

CORPORATE GOVERNANCE

1. The SATS Board will continue to uphold the highest standards of corporate governance within the Company and the SATS Group of Companies.

2. BOARD OF DIRECTORS

2.1 The Board supervises the management of the Company. It meets monthly and focuses on strategies and policies with particular attention paid to major investments and financial performance.

2.2 The Board members are:

Cheong Choong Kong	– Chairman	} Directors
Michael Tan Jiak Ngee	– Deputy Chairman	
Chew Choon Seng		
Barry Desker	– Appointed on 1 August 1999	
Richard Charles Helfer	– Appointed on 1 March 2000	
Hong Hai	– Appointed on 1 March 2000	
Ng Kee Choe	– Appointed on 1 March 2000	

2.3 Decisions of the SATS Board are communicated to SATS Management (Chief Executive Officer SATS, Chief Executive SATS Airport Services and Chief Executive SATS Catering) through their attendance at the Board Meetings.

3. SATS BOARD COMMITTEE

To ensure operational efficiency, the SATS Board Committee was established on 24 March 2000 to deputise for the Board in operational matters and is duly empowered to, inter alia, open bank accounts, grant Powers of Attorney, affix the Company's seal to all documents requiring the seal, authorise resolutions under seal to approve the sale and/or lease of the company premises. The three members are Chairman SATS, Deputy Chairman SATS and Mr Chew Choon Seng, Director. Resolutions approved by the SATS Board Committee will be duly notified to fellow directors at Board Meetings.

4. AUDIT COMMITTEE

4.1 The Audit Committee, which was formed on 2 March 2000, comprises three members, two of whom are independent non-executive directors. The members of the Audit Committee at the date of this report are:

Ng Kee Choe	– Chairman
Michael Tan Jiak Ngee	– Member
Hong Hai	– Member

4.2 The Audit Committee shall meet at least twice a year with the internal auditors and the auditors of the Company, and performs the following functions:

- a) reviews the audit plans of the internal auditors and the auditors of the Company, the results of their examination of the Company's system of internal accounting controls and the co-operation given by the Company's officers to the external and internal auditors;
- b) reviews the financial statements of the Group and the Company and the auditors' report thereon before their submission to the Board of Directors;
- c) nominates the external auditors for reappointment; and
- d) reviews interested person transactions

4.3 The Audit Committee has full access to and co-operation of the Company's management. The Audit Committee has full discretion to invite any director or executive officer to attend the meetings, and has been given reasonable resources to enable it to discharge its functions.

4.4 In the opinion of the directors, the Company complies with the Best Practices Guide on Audit Committees.

5. SENIOR OFFICERS' REMUNERATION COMMITTEE

The Senior Officers' Remuneration Committee regularly and systematically reviews the remuneration packages needed to retain and motivate Senior Officers of the highest quality. Senior Officers are those holding the rank of Senior Vice-President or higher. The Senior Officers' Remuneration Committee comprises:

Cheong Choong Kong	–	Chairman
Michael Tan Jiak Ngee	–	Member
Chew Choon Seng	–	Member

6. SECURITIES TRANSACTIONS

6.1 The Company has clear policies on trading of its shares by Board directors and employees which are in conformity with the guidelines of the Singapore Exchange Securities Trading Limited.