

# Corporate Governance



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

## 2. Board Of Directors

- 2.1 The Board supervises the management of the Company. It meets at least once every 2 months. In addition, optional meetings are scheduled during the alternate months in between, and are held as scheduled if there are matters requiring the Board's decision at the relevant times. The Board 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*  
Michael Tan Jiak Ngee *Deputy Chairman*  
Chew Choon Seng  
Barry Desker  
Richard Charles Helfer  
Hong Hai  
Ng Kee Choe
- 2.3 All Directors on the Board are non-executive Directors. Of the 7 Directors, 4 Directors – Barry Desker, Ng Kee Choe, Hong Hai and Richard Helfer, are independent Directors.
- 2.4 Decisions of the SATS Board are communicated to SATS Management (Chief Executive Officer SATS, Chief Executive SATS Airport Services Pte Ltd and Chief Executive SATS Catering Pte Ltd) through their attendance at Board Meetings and circulation of the minutes of Board Meetings to them.
- 2.5 The Board is issued with detailed Board papers by Management, giving the background, explanatory information and justification for each decision and mandate which Management requests the Board to make, including where applicable, relevant budgets, forecasts and projections. In addition, at each Board meeting, information papers are circulated to the Board to inform the Board of material matters and issues which Management is currently involved in exploring or resolving. Monthly management accounts of the SATS Group of Companies comprising, inter alia, consolidated unaudited profit and loss account, revenue breakdown

by client, consolidated balance sheet and explanatory notes explaining variances, are also circulated to the Board for its review.

- 2.6 In the Financial Year commencing 1 April 2000 and ending 31 March 2001 ("FY2000/01"), 6 Board meetings were held. One meeting was attended by all Board members, 3 meetings were attended by all Board members except one, and 2 meetings were attended by 5 Board members out of 7.

## 3. SATS Board Committee

- 3.1 To ensure operational efficiency, the SATS Board Committee was established on 24 March 2000 to deputise for the Board in operational matters and is empowered to, inter alia, open bank accounts, grant Powers of Attorney, affix the Company's seal and authorise resolutions under seal to approve the sale and/or lease of the company premises. Resolutions are passed by the SATS Board Committee by circulation in writing.
- 3.2 The 3 members on the SATS Board Committee are Chairman SATS, Deputy Chairman SATS and Mr Chew Choon Seng, Director. Resolutions approved by the SATS Board Committee are notified to fellow Directors through their inclusion in the minutes of Board Meetings circulated to them.

## 4. Audit Committee

- 4.1 The Audit Committee, which was formed on 2 March 2000, comprises 3 members, 2 of whom are independent non-executive Directors. The members of the Audit Committee are:  
Ng Kee Choe *Chairman*  
Chew Choon Seng *Member*  
Hong Hai *Member*
- 4.2 The Audit Committee is required by its Charter to meet at least twice a year, and in practice, is scheduled to meet on a quarterly basis. Meetings are held with the internal auditors and the auditors of the Company present. In FY2000/01, 3 Audit Committee meetings were held and attended by all the members of the Audit Committee.

4.3 The Audit Committee performs the following functions:

- a) reviews the audit plans of the internal auditors and 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;
- d) reviews interested person transactions;
- e) approves the internal control procedures and arrangements for all interested person transactions to ensure that they are carried out on an arm's length basis and on normal commercial terms and are not prejudicial to the Company or its shareholders;
- f) performs the functions required of it under the Companies Act and the SGX-ST Listing Manual; and
- g) reviews the proposed shareholders' general mandates in relation to interested person transactions to be adopted by the Company from time to time.

4.4 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.

4.5 Minutes of Audit Committee meetings are circulated to fellow Directors by the Company Secretary or the Secretary to the Audit Committee.

4.6 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 was formed on 17 February 2000 to implement and administer the SATS Employee Share Option Plan

(the "Plan") in accordance with its terms and the requirements of the Singapore Exchange Securities Trading Limited's Listing Rules, to determine the eligibility of individuals for participation in the Plan, and to offer and grant options in accordance with the provisions of the Plan. The Senior Officers' Remuneration Committee comprises:

Cheong Choong Kong  
Michael Tan Jiak Ngee  
Richard Charles Helfer

The Senior Officers' Remuneration Committee met twice in FY2000/01.

## 6. Committee On Staff Matters

The Committee on Staff Matters (the "Staff Committee"), formed on 25 October 2000, tracks the career progression of scholars, management trainees and other high potential senior staff, approves postings of head office senior staff to joint ventures and projects overseas, decides on requests, suggestions and recommendations for changes in staff policies and schemes, or introduction of new policies and schemes for staff, reviews appeals of staff or unions against decisions of disciplinary or promotion appeals boards, and decides on any other staff matters which the Committee may decide to review from time to time. The Staff Committee comprises:

Chew Choon Seng *Chairman*  
Michael Tan Jiak Ngee *Member*

Since its formation, the Staff Committee has met once.

## 7. Securities Transactions

The Company has a clear set of Policy and Guidelines for Dealings in the Shares of the Company and the other listed companies in the Singapore Airlines Group, being Singapore Airlines Limited and SIA Engineering Company Limited, which has been disseminated to employees of the SATS Group of Companies. The Policy and Guidelines are in conformity with the guidelines of the Singapore Exchange Securities Trading Limited.