awards Released under the Plan and/or awards released under the SATS PSP:
 - (i) the number of new Shares issued to such Participant during the financial year under review; and
 - (ii) the number of existing Shares transferred to such Participant during the financial year under review; and
- (c) in relation to the Plan and the SATS PSP, the following particulars:
 - (i) the aggregate number of Shares comprised in Awards granted under the Plan and awards granted under the SATS PSP since the commencement of the Plan and the SATS PSP respectively to the end of the financial year under review;
 - (ii) the aggregate number of Shares comprised in Awards which have Vested under the Plan and awards which have vested under the SATS PSP during the financial year under review and in respect thereof, the proportion of:
 - (1) new Shares issued; and
 - (2) existing Shares transferred and, where existing Shares were purchased for delivery, the range of prices at which such Shares have been purchased,

upon the Release of the Vested Awards granted under the Plan and the release of the vested awards granted under the SATS PSP; and
 - (iii) the aggregate number of Shares comprised in Awards granted under the Plan which have not been Released and awards granted under the SATS PSP which have not been released as at the end of the financial year under review.

19. COLLECTION, USE AND DISCLOSURE OF PERSONAL DATA

For the purposes of implementing and administering the Plan, and in order to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (including but not limited to the Personal Data Protection Act 2012), the Company will collect, use and disclose the personal data of the Participants, as contained in each Award Letter and/or any other notice or communication given or received pursuant to the Plan, and/or which is otherwise collected from the Participants (or their authorised representatives). By participating in the Plan, each Participant consents to the collection, use and disclosure of his personal data for all such purposes, including disclosure of data to related corporations of the Company and/or third parties who provide services to the Company (whether within or outside Singapore), and to the collection, use and further disclosure by such parties for such purposes. Each Participant also warrants that where he discloses the personal data of third parties to the Company in connection with this Plan, he has obtained the prior consent of such third parties for the Company to collect, use and disclose their personal data for the abovementioned purposes, in accordance with any applicable laws, listing rules, take-over rules, regulations and/or

guidelines (including but not limited to the Personal Data Protection Act 2012). Each Participant shall indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Participant's breach of this warranty.

20. DISPUTES

Any disputes or differences of any nature arising hereunder or in relation to any Award shall be referred to the Committee and its decision shall be final and binding in all respects.

21. GOVERNING LAW

The Plan shall be governed by, and construed in accordance with, the laws of the Republic of Singapore. The Participants, by accepting grants of Awards in accordance with the Plan, and the Company, submit to the exclusive jurisdiction of the courts of the Republic of Singapore.

22. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT, ~~CHAPTER 53B~~ 2001

No person other than the Company or a Participant shall have any right to enforce any provision of the Plan or any Award by virtue of the Contracts (Rights of Third Parties) Act, ~~Chapter 53B of Singapore~~ 2001.