

Corporate Governance Report

KEY HIGHLIGHTS

AWARDS & ACCOLADES

- Investor's Choice Awards 2024:
 - Singapore Corporate Governance Award for Diversity
 - The Shareholder Communications Excellence Award
 - Most Transparent Company Award for Industrials
 - Outstanding CEO Award (Mr Kerry Mok)
- The Singapore Corporate Awards 2024, Best Managed Board for corporations with a market capitalisation of more than SGD1 billion.
- Topping the annual corporate governance scorecard of the 2024 Singapore Governance and Transparency Index.

EFFECTIVE RISK MANAGEMENT

- The Board has overall responsibility and oversight for risk management and the SSRC monitors the effectiveness of risk management processes through a robust ERM framework that prescribes a structured methodology for the identification, assessment and mitigation of key risks. Having in place established risk appetite and tolerance limits also defines the nature and extent of risks that the Group is willing to take to achieve its strategic and business objectives and value creation.
- On an annual basis, the Board also opines on the adequacy and effectiveness of the Group's systems of risk management and internal controls and the basis of this opinion is supported by the Group's Management Controls and Assurance Framework that is underpinned by the three lines of defence model. This framework is meant to provide reasonable assurance on the adequacy and effectiveness of the risk management and internal control systems in the areas of Financial, Operational, Compliance and Technology risks.

PROGRESSIVE RENEWAL OF THE BOARD

In recent years, the Board has experienced a notable transformation, incorporating new members with varied expertise and perspectives. We have also been joined by a new Chairman at the helm, whose leadership and vision will guide us towards sustained success. Key highlights of our governance practices and improvements as regards Board composition and succession planning are detailed as follows:

Board Composition and Independence

- Provides oversight and governance with independent leadership.
- Demonstrating and maintaining broad independence with 9 out of 11 Directors being independent non-executive Directors.

Succession Planning

- Deliberate and structured succession planning for leadership transition.
- Appointment of seasoned and capable individuals such as Mr Irving Tan as an independent non-executive Director and Chairman-designate on 16 May 2024 to ensure continuity.
- Appointment of Ms Euleen Goh, Mr Irving Tan's immediate predecessor Chairman, as a senior advisor to Mr Tan to ensure continuity and a smooth transition with minimal disruption.
- Review and update of Board Committees following Mr Irving Tan's appointment as Chairman on 19 July 2024 to align on strategic priorities and regulatory best practices.

Please refer to the Succession Planning and Board Renewal section on page 83 of this Annual Report for further details.

BOARD DIVERSITY

The key highlights of our corporate governance practices as regards Board diversity are outlined below:

Length of Service

- Balanced mix of experienced and newly appointed Directors.
- A majority (8 out of 11) of the Directors have served for less than five years.
- Diversity in tenure allows the Board to leverage institutional knowledge and gain fresh insights.

Skills and Diversity

- Enhancing the global experience and perspective of the Board with the appointment of a new Chairman.
- Broad range of competencies including leadership, financial expertise, risk management, and industry knowledge.
- Enhanced decision-making and ability to navigate business challenges while upholding corporate governance standards.

Please refer to the Board Diversity Targets, Timelines and Progress section on page 79 of this Annual Report for further details.

OUR GOVERNANCE STRUCTURE

AC

Chairperson: Mrs Deborah Ong

Composition: All five members are independent non-executive Directors

Key role: The AC oversees financial statement integrity, the adequacy and effectiveness of internal controls and risk management systems related to financial reporting, as well as performs all other functions and responsibilities of an audit committee that may be imposed by the Companies Act, Listing Manual, Code, and other regulations.

NC

Chairperson: Ms Jessica Tan

Composition: Three out of four members of the NC, including the NC Chairperson, are independent non-executive Directors

Key role: The NC implements and monitors the Board Diversity Policy, making recommendations on Board composition based on various factors such as diversity in terms of gender, skills, industry experience and age. It manages the selection process for new Directors, re-nominations, re-appointments and succession planning for Board and Board Committee members in accordance with the Code's provisions. The NC assesses Directors' independence and effectiveness, particularly those with multiple commitments, and conducts the Board effectiveness evaluation process. It provides advice on training and professional development for Directors and ensures new Directors understand their responsibilities.

RHRC

Chairperson: Mr Achal Agarwal

Composition: Three out of four members of the RHRC, including the RHRC Chairperson, are independent non-executive Directors

Key role: The RHRC evaluates all aspects of remuneration and benchmarks against comparable organisations to ensure terms are fair and competitive. This helps the Group attract, recruit, motivate and retain top talent through competitive pay and progressive policies such as pay-for-performance, achieving the Group's goals and delivering sustainable shareholder value. The RHRC also reviews succession plans for the PCEO and Key Management Personnel.

SSRC

Chairperson: Ms Vinita Bali

Composition: All five members are independent non-executive Directors

Key role: The SSRC guides the Group on strategic, financial, operational, technological (including cybersecurity), legal and regulatory compliance risks. It identifies, amongst other key risks, material ESG factors for integration into business strategy, while overseeing the management of enterprise risk factors and monitoring risk and safety adequacy and effectiveness.

PCEO

Mr Kerry Mok

Key role: The PCEO is the highest-ranking senior corporate officer responsible for leading and managing the Group. The PCEO, in collaboration with Senior Management, formulates strategic proposals for the Board's consideration. Following thorough and constructive deliberations by the Board, the PCEO implements the agreed-upon strategy, oversees the development of the Group's businesses, and executes Board-aligned strategies. Furthermore, the PCEO serves as the Company's representative to various stakeholder groups, including shareholders, employees, government authorities and regulators, business partners, customers, and the general public.

CHAIRMAN

Mr Irving Tan

Key role: The Chairman leads the Board and acts independently of Senior Management. The Chairman's primary role is to provide leadership to the Board and the Board Committees and to monitor the translation of the Board's decisions into executive action.

THE BOARD OF SATS

**11 Directors:
9 independent Directors and
2 non-independent Directors**

Key role: The Board provides leadership and oversight for the Group, setting business strategic direction. It monitors the performance of the PCEO and Senior Management, approves major investments, ensures compliance with legal and regulatory requirements, and maintains effective communication with stakeholders. The Board also engages with Senior Management to develop and execute strategies, manage risks, and ensure organisational accountability and transparency.

Corporate Governance Report

Introduction

SATS upholds high standards of corporate governance as a foundation for ethical conduct, sustainable corporate performance, operating competitiveness and accountability. Our corporate governance framework focuses on strong and accountable leadership, effective internal controls and risk management, a transparent corporate culture and accountability to our shareholders and stakeholders.

We are pleased to report that for FY2025, we have adhered to the core principles of corporate governance as outlined in the Code. Additionally, we have complied with the provisions set out in the Code in all material respects. For instances where there are any deviations from the provisions of the Code, we have provided appropriate explanations.

BOARD MATTERS

The Board's Conduct of Affairs

Principle 1

Role and Responsibilities of the Board

The Board provides entrepreneurial leadership, and is responsible for overseeing the business, financial performance and affairs of the Group. The Board's key functions include:

- Setting the overall business strategies, directions and long-term goals of the Group (which include appropriate focus on growth, value creation, innovation and sustainability) to be implemented by Senior Management, and ensuring that adequate resources including financial and human resources are available;
- Providing guidance on the Group's values and standards (including ethical standards), helping to set the appropriate tone-from-the-top and foster the desired organisational culture, while supporting alignment of the Group's policies and practices with these values and promoting proper accountability across the Group;
- Providing sound leadership and guidance to, and constructively challenging, the PCEO and Senior Management;
- Monitoring the performance of the PCEO and Senior Management;
- Engaging with and providing guidance to the PCEO and Senior Management in the event of unforeseen and/or challenging macro-economic situations;
- Evaluating and approving important matters such as major investments or divestments, funding needs and expenditure;
- Assuming responsibility for the corporate governance, strategy, risk management, and financial performance of the Group; This includes evaluating the adequacy of internal controls, risk management systems, financial reporting, and compliance (including legal, tax, and regulatory compliance);
- Ensuring policies, structures and mechanisms are in place to comply with legislative and regulatory requirements;
- Ensuring effective communication with key stakeholder groups, along with maintaining transparency and accountability;
- Protecting and enhancing the reputation of the Group;
- Considering sustainability issues as part of the Group's strategy; and
- Setting the Board diversity policy (including qualitative and quantitative objectives, where appropriate).

The Board has adopted a set of guidelines on matters that require its approval, which include matters of strategic importance, corporate governance practices, legal and regulatory compliance, risk management, maintenance of performance standards, corporate culture, reputation and ethical standards, corporate strategy, approval of business plans, review of financial and operating results, approval and monitoring of major investments and strategic commitments, operating and capital expenditure budgets, and all responsibilities and tasks delegated to Board Committees under relevant laws and regulations. These guidelines are communicated to and applied in regular meetings with Senior Management.

The Board collaborates with Senior Management in the development and execution of strategies, stakeholder engagement, and various matters related to business, strategy, operational issues, governance and risk management. Senior Management can utilise the specific expertise and tap on the industry experience of each Director, which allows for focused interactions and discussions between Directors and Senior Management in executing the Company's strategy. Board approvals and authority are managed via a Financial and Operating Approval Authority Matrix that sets out the approval limits (based on established financial thresholds) of the Board and Senior Management for investments, purchases, disposals, vendor selection, write-offs and other activities.

Code of Conduct for Directors

All our Directors are committed to diligently fulfilling their fiduciary duties and responsibilities objectively in the best interests of SATS, ensuring proper accountability within the Company at all times. They understand SATS' business as well as their duties as a director (including their roles as executive, non-executive and independent directors). The Board adheres strictly to a Code of Conduct, which serves as a framework for guiding Directors on ethical risk, potential conflicts of interests and fostering an environment where integrity and accountability are areas of focus.

Our Code of Conduct is comprised of the following key principles:

- Directors must avoid situations in which their own personal or business interests directly or indirectly conflict, or appear to conflict, with the interests of SATS;
- Directors must immediately declare conflicts of interest in relation to any matter and recuse themselves from participating in any discussion and/or decision on the matter, and are expected to take necessary mitigating steps (if appropriate) to avoid the conflict;
- Directors should consult the Chairman of the Board and the Chairperson of the NC before accepting any appointments to the board of directors of another public or private company;
- Directors are to exercise due care and maintain the confidentiality of information entrusted to them by SATS or other parties who have business dealings with SATS;
- Directors must carry out their responsibilities in compliance with SATS guidelines and policies, and applicable laws, rules and regulations; and
- Directors must not trade in the securities of SATS if, at the relevant time, they are in possession of non-public materially price-sensitive or trade-sensitive information.

Also in place is a detailed Policy on Disclosure of Interests in Transactions by Directors which supplements the Code of Conduct. This policy sets out the legal obligations in respect of the disclosure requirements for conflicts of interests under the Companies Act, and the procedure and best practice recommendations for making such disclosures. In this spirit and as a matter of policy, the Company does not extend loans to its Directors.

Board Governance Structure

The composition and structure of the Board are critical for maintaining strong governance, strategic oversight, and accountability. The Board operates with the support of various Board Committees, each established to aid in fulfilling the Board's oversight responsibilities. These Board Committees function based on written and clearly defined terms of reference.

The compositions of our Board Committees are as follows:

Board Committee	Composition	Members
Executive Committee (EXCO) (until its dissolution on 27 November 2024)	<ul style="list-style-type: none"> • Four members • Three out of four members (including the EXCO Chairperson) are independent non-executive Directors 	<ul style="list-style-type: none"> • Mr Irving Tan (Chairman) • Mr Achal Agarwal • Mr Mak Swee Wah • Mr Kerry Mok
AC	<ul style="list-style-type: none"> • Five members • All independent non-executive Directors 	<ul style="list-style-type: none"> • Mrs Deborah Ong (Chairperson) • Ms Vinita Bali • Ms Chan Lai Fung • Mr Pier Luigi Sigismondi • Ms Jessica Tan
NC	<ul style="list-style-type: none"> • Four members • Three out of four members (including the NC Chairperson) are independent non-executive Directors 	<ul style="list-style-type: none"> • Ms Jessica Tan (Chairperson) • Mr Chia Kim Huat • Mr Eng Aik Meng • Mr Irving Tan
RHRC	<ul style="list-style-type: none"> • Four members • Three out of four members (including the RHRC Chairperson) are independent non-executive Directors 	<ul style="list-style-type: none"> • Mr Achal Agarwal (Chairperson) • Ms Chan Lai Fung • Mr Eng Aik Meng • Mr Irving Tan
SSRC	<ul style="list-style-type: none"> • Five members • All independent non-executive Directors 	<ul style="list-style-type: none"> • Ms Vinita Bali (Chairperson) • Mr Chia Kim Huat • Mr Mak Swee Wah • Mrs Deborah Ong • Mr Pier Luigi Sigismondi

As announced by the Company on 2 June 2025, Mr Chia Kim Huat, who has served for more than eight years as an independent non-executive Director, will be retiring by rotation at the 2025 AGM and has notified the Company that he will not be seeking re-election. He will therefore cease to be a Director with effect from the conclusion of the 2025 AGM and consequently, cease to be a member of each of the NC and the SSRC.

In addition, Mr Achal Agarwal, who has served for close to nine years as an independent non-executive Director, will step down as an independent non-executive director with effect from the conclusion of the 2025 AGM and consequently, cease to be the Chairperson of the RHRC.

The Board, upon the recommendations of the NC, has approved the reconstitution of the following Board Committees with effect from the conclusion of the 2025 AGM:

- Mr Mak Swee Wah will be appointed as a member of the NC, replacing Mr Chia Kim Huat; and
- Ms Chan Lai Fung will assume the role of Chairperson of the RHRC, succeeding Mr Achal Agarwal.

For a detailed overview of the key responsibilities and activities of each Board Committee, please refer to the relevant sections of this CG Report.

Corporate Governance Report

Frequency and Conduct of Board Meetings

The Board meets regularly and our Directors attend and actively participate in Board and Board Committee meetings. To ensure meaningful participation, our Board and Board Committee meetings are planned and scheduled in advance. Additionally, ad hoc Board meetings are convened as necessary to address urgent matters that require the Board's deliberation and decision between scheduled meetings. Board approvals for routine matters may also be obtained through the circulation of written resolutions outside of Board meetings. The number of meetings and each Director's attendance at these meetings are detailed on page 75 of this Annual Report.

Board Meetings

The agenda for Board meetings is decided by the Chairman in consultation with the PCEO, with sufficient time provisioned for key and material topics. Matters requiring decision and approval and matters which are for the Board's information are clearly set out in a detailed agenda.

To uphold appropriate corporate governance standards, key matters requiring Board approval are typically reserved for resolution at Board meetings rather than by written circulation. This facilitates deeper discussions amongst Directors and Senior Management, and a more informed decision-making process. As far as possible, all relevant information, papers, and materials are made available to the Directors at least a week prior to the meeting; this enables Directors who are unable to attend a meeting to provide inputs and raise queries on the agenda items.

Board papers are detailed and provide background, explanatory information, justification, risks, and mitigation measures for each agenda item and mandate sought by Senior Management. This includes, where applicable, relevant budgets, business plans, forecasts, and projections. Directors can ask for additional information as needed to make informed decisions.

All materials for Board and Board Committee meetings are uploaded onto a secure online portal, which can be readily accessed on tablet devices provided to Directors. A separate resource folder in the online portal contains the terms of reference of all Board Committees and policies relevant to the Directors' duties and obligations for the Directors' reference.

The Chairman encourages openness and debate at Board meetings, and Directors participate actively in Board discussions, sharing their insights on issues and matters tabled. Directors (led by the Chairman or other independent Directors as appropriate) also meet regularly with and without the presence of Senior Management to review and monitor the performance of Senior Management in meeting the goals and objectives set for them. The chairman of such meetings provides feedback to the Board and/or the Chairman as appropriate.

Under the Company's Constitution, the quorum for Board meetings is two, and Board resolutions are passed by simple majority. The Company Secretary attends all Board meetings and minutes the proceedings. The Company Secretary, the PCEO and other GMB members are usually invited and are present at meetings of the Board. Where necessary and/or expedient, the Board and Board Committees may invite Senior Management members or external advisors for specific projects to be present at their respective meetings.

External professionals may also be invited to present updates on corporate governance, legal, tax and/or accounting matters, listing rules, and other relevant topics. If a Director is unable to attend a meeting in person, he/she can participate by telephone or video conference as this is permitted under the Company's Constitution. Minutes of meetings are prepared and circulated to the Directors, as far as practicable, within two weeks of the relevant meeting, and are archived in a separate folder in the secure online portal for easy access by the Directors.

Strategy and Other Meetings

Since 2003, the Board conducts annual strategy meetings for focused discussions on key strategic issues, with Directors lending their experience and expertise during these discussions, which may be country or business-specific, outside of formal Board and Board Committee meetings. Where appropriate, Directors are included in strategy discussions ahead of the Board Strategy Meeting to help formulate the strategies to be presented, providing guidance to Senior Management in specific business areas or geographies where they possess significant experience or expertise.

Board Attendance and Participation

The table on the next page provides information on the membership of the Board Committees during FY2025 and attendance at Board and Board Committee meetings, as well as the 2024 AGM, for the Directors who held office during FY2025.

For details on the non-executive Directors' remuneration and fee structure, please refer to pages 88 and 89 of this Annual Report.

Name of Director	Board Meetings		Board Committee Meetings				2024 AGM
	Attendance rate (1 April 2024 to 31 March 2025)						
	BOD ⁽¹⁾	NC	EXCO ⁽²⁾	AC	SSRC	RHRC	
No. of meetings held (1 April 2024 to 31 March 2025)							
	9	2	2	4	4	5	
Mr Kerry Mok Executive Director	9	–	2	–	–	–	1
Ms Euleen Goh⁽³⁾ Independent Non-Executive Director	1/1	1/1	2	–	–	2/2	1
Mr Irving Tan⁽⁴⁾ Independent Non-Executive Director	9	1/1	–	–	–	3/3	1
Mr Achal Agarwal⁽⁵⁾ Independent Non-Executive Director	9	–	2	–	–	5	1
Ms Vinita Bali⁽⁶⁾ Independent Non-Executive Director	8	–	2	4	3/3	–	1
Mr Chia Kim Huat Independent Non-Executive Director	9	2	–	–	4	–	1
Ms Jenny Lee⁽⁷⁾ Independent Non-Executive Director	1/1	–	–	–	–	–	–
Mrs Deborah Ong Independent Non-Executive Director	9	–	–	4	4	–	1
Ms Jessica Tan Independent Non-Executive Director	8	2	–	4	–	–	1
Dr Detlef Trefzger⁽⁸⁾ Independent Non-Executive Director	1/1	–	–	–	1/1	–	–
Mr Eng Aik Meng⁽⁹⁾ Non-Independent Non-Executive Director	7	1/1	–	–	–	5	1
Mr Pier Luigi Sigismondi⁽¹⁰⁾ Independent Non-Executive Director	8	–	–	3/3	4	–	1
Mr Mak Swee Wah⁽¹¹⁾ Independent Non-Executive Director	8	–	–	1/1	3/3	–	1
Ms Chan Lai Fung⁽¹²⁾ Independent Non-Executive Director	9	–	–	3/3	1/1	3/3	1

Notes:

⁽¹⁾ BOD meetings included a two-and-a-half-days Board strategy meeting held between 25 and 27 September 2024 outside Singapore.

⁽²⁾ Dissolved on 27 November 2024.

⁽³⁾ Ms Euleen Goh retired from the Board on 19 July 2024. During her tenure as Chairman of the Board, Chairperson of the EXCO and the RHRC respectively, and as a member of the NC in FY2025, she attended all scheduled meetings.

⁽⁴⁾ Mr Irving Tan was appointed as an independent non-executive Director and Chairman-Designate on 16 May 2024. Following Ms Euleen Goh's retirement, he assumed the role of Chairman of the Board on 19 July 2024, and was appointed as the Chairperson of the EXCO and a member of the NC and RHRC on even date. There were no EXCO meetings held during his term as Chairperson of the EXCO in FY2025 and the EXCO was dissolved on 27 November 2024.

⁽⁵⁾ Mr Achal Agarwal was appointed as the Chairperson of the RHRC on 19 July 2024.

⁽⁶⁾ Ms Vinita Bali joined the SSRC and was appointed as its Chairperson on 19 July 2024. On even date, she stepped down as a member of the EXCO.

⁽⁷⁾ Ms Jenny Lee stepped down from the Board on 19 July 2024. During her tenure as a Director in FY2025, she attended the scheduled BOD meeting.

⁽⁸⁾ Dr Detlef Trefzger stepped down from the Board on 19 July 2024. During his tenure as a Director and the Chairperson of the SSRC in FY2025,

he attended all scheduled meetings.

⁽⁹⁾ Mr Eng Aik Meng was appointed as a member of the NC on 19 July 2024. On 1 September 2024, Mr Eng was redesignated as a non-independent non-executive Director due to his concurrent appointment as joint head, Portfolio Development Group and head of Operating Group of Temasek International Pte. Ltd. on even date.

⁽¹⁰⁾ Mr Pier Luigi Sigismondi was appointed as a member of the AC on 19 July 2024.

⁽¹¹⁾ Mr Mak Swee Wah was appointed as a member of the EXCO and the SSRC on 19 July 2024. On even date, he stepped down as a member of the AC.

There were no EXCO meetings held during his term as a member of the EXCO in FY2025 and the EXCO was dissolved on 27 November 2024.

⁽¹²⁾ Ms Chan Lai Fung was appointed as a member of the AC and the RHRC on 19 July 2024. On even date, she stepped down as a member of the SSRC.

Corporate Governance Report

Access to Information

The Directors have unrestricted, direct and convenient access to the information that they require through various avenues. In addition to the financial results and business updates presented at each quarterly Board meeting, the Directors receive updates from the PCEO on key operational matters, business development activities, and strategic matters that require the Board's attention given the dynamic nature of the business and the frequency of developments. Human resource matters such as key hires, as well as investment opportunities, are reported to the Board when significant updates occur. Board Committee members also receive regular reports from Senior Management related to their specific areas of oversight, which may include more detailed and specific information. Queries from individual Directors regarding circulated papers are directed to Senior Management, who will respond accordingly and in a timely fashion. Where relevant, Directors' queries and Senior Management's responses are circulated to all Directors so that they are fully apprised of matters that are of concern, or for their information.

Copies of the minutes from recent past Board and Board Committee meetings are available on a secure online portal. Directors are also provided with other materials relating to the Board and Board Committees, including the terms of reference of the various Board Committees they are appointed to as well as relevant guidelines and policies.

We have established processes to ensure that our non-executive Directors are supported with accurate, complete, and timely information. They have unrestricted access to Senior Management, as well as sufficient time and resources, to effectively discharge their oversight functions, constructively challenge Senior Management, and assist in developing strategic proposals.

To facilitate open discussion and review of Senior Management's performance and effectiveness, our non-executive Directors hold informal discussions without the presence of Senior Management at each scheduled Board meeting, which is held at least six times a year. Additional sessions may be convened as necessary.

Access to Senior Management, Company Secretary and Independent Advisers

The Board has separate and independent access to the GMB, Company Secretary, Senior Management, and internal and external auditors.

The Company Secretary supervises, monitors and advises on governance matters, compliance with the Company's Constitution and applicable laws and regulations (such as the Code and the Listing Manual of the SGX-ST). The Company Secretary, who is knowledgeable in legal and company secretarial practices and stays updated on relevant developments, liaises with regulatory authorities and shareholders, facilitates communication between the Board, its committees and Senior Management, and assists with the orientation and professional development of the Directors. The appointment and removal of the Company Secretary require the approval of the Board.

Directors can also seek independent professional advice at SATS' expense if needed. For mergers and significant transactions requiring shareholder approval, the Board may appoint independent financial advisors to assess and advise on the terms.

Orientation and Training for Directors

The NC is responsible for overseeing the orientation, training and professional development of Directors. A formal and structured orientation framework is in place.

Each newly appointed Director receives a formal appointment letter setting out his/her roles, duties, obligations and responsibilities. Additionally, the Director must undertake to use his/her best endeavours to comply with the requirements of the Listing Manual.

Newly appointed Directors participate in a familiarisation exercise that includes comprehensive and tailored activities such as visits to major businesses and joint ventures, site visits to the kitchens, SATS Integrated Control Centre and Cargo Security Control Centre, as well as presentations by Senior Management. This programme aims to facilitate the Directors' understanding of the Group's objectives, strategic plans, businesses, operations and processes. Mr Irving Tan, who was appointed during FY2025, had been briefed by Senior Management on the Group's objectives, strategic plans, businesses operations and processes, and has visited the Company's facilities in Singapore to familiarise himself with its various business operations.

Newly appointed Directors are also given access to a secure online portal where they can review minutes from recent and historical Board and Board Committee meetings. In addition, they are provided with relevant materials, including the terms of reference of the Board Committees they are appointed to, as well as applicable guidelines and policies, to support their understanding of their roles and responsibilities.

A new Director who has no prior experience as a director of an issuer listed on the SGX-ST must undergo mandatory training regarding his/her roles and responsibilities as prescribed by the SGX-ST. If the NC is of the view that such training is not required because he/she has other relevant experience, the basis for this assessment will be disclosed. External legal counsel may also be engaged to conduct briefing sessions for newly appointed Directors on the roles and responsibilities of a Singapore listed company director.

Specifically, Ms Chan Lai Fung has completed her training on the roles and responsibilities of a director of a listed issuer as prescribed by the SGX-ST in July 2024, within a year from the date of her appointment. The NC had assessed that Mr Irving Tan is not required to attend this training due to his prior experience as a director of the manager of an SGX-listed business trust. Prior to assuming his role as a Director of SATS on 16 May 2024, Mr Irving Tan served, amongst others, as an independent non-executive director of Netlink NBN Management Pte. Ltd., the manager of SGX-listed Netlink NBN Trust.

Periodically and where relevant, Directors receive continuing education on new laws, regulations and evolving commercial risks. Where necessary and relevant, the Board is also briefed on areas such as directors' duties and responsibilities under the Companies Act, Listing Manual and the SFA, enabling them to carry out their statutory and fiduciary duties and to be kept updated on matters that may affect and/or enhance their performance as Directors.

Directors are generally encouraged to attend external workshops, conferences, courses and seminars on corporate governance, leadership and industry-related subjects conducted by external organisations such as the Singapore Institute of Directors. The Company Secretary facilitates the registration process and the course fees are borne by SATS. For example, in FY2025, some of the Directors attended workshops, conferences and seminars, including a two-day Asia Board Leadership Summit organised by the Human Capital Leadership Institute, which was held from 19 to 20 February 2025.

In compliance with Rule 720(7) of the Listing Manual, all Directors in office at the end of FY2025 completed training on sustainability matters as prescribed by the SGX-ST in FY2025.

Executive Committee

As part of the Board's ongoing governance structure review, the Board evaluated the continued relevance of the EXCO alongside the realignment of the Board Committees. Following this review, the Board resolved to dissolve the EXCO with effect from 27 November 2024, with its responsibilities appropriately redistributed to other Board Committees or assumed by the Board, where practicable. Prior to its dissolution, the EXCO was chaired by Ms Euleen Goh until her retirement on 19 July 2024, and thereafter by Mr Irving Tan. Mr Achal Agarwal, Mr Mak Swee Wah and Mr Kerry Mok were members of the EXCO prior to its dissolution. The EXCO met two times in FY2025. Regular reports were presented at each meeting of the EXCO and matters such as the financial performance of the Group, status of strategy implementation, post investment reviews of significant investments and potential investments were discussed prior to seeking the relevant Board approvals and guidance.

BOARD MATTERS

Board Composition and Guidance

Principle 2

Board Composition

Our Board comprises 11 Directors, of which 9 (including the Chairman) are independent non-executive Directors. One Director is non-independent and non-executive, while the PCEO is a non-independent executive Director.

According to the Listing Manual, independent Directors should make up at least one-third of the Board. The Code additionally specifies that non-executive Directors should form a majority of the Board and that independent Directors should form a majority of the Board if the Chairman is not independent. In relation to SATS, the Chairman is independent and there is a majority of independent and non-executive Directors on the Board. Therefore, the Board fully complies with the requirements of both the Listing Manual and the Code.

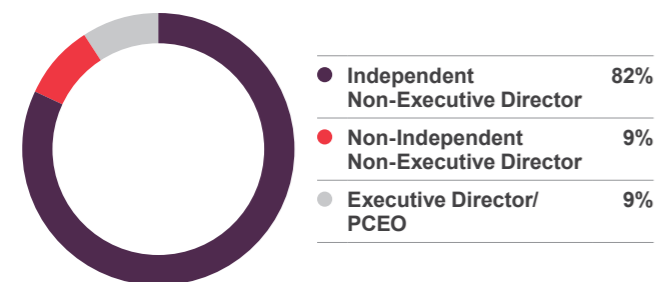
Since the Chairman is independent and does not have any conflicts of interest, there is no need, under the Code, for a lead independent Director to be appointed. The Chairman and the PCEO are also not related.

The Board comprises business leaders and professionals with experience in financial, banking, sales and marketing, branding, consumer business, logistics and supply chain, digital sector, data technology and products, human resource, risk management, operational, technology, legal, venture capital investing, mergers and acquisitions, compliance and accounting. The Directors also bring with them experience from jurisdictions outside Singapore. We believe that the size and composition of the Board are currently appropriate given the scale and geographic distribution of our operations.

Corporate Governance Report

There is a process of refreshing the Board progressively over time which enables the Board to draw upon the experience of longer-serving Directors while at the same time tapping into fresh external perspectives and insights from more recent appointees.

Independence



Length of Service



The Board, through the NC, reviews its composition by considering a variety of factors, including skills, experience, gender, age, knowledge, size, geographical background and experience, nationality and ethnicity. The Board, with the agreement of the NC, believes that an effective Board should consist of 8 to 10 members, a majority of whom should be independent Directors (in our case, 9 out of 11 Directors are independent). This proportion of independent Directors exceeds that prescribed by Listing Rule 210(5)(c), which only requires that independent directors comprise at least one-third of an issuer's board at any time. No individual or small groups dominate the Board's decision-making.

Following Mr Chia Kim Huat's and Mr Achal Agarwal's cessations as Directors with effect from the conclusion of the 2025 AGM, the Board will comprise of nine Directors, of whom seven will be independent Directors.

No alternate Directors were appointed during FY2025. The Board generally refrains from approving the appointment of alternate Directors, adhering to the principle that Directors must be able to commit adequate time to SATS' affairs. The Board believes that alternate Directors should only be appointed only under exceptional circumstances.

Each Director brings to the Board a range of technical, professional, business and geographical experience and competencies, as illustrated in the "Skills and Experience" and "Geographical Background and Experience" charts detailed in the "Board Diversity Policy, Targets, Timelines and Progress" section below. While the current Directors' Expertise and Experience matrix reflects that the Directors possess the necessary expertise in the requisite areas identified by the Board, the Board continues to evolve in alignment with the expanded scope of our business.

Board Diversity Policy, Targets, Timelines and Progress

We are dedicated to fostering an open, inclusive, and collaborative culture and acknowledge the advantages of having a Board and Board Committees with diverse backgrounds and experiences. Our Board Diversity Policy underscores the significance of balancing skills, experience, gender, ethnicity, age, industry and geographical background, as well as professional qualifications, in establishing an effective Board capable of guiding and supporting us in realising our strategic objectives and promoting sustainable growth and development. Such diversity helps prevent groupthink while enabling the Board to better identify potential risks, encourage constructive debate, pose challenging questions, and contribute to problem-solving.

In accordance with our Board Diversity Policy, the NC will consider factors such as professional qualifications, industry and geographic knowledge, experience, skills, length of service, and the Company's needs when reviewing the Board's composition, director rotation and retirement, and succession planning. Gender diversity is especially important to us, and we strive to ensure an adequate gender mix on the Board; our policy includes measurable targets to achieve this goal, and details of our progress are provided below. All Board appointments are merit-based and will be evaluated against objective criteria, with due regard for the benefits of diversity, our needs, and our core values.

The current composition of our Board demonstrates our commitment to diversity in terms of gender, ethnicity, skills, experience, and geographical background. The NC will continually review the Board Diversity Policy to ensure its effectiveness and will recommend appropriate revisions to the Board for consideration and approval.

New Appointments

Mr Irving Tan was appointed as an independent non-executive Director and Chairman-designate on 16 May 2024. He assumed the role of Chairman of the Board on 19 July 2024, following the conclusion of the 2024 AGM. He is currently the chief executive officer of Western Digital Corporation, a company listed on the U.S. National Association of Securities Dealers Automated Quotations (also known colloquially as the NASDAQ Stock Exchange). He contributes to Board diversity in terms of geographical background, leadership experience and skills in sales and global operations, particularly in manufacturing, procurement and supply chain, and technology.

Board Diversity Targets, Timelines and Progress

As part of our ongoing commitment to board diversity, we continue to review and assess our progress against the diversity targets set across the categories of "Skills and Experience", "Geographical Background and Experience", "Gender", and "Ethnicity".

While we have already achieved these targets (see table below), the Board and NC will nevertheless continue to monitor and review strategies to ensure meaningful progress towards further improving our diversity objectives.

In recent months, we have not observed significant progress in terms of further exceeding these targets. The Board and NC will persistently monitor and evaluate strategies to ensure meaningful advancement towards further improving on our diversity metrics.

Outlined below are the Company's diversity targets for the Board, its plans and timelines for achieving these targets, and the progress made towards their fulfilment.

Areas of Diversity, Targets and Timelines	Targets Achieved/Progress Towards Achieving Targets																												
<p>Skills and Experience</p> <p>We aim to maintain a Board comprised of individuals with a well-balanced mix of qualifications and expertise. This includes skillsets and experience spanning key areas such as accounting, finance, legal, supply chain management and logistics (including in the food and associated supply chain sectors), branding, business and management experience (including human capital development and management).</p> <p>To further enhance our capabilities in cargo and supply chain management, we have strengthened our Board with Directors who bring deep expertise in these areas.</p> <p>The Company's target is to maintain this level of diversity in skills and experience in the period leading up to 31 March 2026.</p> <p>The Company believes a diverse range of skills and experience strengthens the effectiveness of the Board and Board Committees, supports the Company's strategic objectives, and enhances its ability to provide sound guidance and oversight of Senior Management and operations.</p>	<p>ACHIEVED – The current Board comprises Directors with a well-balanced mix of qualifications and expertise – in particular, the Board possesses core skillsets and experience in the key areas illustrated below.</p> <p style="text-align: right;"><i>As at 27 May 2025</i></p> <table border="1"> <tr> <td>Finance & Accounting</td> <td>64%</td> <td>Food Solutions</td> <td>27%</td> </tr> <tr> <td>Legal</td> <td>9%</td> <td>Economics</td> <td>36%</td> </tr> <tr> <td>Strategy & Analytics</td> <td>91%</td> <td>Supply Chain Management & Logistics</td> <td>55%</td> </tr> <tr> <td>Information Technology</td> <td>36%</td> <td>Branding</td> <td>55%</td> </tr> <tr> <td>Sales & Marketing</td> <td>73%</td> <td>Mergers & Acquisitions</td> <td>64%</td> </tr> <tr> <td>Human Resource</td> <td>73%</td> <td>Environmental, Social and Governance</td> <td>27%</td> </tr> <tr> <td>Risk Management</td> <td>45%</td> <td>Others – Consumer Marketing, Banking, Customer Service, Sustainability</td> <td>45%</td> </tr> </table> <p>As disclosed above, the appointment of Mr Irving Tan on 16 May 2024 has further enhanced the Board's diversity in skills and experience, especially in the areas of manufacturing, procurement and supply chain, and technology.</p>	Finance & Accounting	64%	Food Solutions	27%	Legal	9%	Economics	36%	Strategy & Analytics	91%	Supply Chain Management & Logistics	55%	Information Technology	36%	Branding	55%	Sales & Marketing	73%	Mergers & Acquisitions	64%	Human Resource	73%	Environmental, Social and Governance	27%	Risk Management	45%	Others – Consumer Marketing, Banking, Customer Service, Sustainability	45%
Finance & Accounting	64%	Food Solutions	27%																										
Legal	9%	Economics	36%																										
Strategy & Analytics	91%	Supply Chain Management & Logistics	55%																										
Information Technology	36%	Branding	55%																										
Sales & Marketing	73%	Mergers & Acquisitions	64%																										
Human Resource	73%	Environmental, Social and Governance	27%																										
Risk Management	45%	Others – Consumer Marketing, Banking, Customer Service, Sustainability	45%																										

Corporate Governance Report

We are committed to implementing the Board Diversity Policy, and any updates to implementation of this policy will be disclosed in future CG Reports, as appropriate.

The Board, taking into account the NC's views, believes that diversity in skills, experience, geography, gender, and ethnicity will enhance decision-making and support the Group's needs and plans.

More details on the Directors are in the "Board of Directors" section on pages 26 to 33 of this Annual Report.

BOARD MATTERS Chairman and PCEO

Principle 3

Role of the Chairman and the PCEO

The roles of our Chairman, Mr Irving Tan and PCEO, Mr Kerry Mok, are distinctly separated to ensure appropriate checks and balances, increased accountability and greater capacity for the Board to make independent decisions. Both the Chairman and the PCEO operate within a culture of trust and respect, cooperating on strategy development, communication, and performance monitoring. It should be noted that the Chairman and the PCEO are not related to each other.

Mr Irving Tan was appointed as an independent non-executive Director and Chairman-designate on 16 May 2024, assuming the role of Chairman with effect from the conclusion of the 2024 AGM.

The responsibilities of the Chairman and the PCEO are clearly established and documented in writing in formal Role Statements, which have been adopted by the Board. The Chairman provides support and advice to the PCEO while respecting the PCEO's executive responsibilities. Similarly, the PCEO seeks guidance from the Chairman regularly and as needed while respecting the Chairman's independence.

The Chairman oversees the Board and operates independently of Senior Management. The Chairman's principal responsibilities include providing leadership to the Board and its Board Committees, as well as ensuring that the Board's decisions are effectively implemented through executive action. Specifically, the Chairman is accountable for the following:

Leadership, Strategy and Culture

- Leading the Board and upholding the highest standards of integrity and probity
- Ensuring that the Board actively contributes to the formulation and determination of our strategy and overall objectives (including sustainable business growth), and the fostering of culture of openness and constructive debate
- Enhancing our local and global market presence and reputation
- Balancing the interests of our shareholders and other stakeholders such as our employees, regulators, creditors and customers
- Promoting high standards of corporate governance
- Guiding the PCEO and Senior Management during unforeseen and/or challenging macro-economic situations as well as during times of crisis

Board Matters

- Ensuring the Board is organised, functions efficiently, and meets its duties, including making sure Directors receive accurate, timely, and clear information
- Setting the agenda for Board meetings and conducting effective Board meetings
- Facilitating effective communication and encouraging constructive relations within the Board and between the Board and Senior Management, particularly with the PCEO
- Ensuring Directors have sufficient time and information to engage with Senior Management and discuss various matters, facilitating the effective contribution of all Directors
- Clarifying the responsibilities of the Board to both the Board and Senior Management and ensuring the boundaries between the Board and Senior Management are understood and respected
- Ensuring that new Directors are provided with a tailored orientation programme and ensuring Directors can continually update their skills and knowledge
- Ensuring that the performance of the Board and each Director is evaluated at least once a year

Relationship with Shareholders, Regulators and Key Customers

- Ensuring effective communication with shareholders and other stakeholders
- Representing the Board at official functions and meetings with stakeholders
- Communicating the perspectives of our shareholders to the Board
- Promoting our interests when engaging with regulators and key customers

The PCEO, supported by Senior Management, formulates strategic proposals and after thorough and constructive discussions with the Board, the PCEO executes the agreed-upon strategy, manages and develops the Group's businesses, and implements the Board's decisions. Additionally, the PCEO communicates on behalf of the Company with various stakeholders, including shareholders, employees, government authorities and regulators, business partners, customers, and the general public.

Areas of Diversity, Targets and Timelines	Targets Achieved/Progress Towards Achieving Targets																		
<p>Geographical Background and Experience</p> <p>Our goal is to maintain geographically diverse backgrounds and experiences among our Directors, particularly to enrich the Board's perspective on opportunities and challenges in the European and United States of America (US) markets after acquiring WFS.</p> <p>We aim to preserve this diversity through 31 March 2026, as it brings varied perspectives to Board and Board Committee deliberations, which is essential for navigating market challenges and opportunities.</p> <p>We continue to seek Directors with extensive knowledge of the European and US markets.</p>	<p>ACHIEVED – The current Board, as a group, consists of Directors with varied geographical backgrounds and experience globally, including the Association of South East Asian Nations (ASEAN) region, the Middle East, Japan, US, the European Union, United Kingdom (UK), Greater China and India as illustrated below.</p> <table border="1"> <thead> <tr> <th>Region</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>India/Middle East</td> <td>82%</td> </tr> <tr> <td>Greater China</td> <td>55%</td> </tr> <tr> <td>ASEAN</td> <td>82%</td> </tr> <tr> <td>Local - Singapore</td> <td>91%</td> </tr> <tr> <td>US</td> <td>45%</td> </tr> <tr> <td>UK/Europe</td> <td>64%</td> </tr> <tr> <td>Japan</td> <td>55%</td> </tr> <tr> <td>Others - Australia, Egypt, Korea, Latin America, New Zealand, Nigeria, Pakistan</td> <td>45%</td> </tr> </tbody> </table> <p>As at 27 May 2025</p>	Region	Percentage	India/Middle East	82%	Greater China	55%	ASEAN	82%	Local - Singapore	91%	US	45%	UK/Europe	64%	Japan	55%	Others - Australia, Egypt, Korea, Latin America, New Zealand, Nigeria, Pakistan	45%
Region	Percentage																		
India/Middle East	82%																		
Greater China	55%																		
ASEAN	82%																		
Local - Singapore	91%																		
US	45%																		
UK/Europe	64%																		
Japan	55%																		
Others - Australia, Egypt, Korea, Latin America, New Zealand, Nigeria, Pakistan	45%																		
<p>Gender</p> <p>Our Board Diversity Policy aims for at least 35% female representation on the Board by 31 March 2026.</p> <p>We believe balanced gender representation provides access to a broader talent pool and diverse perspectives, enhancing strategic thinking and problem-solving.</p>	<p>ACHIEVED – Currently, 4 out of 11 Directors (36% of the Board) are female as illustrated below.</p> <table border="1"> <thead> <tr> <th>Gender</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Male Directors</td> <td>64%</td> </tr> <tr> <td>Female Directors</td> <td>36%</td> </tr> </tbody> </table> <p>As at 27 May 2025</p>	Gender	Percentage	Male Directors	64%	Female Directors	36%												
Gender	Percentage																		
Male Directors	64%																		
Female Directors	36%																		
<p>Ethnicity</p> <p>Our objective is to assemble a Board comprising individuals with diverse backgrounds, cultural perspectives, and experiences. Specifically, we seek to ensure that the Board reflects a wide range of ethnic cultures and maintain this diversity through 31 March 2026.</p> <p>The Company believes an ethnically diverse Board would enhance deliberations and would allow the Board to better understand SATS' businesses and customers across different markets.</p>	<p>ACHIEVED – Currently, the Board comprises Directors who are from different ethnic groups – 8 out of 11 Directors (73% of the Board) are Chinese and the balance three Directors (27% of the Board) belong to other ethnic groups (i.e. Indian and European) as illustrated below.</p> <table border="1"> <thead> <tr> <th>Ethnic Group</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Chinese</td> <td>73%</td> </tr> <tr> <td>Other Ethnic Groups</td> <td>27%</td> </tr> </tbody> </table> <p>As at 27 May 2025</p>	Ethnic Group	Percentage	Chinese	73%	Other Ethnic Groups	27%												
Ethnic Group	Percentage																		
Chinese	73%																		
Other Ethnic Groups	27%																		

Corporate Governance Report

BOARD MATTERS

Board Membership

Principle 4

Executive Committee

As part of the Board's ongoing review of its governance structure and to streamline the decision-making process, the Board assessed the continued relevance of the EXCO in conjunction with the realignment of its Board Committees. Following this assessment, the Board decided to dissolve the EXCO in November 2024, with its responsibilities being redistributed to other Board Committees or assumed by the Board, where appropriate.

Nominating Committee

The NC is chaired by Ms Jessica Tan, and its members are Mr Irving Tan, Mr Chia Kim Huat and Mr Eng Aik Meng. A majority of the NC, comprising 3 out of 4 members and including the NC Chairperson, are independent Directors.

As announced by the Company on 2 June 2025, Mr Mak Swee Wah will be appointed as a member of the NC with effect from the conclusion of the 2025 AGM, in place of Mr Chia Kim Huat who will be stepping down as a Director with effect from the conclusion of the 2025 AGM.

Key Responsibilities of the NC

The primary duties of the NC are as follows:

- Implement and oversee the Board Diversity Policy, while reviewing and advising the Board on the Board composition, ensuring diversity in skills, experience, gender, age, knowledge, geography, nationality and ethnicity
- Make recommendations to the Board regarding the process for identifying and selecting new Directors, including proposing candidates for appointment to the Board Committees
- Advise and make recommendations to the Board on the re-nomination and re-appointment of current Directors
- Review and make recommendations to the Board on succession planning for members of the Board and Board Committees, including for the Chairman of the Board and the Chairpersons of the respective Board Committees
- Annually evaluate the independence of Directors, and assess independence as and when circumstances require
- Ascertain whether Directors are capable of and have been effectively fulfilling their duties as Directors of SATS, particularly those with multiple directorships and principal commitments
- Implement the Board evaluation process to assess the overall effectiveness of the Board, including the performance of the Board Chairman, Board Committees and individual Directors
- Review and make recommendations to the Board on the training and professional development programmes for the Directors, and ensuring that new Directors are informed of their duties and obligations and they complete the director's training programme for listed entities if required
- Fulfilling such other authorities and duties as may be provided under the Code as they arise

Under Provision 4.1(a) of the Code, one of the responsibilities of the NC is to make recommendations to the Board on relevant matters relating to the review of succession plans for directors, particularly the Chairman, the CEO, and Key Management Personnel. Practice Guidance 4 accompanying the Code was amended with effect from 1 July 2021 to clarify that the Board, having regard to the Company's specific circumstances, has the prerogative to assign any other Board Committee the responsibility to review the succession plans for the PCEO and other GMB members.

The Board has assessed the requirements of the Company and decided that the review of succession plans for the PCEO and other GMB members will fall under the purview of the RHRC instead of the NC. The RHRC, together with the PCEO (as applicable), conducts an annual succession planning review of the PCEO's direct reports and other selected key positions, taking into account the Group's current needs and future strategic capabilities. Any recommendations made by the RHRC regarding succession plans for the PCEO and other GMB members will then be presented to the Board for approval. This arrangement enables the RHRC to consider succession planning in conjunction with other human resource-related issues such as remuneration, talent retention, and recruitment. Furthermore, delegating the review of succession plans for the PCEO and other GMB members to the RHRC rather than the NC does not detract from the underlying principle of having a formal and transparent process for appointing the PCEO and other GMB members. Both the NC and RHRC consist of a majority of independent non-executive Directors. Mr Kerry Mok, the PCEO and a non-independent executive Director is not a member of these Board Committees.

NC Meetings

The NC met two times in FY2025. The NC terms of reference requires the NC to meet at least once a year.

Review of Board Composition and Size

The NC reviews and determines the Board composition, ensuring a diverse mix of skills, experience, gender, age, geography, nationality, and ethnicity. It oversees the Board Diversity Policy to ensure Directors possess core competencies that include finance, legal, supply chain, branding, technology, and strategic planning. The NC also evaluates the Board's size, recommending a range of 8 to 10 members, with a majority being independent Directors.

The NC has established principles for reviewing Board composition and implementing the Board Diversity Policy. The NC ensures the Board has the necessary core competencies in additional areas such as accounting, business, management, industry knowledge and customer experience to maintain its effectiveness. Furthermore, the NC reviews succession planning for the Board and the rotation and retirement of Directors, aligning the Board's composition with the evolving needs of the business.

Further details on the Board composition and the Board Diversity Policy can be found in the "Board Governance Structure" and the "Board Diversity Policy, Targets, Timelines and Progress" sections on pages 73 and 79, respectively, of this Annual Report.

Selection and Appointment of New Directors

The NC regularly evaluates the Board's needs for experience and expertise, considering the current composition, progressive renewal, and diversity. A Directors' Experience and Expertise matrix guides this process.

The NC recommends new Directors by assessing qualifications, skills, competencies, and experience to complement the existing Board. While external consultants may assist, if necessary, with the selection process, none were engaged in FY2025. Directors and Senior Management may also propose candidates.

Shortlisted candidates meet with the NC and the Board Chairman before recommendations are presented to the Board for approval.

The goal is to maintain a diverse and well-balanced Board capable of setting business strategies and providing effective oversight to Senior Management.

Succession Planning and Board Renewal

The NC recognises the importance of a structured and well-considered succession plan to ensure leadership continuity and the effective functioning of the Board and Board Committees. As part of its ongoing review, the NC has carefully assessed the composition, skills, and diversity of the Board and Board Committees to ensure alignment with the Company's long-term strategic objectives and governance standards.

As part of the Board leadership renewal process, the NC recommended and the Board approved the appointment of Mr Irving Tan as an independent non-executive Director and Chairman-Designate of the Company. He succeeded Ms Euleen Goh as Chairman with effect from the conclusion of the 2024 AGM. This decision aligns with the Company's ongoing efforts to ensure continued strong leadership and effective governance.

The NC believes the Board and Board Committees are well-balanced in terms of experience, expertise, and independence, such that they effectively support the Company's governance and strategic direction.

When evaluating potential candidates for the Board, the NC will consider several factors, including whether the candidate has effectively fulfilled his/her duties and obligations during his/her previous directorships of SGX-ST listed companies. Additionally, the NC will assess if the candidate has served on the board of a company with a poor track record, a history of irregularities, or one currently under regulatory investigation. The NC will also evaluate whether a candidate's resignation from such a board could raise concerns about their capability to serve as a Director of the Company.

Based on each director's expertise and experience, the NC recommended and the Board approved the following changes to the compositions of the Board Committees, with effect from the conclusion of the 2024 AGM:

- Mr Irving Tan was appointed as the Chairperson of the EXCO, a member of the NC and the RHRC;
- Mr Achal Agarwal was appointed as the Chairperson of the RHRC;
- Ms Chan Lai Fung was appointed as a member of the AC and the RHRC, relinquishing her role as a member of the SSRC;
- Ms Vinita Bali was appointed as the Chairperson of the SSRC, relinquishing her role as a member of the EXCO;
- Mr Eng Aik Meng was appointed as a member of the NC;
- Mr Mak Swee Wah was appointed as a member of the EXCO and the SSRC, relinquishing his role as a member of the AC; and
- Mr Pier Luigi Sigismondi was appointed as a member of the AC.

With the cessations of Mr Chia Kim Huat and Mr Achal Agarwal as Directors with effect from the conclusion of the 2025 AGM, Mr Mak Swee Wah will be appointed as a member of the NC and Ms Chan Lai Fung will be appointed as the Chairperson of the RHRC.

The NC will continue to monitor and review succession planning to ensure that the Board and Board Committees remain well-equipped to meet future challenges.

Corporate Governance Report

Review of Directors' Independence

The NC is responsible for determining annually, and as and when circumstances require, whether a Director is independent based on the definition of an "independent Director" and guidance as to the types of relationships which would deem a Director not to be independent, as specified in the Listing Manual, the Code and its accompanying Practice Guidance.

Under the Code, an "independent Director" is one who is independent in conduct, character and judgement, and has no relationship with SATS, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement with a view to the best interests of SATS. The Listing Manual states that a Director is not independent if he/she is employed or has been employed by SATS or any of its related corporations in the current or any of the past three financial years, if he/she has an immediate family member who is employed or has been employed by SATS or any of its related corporations in the current or any of the past three financial years, and whose remuneration is or was determined by the RHRC, or if he/she served as a Director of SATS for an aggregate period of more than nine years save that such Director may continue to be considered independent until the conclusion of the next Annual General Meeting.

The Directors complete an annual confirmation of independence, whereby they are required to critically assess their independence, which the NC takes into account for the purposes of this review. The Directors are mindful, however, that the relationships identified in the annual confirmation of independence are only indicators of possible situations where independent judgment may be impaired, but are not in themselves conclusive. Independence is often only meaningful in the context of each particular relationship considering the business environment, shareholding, organisational structure and operating constraints. Directors also disclose any relationship with SATS, its related corporations, its substantial shareholders or its officers which may affect their independence, as and when they arise. The roles of the Directors listed below were evaluated in this context:

- Mr Eng Aik Meng (who was appointed as an independent non-executive Director on 15 April 2023) was subsequently appointed as joint head, Portfolio Development Group and head, Operating Group, of Temasek International Pte. Ltd. (Temasek International) with effect from 1 September 2024. Temasek International is a wholly owned subsidiary of Temasek Holdings (Private) Limited (Temasek), which is a substantial shareholder of SATS Ltd. Mr Eng has confirmed to the Company that he considers himself a non-independent Director and a nominee of Temasek to the Board, following his appointment as a full-time executive of Temasek International. His executive role in Temasek International includes engaging and partnering Temasek's portfolio companies to support their growth, innovation, and transformation initiatives. The NC and the Board (in both cases with Mr Eng abstaining and recusing himself from the deliberations and decisions on the matter), having reviewed Mr Eng's declaration of non-independence, have therefore re-designated Mr Eng as a non-independent non-executive Director with effect from 1 September 2024.
- Although Ms Jessica Tan is a Board member of Mitsui & Co. Ltd. (Mitsui), a company listed on the Tokyo Stock Exchange which has business relationships with SATS, Ms Tan has agreed that, in the event of any business dealings with Mitsui requiring the Board's approval, she will recuse herself from participating in any and all discussions and decisions involving Mitsui's dealings with SATS. Following from this, the NC determined that the business relationships between SATS and Mitsui would not affect Ms Tan's independence as a Director of SATS. The NC and the Board (in both cases with Ms Tan abstaining and recusing herself from the deliberations and decisions on the matter), having reviewed Ms Tan's declaration of independence and taking into consideration her agreement to recuse herself from discussions and decisions involving Mitsui, are of view that Ms Tan's directorship at Mitsui does not interfere with the exercise of her independent business judgement in the best interests of SATS, and have therefore determined that Ms Tan is an independent Director.
- Mr Pier Luigi Sigismondi is currently a corporate advisor of Temasek International Advisors Pte. Ltd., a wholly-owned subsidiary of Temasek, with effect from 1 February 2025. Temasek is a substantial shareholder of SATS. Mr Sigismondi has confirmed to the Company that his role as a corporate advisor to Temasek does not interfere, and is not perceived to interfere, with his ability to exercise independent business judgment in the best interests of SATS. Mr Sigismondi further confirmed that he does not have any other relationship (familial, business, financial, employment, or otherwise) with Temasek that could interfere, or be reasonably perceived to interfere, with his ability to exercise independent business judgment in the best interests of SATS. The NC and the Board (with Mr Sigismondi abstaining and recusing himself from the Board's deliberations and decisions on the matter), having reviewed Mr Sigismondi's declaration of independence and his above-mentioned confirmations, have determined that Mr Sigismondi is an independent Director.

Apart from the roles/positions specifically described in the preceding paragraphs, some of our Directors are also board members or executive officers of other organisations that provide or receive services to or from the SATS Group in the ordinary course of business and on normal commercial terms. These transactions were entered into based on merit and competitive terms negotiated by Senior Management, and the relevant Directors were not involved in the process for, or approval of, the transactions. These Directors have also confirmed that they were not involved in the decision by their respective organisations to enter into the transactions with the SATS Group. The NC and the Board considered the conduct of each such Director in the discharge of their duties and responsibilities as Directors of SATS, and are of the view that the foregoing relationships did not impair their ability to act with independent judgment in the discharge of their duties and responsibilities as SATS Directors. On this basis, the Board, taking into account the views of the NC, arrived at the determination that each such Director is independent. The relevant Directors recused themselves from the Board's and (where applicable) the NC's deliberations on their own independence.

Mr Kerry Mok is the PCEO, and is the only executive Director on the Board. He is thus a non-independent Director. The nature of our business and operations merit the continuity of an executive Director on the Board to provide independent Directors with the requisite background and knowledge to facilitate their independent judgment and decision-making.

Based on the above assessment, the NC and the Board have determined that the independent Directors as at the end of FY2025 are Mr Irving Tan, Mr Achal Agarwal, Ms Vinita Bali, Mr Chia Kim Huat, Mrs Deborah Ong, Ms Jessica Tan, Mr Pier Luigi Sigismondi, Mr Mak Swee Wah and Ms Chan Lai Fung.

Review of Directors' Time Commitments

The NC determines annually whether a Director has been adequately carrying out his/her duties as a Director of SATS, taking into consideration the number of that Director's other listed company board representations and other principal commitments. The NC is of the view that the number of each Director's other directorships was in line with our internal guideline that the maximum number of listed company board representations which any non-executive Director may hold should not be more than six. Having regard to each Director's attendance record for Board and, where applicable, Board Committee meetings, and his/her ability to contribute effectively thereat, the NC is of the view that each Director has been able to effectively discharge his/her duties as a Director of SATS, and is satisfied that Directors who hold multiple board representations nevertheless devoted sufficient time and attention to SATS' affairs.

The role of the Chairman, in particular, requires a significant time commitment. As Board Chairman, Mr Irving Tan plays a crucial role by providing leadership to the Board and ensuring that the Board fully and constructively contributes to the development and determination of the Group's strategies, objectives, and growth. The NC and the Board (each without Mr Tan's participation) believe that he has managed his other time commitments appropriately and has adequate capacity to fulfill his obligations as our Chairman. This is evidenced by his full attendance at all relevant meetings and the time spent on his various duties as outlined in this CG Report.

During FY2025, the majority of Directors achieved full attendance for Board and Board Committee meetings held during their respective tenures as Directors and (where applicable) Board Committee members. The meeting attendance records of all Directors, along with their directorships and other principal commitments, are fully disclosed in our Annual Report.

Review of Board Tenure

The NC reviews the tenure of the non-executive Directors. With effect from the financial year ended 31 March 2011, newly appointed non-executive Directors are appointed to serve an initial term of three years and such initial term of office may be renewed for subsequent terms upon the recommendation of NC and as approved by the Board. There is a balanced mix of experienced and newly appointed Directors. A majority (8 out of 11) of the Directors have served for less than five years.

Rotation and Re-Election of Directors

The NC reviews and recommends to the Board the rotation and re-election of Directors at the AGM, taking into consideration the composition and the need for progressive renewal of the Board.

One-third (or the number nearest one-third rounded upwards to the next whole number) of the Directors are required to retire from office at each AGM. All Directors (including the PCEO) are required to retire from office at least once every three years. Retiring Directors are eligible for re-election. All new Directors appointed by the Board during the financial year hold office only until the next AGM, but will be eligible for re-appointment at that AGM.

The Directors who are retiring by rotation under Article 90 of the Company's Constitution at the 2025 AGM are Mr Chia Kim Huat, Ms Jessica Tan, Mrs Deborah Ong, and Mr Eng Aik Meng, all of whom are seeking re-election except for Mr Chia Kim Huat. In relation to the Directors seeking re-election at the 2025 AGM, the NC recommends the re-election of Ms Jessica Tan, Mrs Deborah Ong, and Mr Eng Aik Meng after considering the size and composition of the Board, as well as their respective tenures as Directors. This recommendation, endorsed by the Board, follows the NC's assessment of the Directors' competencies, commitment, contribution and performance, including their attendance, preparedness, participation and candour at Board and Board Committee meetings.

The changes to the Board Committees, with effect from the conclusion of the 2025 AGM, are reflected in the "Board Governance Structure" section on page 73 of this Annual Report.

Corporate Governance Report

BOARD MATTERS Board Performance

Principle 5

Assessment of Board Performance

The Board, with the assistance of the NC, has approved the objective performance criteria and implemented a process for assessing the effectiveness of the Board as a whole and its Board Committees, and for assessing the contributions by the Chairman and each individual Director of the Board.

The NC assesses each individual Director's contribution to the effectiveness of the Board annually and as and when required.

The assessment of the performance of the Board, Board Committees, as well as that of individual Directors is conducted annually using evaluation questionnaires. The NC has decided that an external consultant will be engaged every three years. Since an independent global management consulting firm, with no ties to SATS or any of the Directors, was engaged for the Board performance assessment process in FY2023, no external consultant was engaged for the FY2024 assessment.

For FY2025, the NC solicited anonymous feedback from Directors via an online platform hosted by an external service provider, Nasdaq Corporate Solutions International Limited, to enhance the solicitation of candid insights. Additionally, Senior Management's feedback on the Board's performance was also canvassed. Following this, an offsite session was organised in an informal setting, allowing Directors to discuss evaluation outcomes with the help of an external consultant, Russell Reynolds Associates, to derive actionable insights. The NC assessed the independence and objectivity of the external consultant and confirmed that it has no relationships with the Company or any of the Directors that could compromise its independence and objectivity.

REMUNERATION MATTERS Procedures for Developing Remuneration Policies

Principle 6

Level and Mix of Remuneration

Principle 7

Disclosure of Remuneration

Principle 8

Remuneration and Human Resource Committee

The RHRC is chaired by Mr Achal Agarwal, and its members are Ms Chan Lai Fung, Mr Eng Aik Meng, and Mr Irving Tan. The majority of the RHRC members, comprising 3 out of 4 members and including the RHRC Chairperson, are independent Directors. All members of the RHRC are non-executive Directors.

As announced by the Company on 2 June 2025, Ms Chan Lai Fung will be appointed as the Chairperson of the RHRC after the conclusion of the 2025 AGM, in place of Mr Achal Agarwal, who will be stepping down as the Director with effect from the conclusion of the 2025 AGM.

Key Responsibilities of the RHRC

The RHRC is responsible for attracting, recruiting, motivating, and retaining talent through competitive remuneration and policies such as pay-for-performance to achieve the Group's goals, providing stewardship, and delivering sustainable shareholder value. Its key responsibilities include:

- Reviewing and recommending the remuneration framework of the Company (including compensation structure, bonus and employee share plans) to the Board for endorsement
- Reviewing and recommending the specific remuneration packages for each Director, the PCEO and the other GMB members, to the Board for endorsement
- Overseeing the appointment, the terms of appointment and scope of duties of the PCEO and the other GMB members, including succession planning for their roles, considering current needs and future capabilities
- Evaluating on an annual basis, the achievement of performance targets for each GMB member as agreed at the beginning of the financial year with the Board and/or the PCEO, as the case may be, and recommending to the Board their respective total compensation
- Reviewing and approving compensation payable to the PCEO and the other GMB members in the event of early termination of their contracts of services, if such payment is considered appropriate in the circumstances by the RHRC
- Advising on the company's structure for strategic growth
- Reviewing talent development processes to ensure strong bench strength and talent pipeline
- Executing other duties as outlined in the Code

In discharging its responsibilities, the RHRC considers all aspects of remuneration and performs benchmarking exercises against comparable organisations, to ensure that all aspects of remuneration (including termination terms) are fair and competitive.

In FY2025, the RHRC sought advice and views on remuneration matters from an external remuneration consultant, Willis Towers Watson (Singapore). The RHRC assessed the independence and objectivity of the external consultant engaged and confirmed that there are no relationships with the Company that could compromise their independence and objectivity.

The RHRC's recommendations regarding remuneration of the PCEO, the other GMB members and the non-executive Directors are submitted to the Board for endorsement as the Board is ultimately responsible for all remuneration decisions.

RHRC Meetings

The RHRC is required by its terms of reference to meet at least twice each financial year, with additional meetings to be convened as and when required. The RHRC met five times in FY2025.

Non-Executive Directors' Remuneration

The remuneration of non-executive Directors is primarily determined by their level of contribution, considering factors such as effort, time spent, and responsibilities, as detailed below.

Each Director receives a basic fee. In addition, the Chairman of the Board receives an additional Chairman's fee. Directors who serve as Chairpersons or members of a Board Committee are entitled to a Board Committee Chairperson's fee or Board Committee member's fee, respectively. Non-executive Directors who cease to be a Director during the financial year receive pro-rated fees corresponding to their term in office. Additionally, each Director is compensated with an attendance fee for participating in Board meetings and Board Committee meetings. The attendance fees vary depending on whether the meeting is held within the Director's state/country of residence and whether the Director attends in person or via teleconference/video conference.

The RHRC believes that non-executive Directors should not receive excessive compensation. However, it acknowledges that competitive and fair remuneration is important to attract, motivate, and retain Directors with the necessary experience, capabilities, and attributes to contribute to the Company's future development and growth.

Corporate Governance Report

The following fee scale, revised for FY2025 onwards (after remaining unchanged since the financial year ended 31 March 2019), reflects the need to attract, retain, and motivate talent to join the SATS Board to provide good stewardship of the Company. There is no change to this scale for FY2026.

Types of Appointment	Current scale of Directors' fees S\$
Board of Directors	
Basic fee	70,000
Board Chairman's fee	110,000
Board Deputy Chairman's fee	48,000
Audit Committee	
Committee Chairperson's fee	45,000
Member's fee	28,000
Executive Committee	
Committee Chairperson's fee	45,000
Member's fee	28,000
Other Board Committees	
Committee Chairperson's fee	30,000
Member's fee	15,000
Board Meeting Attendance Fee	
Attendance via teleconference/videoconference	1,000
Attendance in person in home city (up to four hours for travel within home city)	2,500
Attendance in person outside home city	5,000
Board Committee Meeting Attendance Fee	
Attendance via teleconference/videoconference	500
Attendance in person in home city (up to four hours for travel within home city)	1,200
Attendance in person outside home city	2,500

For FY2025, shareholders' approval was obtained for the payment of up to S\$1,700,000 as Directors' fees for the non-executive Directors. The total amount of Directors' fees paid and/or to be paid to 13 non-executive Directors for FY2025 is S\$1,627,047.94 (breakdown provided below). Non-executive Directors did not receive any salary, performance-related income/bonuses, benefits in kind, stock options, share-based awards (other than as disclosed below), or other long-term incentives for FY2025.

At the 2025 AGM, shareholders' approval will be sought for the payment of up to S\$1,700,000 as Directors' fees for non-executive Directors for FY2026. This amount remains unchanged from the approved fee for FY2025.

The amount of Directors' fees has been calculated based on the current scale of Directors' fees and takes into account, amongst others, the expected number of Board and Board Committee meetings for FY2026, assuming full attendance by all the Directors. This calculation also accounts for any additional fees which may be required due to additional board representations on the Company's subsidiaries and/or joint ventures or other appointments, or the appointment of new Board or Board Committee members during FY2026.

If approved, the proposed fees for FY2026 will enable the payment of Directors' fees during or shortly after the financial year in which such fees are incurred.

Subject to obtaining the necessary shareholders' approvals, each non-executive Director (including the Chairman) will receive approximately 70 percent of his/her total Directors' fees for FY2026 in cash and approximately 30 percent in the form of SATS shares (no change from FY2025: 70 percent in cash and 30 percent in shares).

The share component will be paid out as awards under the SATS RSP. These awards will consist of fully paid shares with no performance conditions or vesting periods imposed. However, non-executive Directors must retain a base shareholding with a value equivalent to one year's retainer fee while serving on the Board, and for a further 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. A non-executive Director who steps down before the payment of the share component of his/her fees will receive all fees in cash (calculated on a pro-rated basis, where applicable).

The cash component of the Directors' fees will be paid half-yearly in arrears. The share component of the Directors' fees for FY2026 is intended to be paid after the 2026 AGM. The number of shares awarded will be determined by reference to the volume-weighted average price of a share on the SGX-ST over the 10 trading days following the 2026 AGM, rounded down to the nearest hundred shares, with any remaining balance settled in cash.

Details on the Directors' fees for FY2025, are set out below.

Remuneration paid by the Company to SATS Directors for FY2025

Name of Director	Directors' fees in cash* (S\$)	Directors' fees in SATS shares* (S\$)	Advisory fees in cash (S\$)	Total Directors' remuneration for FY2025 (S\$)
a) Non-Independent Executive Director				
Mr Kerry Mok**	No Fee**	No Fee**	No Fee**	No Fee**
b) Independent Non-Executive Directors				
Ms Euleen Goh ⁽¹⁾	89,169.86 100%	– 0%	– 0%	89,169.86 100%
Mr Irving Tan ⁽²⁾	141,960.01 70%	60,840.00 30%	– 0%	202,800.01 100%
Mr Achal Agarwal ⁽³⁾	139,934.24 100%	– 0%	– 0%	139,934.24 100%
Ms Vinita Bali	121,760.68 70%	52,183.15 30%	– 0%	173,943.83 100%
Mr Chia Kim Huat ⁽⁴⁾	127,000.00 100%	– 0%	– 0%	127,000.00 100%
Ms Jenny Lee ⁽⁵⁾	26,095.89 100%	– 0%	– 0%	26,095.89 100%
Mrs Deborah Ong	111,090.00 70%	47,610.00 30%	– 0%	158,700.00 100%
Ms Jessica Tan	108,850.00 70%	46,650.00 30%	– 0%	155,500.00 100%
Dr Detlef Trefzger ⁽⁶⁾	31,636.99 100%	– 0%	– 0%	31,636.99 100%
Mr Eng Aik Meng ⁽⁷⁾	122,041.10 100%	– 0%	– 0%	122,041.10 100%
Mr Pier Luigi Sigismondi	89,793.70 70%	38,483.01 30%	– 0%	128,276.71 100%
Mr Mak Swee Wah ⁽⁸⁾	85,786.43 62%	36,765.62 27%	15,000.00 11%	137,552.05 100%
Ms Chan Lai Fung	94,078.08 70%	40,319.18 30%	– 0%	134,397.26 100%

⁽¹⁾ Ms Euleen Goh retired from the Board on 19 July 2024 and her pro-rated Directors' fees for FY2025 was paid fully in cash.

⁽²⁾ Mr Irving Tan was appointed to the Board on 16 May 2024 as Chairman-Designate and became the Chairman of the Board on 19 July 2024. He was also appointed as the Chairperson of the EXCO and a member of the NC and the RHRC on the same date. His Directors' fees for FY2025 was pro-rated accordingly.

⁽³⁾ Mr Achal Agarwal will step down as a Director with effect from the conclusion of the 2025 AGM. Consequently, his Directors' fees for FY2025 will be paid fully in cash.

⁽⁴⁾ Mr Chia Kim Huat will retire at the 2025 AGM. Consequently, his Directors' fees for FY2025 will be paid fully in cash.

⁽⁵⁾ Ms Jenny Lee retired from the Board on 19 July 2024 and her pro-rated Directors' fees for FY2025 was paid fully in cash.

⁽⁶⁾ Dr Detlef Trefzger retired from the Board on 19 July 2024 and his pro-rated Directors' fees for FY2025 was paid fully in cash.

⁽⁷⁾ Mr Eng Aik Meng was appointed as joint head, Portfolio Development Group and head of Operating Group of Temasek International on 1 September 2024. Consequently, his Directors' fees for the period from 1 October 2024 to 31 March 2025 (amounting to S\$75,519.18) was paid fully in cash to Temasek International, and his Directors' fees for the period prior to his executive appointment with Temasek International (amounting to S\$46,521.92) was paid to him fully in cash.

⁽⁸⁾ Mr Mak Swee Wah was appointed as an advisor to the Company's new Singapore Hub business unit on 1 October 2024. In this role, he provides enhanced oversight and supervision of the Singapore Hub business unit. He is entitled to an annual retainer fee of S\$20,000 and meeting attendance fees of S\$2,500 per meeting for up to four scheduled meetings per financial year. The amount of advisory fees Mr Mak receives is subject to an annual fee cap of S\$30,000. The fees paid to Mr Mak for FY2025 was pro-rated accordingly.

* The amounts stated may be adjusted (e.g., due to rounding) as indicated under the explanatory note 2 of the Notice of AGM for the 2025 AGM.

** No Directors' fees were paid to PCEO, Mr Kerry Mok.

Corporate Governance Report

Remuneration paid by SATS Investments (III) Pte. Ltd., a wholly-owned subsidiary of the Company to SATS Directors for FY2025

Name of Director	Directors' fees in shares S\$	Directors' fees in cash S\$	Total Directors' fees for FY2025 S\$
Independent Non-Executive Directors			
Ms Euleen Goh ⁽¹⁾	–	12,049.32 100%	12,049.32 100%
Dr Detlef Trefzger ⁽²⁾	–	7,534.25 100%	7,534.25 100%

Notes:

- ⁽¹⁾ Ms Euleen Goh was the chairperson of the board of SATS Investments (III) Pte. Ltd. (SIPL3) until she stepped down on 19 July 2024. She was entitled to an annual retainer fee of S\$36,000 and meeting attendance fees of S\$1,200 per meeting, payable by SIPL3. The Directors' fees paid to Ms Goh was pro-rated accordingly. One board meeting was held during FY2025, which Ms Goh attended.
- ⁽²⁾ Dr Detlef Trefzger was a member of the board of SIPL3 until he stepped down on 19 July 2024. He was entitled to an annual retainer fee of S\$25,000 and meeting attendance fees of S\$2,500 per meeting (outside home city), payable by SIPL3. The Directors' fees paid to Dr Trefzger was pro-rated accordingly. Dr Trefzger did not receive attendance fees as he did not attend the board meeting held during FY2025.

Senior Management's Remuneration

The Senior Management's remuneration framework is structured to tie a significant and appropriate proportion of rewards to both Company performance and individual performance, while also taking into consideration the Company's risk policies to ensure alignment with risk outcomes and sensitivity to the time horizon of risks. This framework aligns Senior Management's compensation with the interests of shareholders and other stakeholders, balancing short-term and long-term business goals and sustainability, as defined within the Company's strategy and risk policies.

During FY2025, the RHRC engaged an external consultant, Willis Towers Watson (Singapore), to undertake a comprehensive review of the overall remuneration framework and key elements of the performance-related remuneration components. The purpose was to ensure that the framework is effective in driving long-term business objectives and is aligned with market practices.

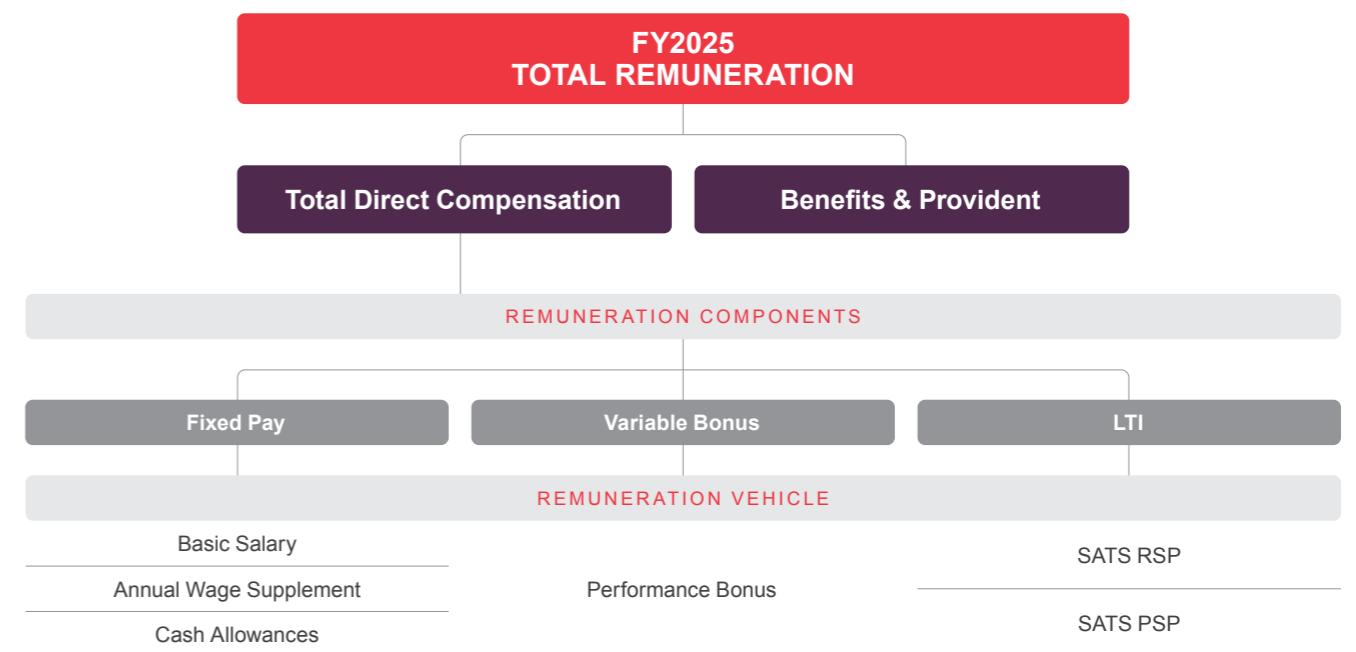
As a result of this review, several key adjustments have been made to align the remuneration framework with SATS' future business priorities and transformational goals. These changes are aimed at reducing complexity, strengthening the connection between performance and compensation, and reinforcing the Company's commitment to ESG goals.

Firstly, the Economic Value Added-based Incentive Plan for Senior Management was temporarily suspended starting from 1 April 2024. Secondly, a one-off Transformation LTI award was granted to GMB members in FY2025. This LTI award, with a five-year performance period, is designed to support SATS' transformation agenda, enhance alignment with long-term shareholder value creation, and retain and motivate the GMB. More information on the one-off LTI award can be found under the "Long-Term Incentives" section of this CG Report.

Remuneration Mix for GMB

The principle of remuneration begins with the compensation mix, which includes fixed pay, variable bonus, and long-term incentive. This direct compensation, provided in cash or SATS shares along with benefits and social security provisions where applicable, constitutes the total remuneration.

Total direct compensation and its respective remuneration components' payout align with both Company and individual performance over time. These components consist of various remuneration vehicles designed to balance payouts based on short- and long-term shareholder interests and business sustainability. The eligibility, granting, and payout conditions for each vehicle vary. The overall remuneration components and types are summarised below:



Benchmarking and Target Pay Positioning

The target fixed pay for each GMB position is set based on market benchmarks to ensure responsiveness to job worth. Employees receive pay relative to their target pay position, which is determined by their performance and competencies compared to the expectations of the role. At the total direct compensation level, individuals' annualised payout is benchmarked against the market to reflect both individual and Company performance. Benefit policies are separately benchmarked and assessed according to their competitiveness and prevalence in the market.

Fixed Pay

This consists of basic salary, annual wage supplement and cash allowances.

Variable Bonus

Performance Bonus rewards annual financial and operating achievements at the Group, Company and individual level. Target levels across each of the following KPIs are determined at the beginning of each financial year and are cascaded down. The following KPIs are allocated with equal weightage for non-managerial level employees:

- SATS Group PATMI
- Business Unit's Operating Profit
- Business Unit's Operational Performance Scorecard

The Group Balanced Scorecard and the Division Balanced Scorecard, which use the same metrics, are used for the measurement of achievement for Senior Management and managerial level employees respectively. The targets comprised in the Group Balanced Scorecard include Financial, Operations (Safety & Sustainability), Customer, People and Strategic Initiatives. The weightage of each of the respective targets is approved by the RHRC.

In determining the payout quantum for each GMB member, the RHRC considers the overall actual achievement against the Group, business unit and individual performance scorecards.

After the close of the financial year, the RHRC reviews and approves a bonus pool that is commensurate with the achievements against targets, taking into consideration exogenous factors such as the changing business environment, regulatory landscape and industry trends.

Corporate Governance Report

Long-Term Incentives

Long-term incentives reward for long-term shareholder value creation (contingent on Group and Company financial and operating achievements, individual performance level, ROIC, TSR and Carbon Reduction). SATS provisionally grants share awards to employees of managerial grade and above, including Senior Management, via the SATS RSP and the SATS PSP. When performance conditions are met, vested share awards lead to employees becoming shareholders.

(a) SATS RSP

The SATS RSP is an incentive plan for management level employees. Under the plan, awards typically involve a specified number of shares being granted at the end of the performance cycle which is dependent on individual position level within the Company, and the extent of the achievement of the financial and operating targets at the Group, Company and individual performance levels.

Each grant is subject to a performance period, typically aligned with the financial year preceding the grant, and performance conditions must be met to determine the final award quantum. The first tranche of the award vests approximately one year after the grant date, with the remaining shares vesting in equal proportions over the following two financial years to promote employee retention.

Grants of fully paid shares under the SATS RSP may also be made to the non-executive Directors in lieu of part of the cash amount of their Directors' remuneration. Such grants will have no performance conditions or vesting periods imposed.

(b) SATS PSP

Under the SATS PSP, an initial award is made in the form of a right to receive shares contingent upon meeting pre-set long-term performance targets.

In FY2025, the RHRC approved a one-off Transformation LTI Plan awarded under the SATS PSP. This plan is designed to align the Group's transformation plan with GMB's remuneration given the highly stretched goals set out in the SATS transformation plan. The one-off Transformation LTI award will replace the annual PSP grants for FY2025, FY2026 and the year ending 31 March 2027.

The final award, which ranges from 0% to 150% of the initial award, is contingent on the achievement of ambitious 5-year Transformation goals. These goals are based on 5-year Absolute TSR (50%), Cumulative 5-year Profit After Tax and Minority Interest (40%) and Carbon Emission Reduction (10%) targets. Additionally, awards are subject to a performance condition, wherein the ROIC needs to exceed Weight Average Cost of Capital for vesting to occur.

In FY2025, a total of 17,136,315 shares and 6,217,545 shares have been granted under the SATS RSP and SATS PSP respectively.

SATS RSP and SATS PSP

The SATS RSP and the SATS PSP were approved by shareholders at the Extraordinary General Meeting of the Company held on 19 July 2005 for an initial term of 10 years until 18 July 2015. A subsequent 10-year extension until 18 July 2025 was approved at the 41st AGM, followed by another 10-year extension until 18 July 2035 at the 51st AGM. There was no change to the maximum limit of new shares which may be issued under the SATS RSP and the SATS PSP following the extensions of their respective durations.

The SATS RSP and SATS PSP were introduced with a view to further strengthening the Company's competitiveness in attracting and retaining talented GMB members. The SATS RSP and the SATS PSP aim to more directly align the interests of GMB members with the interests of shareholders, to improve performance and achieve sustainable growth for the Company in the changing business environment, and to foster a greater ownership culture amongst GMB members. These plans contemplate the award of fully paid shares of the Company, when and after pre-determined performance or service conditions are accomplished.

The SATS RSP serves as an additional motivational tool to recruit and retain talented Senior Management and managerial level employees as well as to reward Company and individual performance. In addition, it enhances the Group's overall compensation packages, strengthening the Group's ability to attract and retain high performing talent. Shareholders' approval was also obtained at the 46th AGM to alter the SATS RSP to enable non-executive Directors to participate in the SATS RSP, so as to permit grants of fully paid shares to be made under the SATS RSP to non-executive Directors as part of their Directors' remuneration.

Awards granted to Senior Management and managerial level employees under the SATS RSP, which is intended to apply to a broader base of Senior Management and managerial level employees, will typically vest only after the satisfactory completion of time-based service conditions, that is, after the participant has served the Group for a specified number of years (time-based restricted awards) or, where the award is performance-based (performance-based restricted awards), after a further period of service beyond the performance target completion date. Awards granted to the non-executive Directors under the SATS RSP in lieu of part of the cash amount of their Directors' remuneration consist of fully paid shares with no performance conditions or vesting periods imposed. However, such non-executive Directors will be required to retain a base shareholding with a value equivalent to one year's retainer fee for as long as he/she is on the Board of the Company, and for a period of one year after stepping down as a Director.

No minimum vesting periods are prescribed under the SATS RSP, and the length of the vesting period(s) in respect of each award will be determined on a case-by-case basis. The grant of such performance-based restricted awards is intended to ensure that the earning of shares under the SATS RSP is aligned with the pay-for-performance principle. The use of time-based restricted awards will only be made on a case-by-case basis where business needs justify such awards.

The selection of a participant and the number of shares which he/she would be awarded under the SATS RSP will be determined at the absolute discretion of the RHRC, which will take into account criteria such as his/her rank, job performance, creativity, innovativeness, entrepreneurship, years of service and potential for future development, his/her contribution to the success and development of the Group and, if applicable, the extent of effort and resourcefulness required to achieve the performance target(s) within the performance period.

The SATS PSP is targeted at a select group of GMB members who shoulder the responsibility for the Company's performance and who are able to drive the growth of the Company through innovation, creativity and superior performance. Awards under the SATS PSP are performance-based, with performance targets set in accordance with medium-term corporate objectives covering market competitiveness, quality of returns, business growth and productivity growth. The performance targets are stretched targets based on criteria such as total shareholders' return, economic value added, market share, market ranking or return on sales.

Under the SATS RSP and the SATS PSP, the RHRC has the discretion to determine whether the performance condition has been satisfied (whether fully or partially) or exceeded and in making any such determination, the RHRC has the right to make reference to the audited results of the Company or the Group to take into account such factors as the RHRC may determine to be relevant, such as changes in accounting methods, taxes and extraordinary events, and further, the right to amend the performance target(s) if the RHRC decides that a changed performance target would be a fairer measure of performance.

Senior Management members who are participants of the SATS RSP and the SATS PSP are required to observe a moratorium on a minimum threshold of their shares in the Company. They are prohibited from trading, pledging or hedging their minimum threshold. The RHRC in their review of the Company's share plans also reviewed the minimum threshold. The RHRC commissioned a review of the minimum threshold by an external consultant, Aon Hewitt, in October 2014 and had approved the findings and recommendation of Aon Hewitt.

The RHRC assessed the independence and objectivity of all the external consultants engaged during FY2025 and confirmed that there are no relationships with the Company that could compromise their independence and objectivity.

The aggregate number of shares which may be issued pursuant to awards granted under the SATS RSP and the SATS PSP, when added to the number of new shares issued and issuable in respect of all options granted under the SATS Employee Share Option Plan (which expired in 2010 and under which there are no longer any outstanding options), and all awards granted under the SATS RSP and the SATS PSP, may not exceed 15 percent of the total number of issued ordinary shares in the capital of the Company (excluding treasury shares and subsidiary holdings (as defined in the Listing Manual)) on the day preceding the relevant date of award.

For FY2025, the total number of shares comprised in awards granted under the SATS RSP and SATS PSP did not exceed 1.6 percent of the total number of issued shares (excluding treasury shares and subsidiary holdings).

Additional details in relation to the SATS RSP and SATS PSP are set out in the Annexure below, and also in the Share-Based Payment section of the "Directors' Statement" and in the "Notes to the Financial Statements" in the "Financials" section of this Annual Report.

No termination, retirement or post-employment benefits were granted to Directors or the PCEO during FY2025.

Corporate Governance Report

Details of the compensation paid or accrued to the PCEO and the top Key Management Personnel (excluding the PCEO), for FY2025 are set out below:

President and Chief Executive Officer (PCEO)	Salary ⁽¹⁾	Bonuses	Benefits	Share Awards Vested During FY2025	Total Remuneration ⁽⁶⁾
Mr Kerry Mok	S\$1,021,678 32%	S\$1,206,012 38%	S\$74,037 2%	S\$862,456 ⁽²⁾ 27%	S\$3,164,183 100%

Details of share awards granted, vested and/or lapsed under the SATS RSP and PSP for Mr Mok in FY2025 are as follows:

	Awards under SATS RSP ⁽³⁾				
	Granted (no. of shares)	Vested (no. of shares)	Lapsed (no. of shares)	Released	
				Date	No. of shares
FY2021 Awards under SATS RSP	118,058	118,058		1-Jul-22	37,900
				10-Jul-23	40,100
				1-Jul-24	40,058
FY2022 Awards under SATS RSP	288,000	192,000		10-Jul-23	96,000
				1-Jul-24	96,000
				1-Jul-25	
FY2023 Awards under SATS RSP	376,600	125,600		1-Jul-24	125,600
				1-Jul-25	
				1-Jul-26	
FY2024 Awards under SATS RSP	376,600			1-Jul-25	
				1-Jul-26	
				1-Jul-27	
FY2025 Awards under SATS RSP ⁽⁴⁾	364,600			1-Jul-26	
				1-Jul-27	
				3-Jul-28	

	Awards under SATS PSP ⁽⁶⁾				
	Granted (no. of shares)	Vested (no. of shares)	Lapsed (no. of shares)	Released	
				Date	No. of shares
FY2022 Awards under SATS PSP	89,887	39,900	49,987	1-Jul-24	39,900
FY2023 Awards under SATS PSP	91,262			1-Jul-25	
FY2024 Awards under SATS PSP	165,000			1-Jul-26	

	One-off Transformation LTI Awards ⁽⁶⁾			
	Granted (no. of shares)	Vested (no. of shares)	Released	
			Date	No. of shares
FY2025 Awards under SATS PSP ⁽⁷⁾	1,527,273		1-Jul-29	

While Provision 8.1(b) of the Code stipulates that the names, amounts and breakdowns of remuneration of at least the top five key management personnel (excluding directors and the chief executive officer) should be disclosed in bands no wider than S\$250,000, the Board is of the view that the remuneration details of the top Key Management Personnel (excluding the PCEO) should be disclosed in bands without naming specific individuals within each band, as shown in the table below. This balances the objectives of being comprehensive, meaningful and transparent with managing the confidential and commercially sensitive nature of remuneration matters in the highly competitive human resource environment the Group operates in.

These disclosures offer a clear understanding of the Company's key management remuneration, policies, level and mix of remuneration, procedures for setting remuneration, and the relationships between remuneration, performance, and value creation. For FY2025, the top Key Management Personnel (excluding the PCEO) mentioned herein are Mr Bob Chi, Mr John Batten, Mr Manfred Seah, Mr Michael Simpson, Mr Stanley Goh and Mr Henry Low.

Remuneration Band	Number of Key Management Personnel (excluding PCEO)	Salary ⁽¹⁾ (%)	Bonuses (%)	Benefits (%)	Share Awards Vested During FY2025 (%)	Total Remuneration ⁽⁶⁾ (%)
S\$1,750,001 to S\$2,000,000	1	28	46	3	24 ⁽²⁾	100
S\$1,500,001 to S\$1,750,000	3	52	36	1	11 ⁽²⁾	100
S\$1,250,001 to S\$1,500,000	2	40	43	4	13 ⁽²⁾	100
Aggregate Total Remuneration						S\$9,181,016

Details of share awards granted under the SATS RSP and SATS PSP for the above executives in FY2025 are as follows:

	Awards under SATS RSP ⁽³⁾		
	Granted (no. of shares)	Released	
		Date	No. of shares
FY2025 Awards under SATS RSP ⁽⁴⁾	765,400	1-Jul-26	
		1-Jul-27	
		3-Jul-28	
One-off Transformation LTI Awards ⁽⁶⁾			
	Granted (no. of shares)	Released	
		Date	No. of shares
FY2025 Awards under SATS PSP ⁽⁷⁾	2,454,565	1-Jul-29	

Notes:

⁽¹⁾ Other than for Mr Michael Simpson and Mr John Batten, salary includes Annual Wage Supplement and employer's CPF for FY2025.

⁽²⁾ Represents aggregate value of shares that vested in accordance with the terms of the SATS RSP and SATS PSP during FY2025.

⁽³⁾ RSP shares will vest equally over a three-year period provided the terms and conditions of the plan are met.

⁽⁴⁾ The SATS RSP grants made for FY2025 are for performance for FY2025. The per unit fair value of the RSP grants is S\$3.298.

⁽⁵⁾ The final number of PSP 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.

⁽⁶⁾ In FY2025, the RHRC approved a one-time Transformation LTI Plan awarded under the SATS PSP for Key Management Personnel. This final number of 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 five-year performance period.

⁽⁷⁾ The per unit fair value of the one-off Transformation LTI awards is S\$1.65.

⁽⁸⁾ Due to rounding, the indicated percentages for each component of remuneration may not sum up to 100%.

The aggregate total compensation paid to the abovementioned top Key Management Personnel (who are neither Directors nor the PCEO) for FY2025 was S\$9,181,016.

No immediate family members of any Director or of the PCEO were employed by the Company or any of its related companies during FY2025.

Learning and Development Programmes for Employees

Learning and development is part of our DNA at SATS. We have anchored training and development to build a performance-driven culture centred around SATS' five people values: Safety, Customer Focus, Respect, Teamwork and Excellence. We put great emphasis on people development because we believe that a workforce that is well-trained with the necessary competencies and has the adaptability to change is the critical success factor to the growth of the business. The objectives are to harness the potential of its people and to bring out the best in them. To do this, we seek to enhance employee experience and engagement by strengthening their sense of belonging to the organisation, and maximising employee productivity to help SATS' businesses grow and thrive. We want to create a purpose-driven environment for our people.

Corporate Governance Report

At SATS, we believe that it is only when we develop each individual to do their jobs in a committed and purposeful manner, we can then have the desired business outcome. We recognise that our leaders set the tone of the SATS culture, which has a great impact on business performance. Hence, we have refreshed and launched a new leadership framework. A series of leadership transition programmes was designed and deployed to front line leaders, leaders of teams, leaders of community and strategic leaders. This series of leadership programmes is transition-focused, in order to equip our employees as they take on leadership roles, as the quality of leadership is an important aspect of our employee value proposition and will have a direct impact on staff engagement and retention.

Besides the training for our leaders, we also have a "Leading Self" programme for individual contributors, and an Employee Development Programme for our general employees. On top of technical skill training, the Employee Development Programme, which consists of e-learning modules and classroom training, focuses on soft skills to develop each individual.

As SATS grows its businesses locally and globally, we recognise that corporate governance remains a fundamental and core aspect to focus on to ensure that SATS continues to operate in a responsible and ethical manner. In line with this, SATS will continue to craft and update mandatory learning programmes on topics pertaining to corporate governance, such as legal regulations, cybersecurity, people management, etc. SATS employees undergo relevant training and subsequent refresher trainings to ensure that understanding and adherence to regulations is embedded in all job grades and at all times.

Learning and development is essential in ensuring that employees have the necessary knowledge, skills, and abilities to perform their jobs effectively and adapt to changing business needs. We believe that when the organisation is focused on people development, we can then truly achieve our vision of becoming the market leader in delighting customers with innovative food and seamless connections, as well as fulfil our purpose to feed and connect communities. More information on the Company's purpose, vision and core values, can be found on our corporate website at the URL <https://www.sats.com.sg/about-sats/who-we-are>.

Talent and Succession Management

SATS firmly believes that our global talent pool is one of our most important assets and competitive advantages

We have established a global talent management framework which defines our talent philosophy, strategy and a consistent approach to talent identification, development and deployment across our global organisation. This framework, co-created by talent partners and business leaders across the Americas, EMEAA, and Asia Pacific, ensures we have a globally consistent yet locally nuanced approach to building our leadership pipeline.

We will apply this new framework to refresh our existing talent review and succession planning to identify high potential employees and potential successors for targeted development.

We have also established Elevate, a global talent experience programme where high-potential employees will undertake a short-term cross geography assignment with specific business goals and outcomes. This is an exciting and meaningful talent development opportunity for our global talent to share and learn best practices in a cross-cultural setting.

There are also plans in place to review and redesign our structured talent development programmes to make them relevant and scalable for a global talent pool. The revamped programmes will ensure that our identified successors and talent will have opportunities to broaden their business exposure and deepen their technical and leadership capabilities.

ACCOUNTABILITY AND AUDIT Risk Management and Internal Controls

Principle 9

Safety, Sustainability and Risk Committee

The SSRC is chaired by Ms Vinita Bali, and its members are Mr Chia Kim Huat, Mr Mak Swee Wah, Mrs Deborah Ong and Mr Pier Luigi Sigismondi. All of the SSRC members (including the SSRC Chairperson) are independent Directors.

As announced by the Company on 2 June 2025, Mr Chia Kim Huat will be retiring by rotation at the 2025 AGM and will not be seeking re-election. Consequently, he will cease to be a member of the SSRC.

Key Responsibilities of the SSRC

The SSRC oversees and monitors the adequacy and effectiveness of the Group's risk and safety management systems and programmes and also the Group's implementation of its sustainability strategy. Its key responsibilities include:

- Guiding the SATS Group SSRMC, chaired by the PCEO, on risk management processes, methodologies, mitigation plans, risk registers and profiles

- Addressing strategic, financial, operational, technology (including cybersecurity), climate change and legal and regulatory compliance risks
- Evaluating the adequacy of resources for risk management functions within the Group
- Assessing risk management policies, practices and the types/levels of risks faced by the Group
- Assessing the adequacy of proposed actions for material breaches of risk limits
- Coordinating with the AC on the Board's Risk Management and Internal Controls Statement
- Ensuring the Group's risk and safety management systems and programmes for their effectiveness and ensuring that they comply with regulatory requirements and industry best practices across food safety, workplace occupational health and safety risk areas
- Monitoring the adequacy of reporting on safety, remedial actions and compliance with safety management plans
- Reviewing food safety and accident investigation findings and implementation of recommendations by Senior Management
- Aligning sustainability-related matters to ensure alignment with SATS' strategic goals and sustainability commitments and ensuring compliance with applicable regulatory requirements
- The development and execution of SATS' overall ESG strategy to enable Senior Management to explore opportunities for sustainable growth
- Reviewing the adequacy of reporting on material ESG factors and assessing the level of compliance with the Group's sustainability commitments

SSRC Meetings

The SSRC is required by its terms of reference to meet at least four times a year. The SSRC met four times in FY2025. In addition, there were also four joint AC and SSRC meetings for FY2025.

Assurances received by the Board

The Board required and has received assurance from the PCEO and CFO that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and financial position.

Additionally, the PCEO and relevant business heads who are responsible have provided the Board assurances on the adequacy and effectiveness of the Group's risk management and internal control systems, addressing financial, operational, compliance and technology risks.

Please refer to the Risk Management and Internal Controls section on pages 109 to 116 of this Annual Report for more details.

ACCOUNTABILITY AND AUDIT

Audit Committee

Principle 10

Audit Committee

The Board has an AC which discharges its duties objectively.

The AC is chaired by Mrs Deborah Ong, and its members are Ms Jessica Tan, Ms Vinita Bali, Ms Chan Lai Fung and Mr Pier Luigi Sigismondi. All the AC members, including the AC Chairperson, are independent Directors.

The AC members collectively have extensive experience in accounting or related financial management. In particular, the requirement under the Code for at least two members of the AC, including the AC Chairperson, to have recent and relevant accounting or related financial management expertise or experience is well met.

Mrs Deborah Ong, the AC Chairperson has relevant expertise and experience in accounting and financial management. She possesses an accounting qualification and was a partner at PricewaterhouseCoopers LLP with more than 30 years of public accounting experience. The other AC members also possess relevant experience from serving on various boards, government ministries and agencies. Ms Jessica Tan served as Chairman of Singapore's Finance, Trade and Industry Government Parliamentary Committee from 2010 to 2015, and as Chairman of Singapore's Public Accounts Committee until June 2020. Ms Vinita Bali brings relevant expertise through her audit committee memberships as a non-executive director at Bunge Ltd (listed on the New York Stock Exchange), Titan Company, and Crisil Ltd (both listed on the Indian stock exchange). Ms Chan Lai Fung has experience from her role as Permanent Secretary in several ministries, including the Ministry of Finance from 2009 to 2012. Mr Pier Luigi Sigismondi held senior roles across various multinational companies focusing on transformation and supply chain.

None of the AC members were partners or directors of SATS' existing external auditors within the previous two years prior to their appointment to the AC and none of the AC members have any financial interest in SATS' existing external auditors.

Key Responsibilities of the AC

The AC's primary role is to assist the Board with oversight of the integrity of financial statements and on the adequacy and effectiveness of internal controls and risk management systems in relation to financial reporting and other financial related risks and controls. It has explicit authority to investigate any matter within its terms of reference, full access to and co-operation of Senior Management, and full discretion to invite any Director or Senior Management member to attend its meetings. It also has reasonable resources to discharge its functions.

Corporate Governance Report

The Group Internal Audit team at SATS and the external auditors independently report their findings and recommendations to the AC. If the external auditors identify significant issues in their review of the Company's year-end financial statements that materially impact the interim financial statements or financial updates previously announced, the AC will promptly inform the Board and advise on necessary changes to enhance the quality of future interim statements or updates. The external auditors also keep the AC informed about relevant changes to accounting standards and issues with a material impact on the financial statements.

The AC's key responsibilities encompass the oversight of the following matters:

Financial Reporting

- Financial statements and financial results announcements/voluntary quarterly business updates for the relevant quarters, including the review of significant reporting issues and judgments
- Revisions/additions/updates to the accounting policies for write-offs, capital expenditure, disposal of assets and investments, and other financial policies
- The assurance from the PCEO and CFO on the financial records and financial statements

Internal Controls

- Compliance and information technology (financial reporting) risks
- The adequacy and effectiveness of the risk management and internal controls systems regarding financial reporting, accounting and other financial related risks and controls (and other risk and controls as delegated by the Board), at least annually
- The Board's Risk Management and Internal Controls Statement in conjunction with the SSRC
- The policy and procedures allowing employees and other individuals to confidentially raise concerns about possible issues in financial reporting or other matters. These concerns will be independently investigated and appropriately addressed.
- Any suspected fraud or irregularity or suspected infringement of any Singapore law, rule or regulation of which the AC is aware, which has or is likely to have a material impact on our operating results or financial position, and the findings of any internal investigations and Senior Management's response thereto.

External Audit

- The external audit plan, the external auditors' management letter, the scope and results of the external audit and Senior Management's response
- The quality of the work carried out by the external auditors and the basis of such assessment, such as the use of ACRA's Audit Quality Indicators Disclosure Framework
- The assistance given by the Senior Management of the Group and the Company Secretary to the external auditors
- The adequacy, effectiveness and independence of the external auditors
- The appointment, re-appointment or removal of the external auditors after evaluating their performance (taking into consideration ACRA's Audit Quality Indicators Disclosure Framework), the audit fee and terms of engagement, and making recommendation to the Board on the proposal to shareholders for the selection of external auditors

Internal Audit

- The adequacy of resources for the internal audit function and that it is staffed with persons with the relevant qualifications and experience and complies with the standards set by nationally or internationally recognised professional bodies, ensuring the appropriate standing of the internal audit function within SATS and its primary line of reporting to the AC
- The adequacy, effectiveness, independence, scope and results of the internal audit function, audit programme and the internal audit charter, including making recommendations to the Board on establishing an adequate, effective and independent internal audit function
- The hiring, removal, evaluation and compensation of the Global Head of Group Internal Audit
- Major findings on internal audit during the year and Senior Management's responses thereto, difficulties encountered during the course of the audit, significant changes to the audit programme and compliance with relevant professional internal audit standards

Interested Person Transactions

- Interested person transactions as required under the Listing Manual and our mandate for interested person transactions (Shareholders' Mandate)

Whistleblowing Reporting

- The policy and arrangements by which staff of the Company and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting, financial control, or other in-scope matters (as defined in the SATS Whistleblowing Policy)
- Reports on all in-scope whistleblowing incidents and ensuring that they will be appropriately dealt with
- Review the disclosure of the SATS Whistleblowing Policy in the Annual Report, and publicly disclosing the procedures for raising such concerns as appropriate

In addition, the AC oversees internal processes in relation to the Company's banking arrangements, including the appointment of bankers and authorisation of signatories, as well as related banking matters.

The AC is also tasked to perform all other functions and responsibilities of an audit committee that may be imposed by the Companies Act, the Listing Manual, the Code and other relevant laws and regulations, and reports to the Board on how it has discharged its responsibilities and whether it was able to discharge its duties independently.

During the financial year under review, the AC reviewed the Group's financial statements prior to announcing of the Group's half-year and full-year results, as well as the voluntary business updates for the first and third quarters of the financial year. This review included a review of management judgments, critical accounting policies, and any significant changes with potential material impact on the financial statements.

As part of its continuous monitoring and financial reporting process, SATS assesses the carrying value of its investments in subsidiaries, associates, joint ventures, property, plant and equipment as well as intangible assets for any indications of impairment. Senior Management has been proactive in tracking the developments of its businesses across the Group, regularly reviewing financial performance, projections and cash flow statuses of its investments. For assets or investments with indications of impairment, Senior Management will determine the assets' recoverable amount based on value-in-use calculations using cashflow projections covering five-year period. The estimates on projected revenue, profit margins, cashflows, terminal growth rates and discount rates used in these cashflow projections will take into account assumptions on the current market condition, the long-term viability of customers and cost initiatives. Sensitivity analyses were also performed to evaluate whether reasonable changes in the key assumptions would lead to possible impairment. The AC reviewed and challenged Senior Management's assumptions in relation to such asset impairment reviews and provided useful insights and guidance to Senior Management.

The Key Audit Matter(s) are set out below:

Key Audit Matter(s) (KAM)	AC commentary on the KAM(s), how the matter(s) was/were reviewed and what decision(s) was/were taken
Impairment of non-financial assets, including goodwill	<p>The AC reviewed Senior Management's approach and methodology applied in the impairment assessment, focusing on cash generating units (CGUs) with goodwill and CGUs with indicators of impairment, and the key assumptions used in the determination of their value-in-use, including the macroeconomic outlook and other key drivers of cash flow projections.</p> <p>The determination of value-in-use is highly dependent on the assumptions applied in respect of projected revenue, profit margins, cashflows, terminal growth rates and discount rates. The AC also considered recent market analysts' reports to understand the actual growth rates and outlook of the industries in which the CGUs operate.</p> <p>The AC considered the external auditors' findings, including their evaluation of the valuation methods and key assumptions used to determine the value-in-use of the CGUs.</p> <p>The AC was satisfied with the impairment review process, approach and methodology used, and the conclusion of the impairment review performed by Senior Management.</p>

AC Meetings

The AC is required under its terms of reference to meet at least four times a year. The AC met four times in FY2025, including four joint AC and SSRC meetings.

The AC meets with the external auditors and with the internal auditors, in each case without the presence of Senior Management, at least annually.

Review of Independence and Objectivity of External Auditors

The AC reviews the independence and objectivity of the external auditors annually, taking into consideration the requirements under the Accountants Act 2004. It has also reviewed the nature and volume of non-audit services provided by the external auditors, KPMG LLP, to the Group during FY2025 and the fees, expenses and emoluments paid or made to them, and is satisfied that they have no significant impact on the independence and objectivity of the external auditors. The audit and non-audit fees payable to KPMG LLP for FY2025 are disclosed in the audited financial statements.

At the recommendation of the AC and as approved by the Board, the re-appointment of KPMG LLP as the external auditors is subject to shareholders' approval at the 2025 AGM.

The Company has complied with Rule 712, Rule 713 and Rule 715 of the Listing Manual in relation to its auditing firms and the rotation of the audit partner.

Corporate Governance Report

Accountability

The Company adopts half-yearly reporting of its financial results which are prepared in accordance with the Singapore Financial Reporting Standards (International). Shareholders were presented with the half-year and full-year financial results within 45 days of the end of the half year financial period and 60 days of the end of the financial year respectively. Through the release of its financial results, the Board aims to present the shareholders with a balanced and understandable assessment of SATS' performance, position and prospects.

To enhance shareholders' understanding of the Company's performance in the context of the current business environment, the Company also provides voluntary quarterly business updates. These updates encompass meaningful and relevant financial and non-financial information regarding the Company's performance for the first and third quarters of each financial year. These voluntary quarterly business updates include discussions on significant factors influencing interim performance and market trends, along with an analysis of risks and opportunities that may materially impact the Company's future prospects.

SATS is committed to providing clear, detailed and timely communication to shareholders and the investment community. We disseminate material price-sensitive and trade-sensitive information promptly and non-selectively to furnish stakeholders with crucial and relevant information they need to make informed decisions about SATS' value and long-term prospects.

Additionally, SATS participates in investor conferences to engage with potential investors interested in learning more about our business. We respond to email requests from key institutional investors seeking to meet with Senior Management on specific matters and queries about our business. Communications with our stakeholders are conducted in an open and transparent manner and in compliance with the requirements of the Listing Manual.

Integrity of Financial Statements

The Company has a process in place to support Senior Management's representations to the Board on the integrity of the Group's financial statements and internal control systems in relation to the requirement under the Listing Manual for the Board to issue a negative assurance statement that accompanies the Company's announcement of its financial statements.

Quarterly management accounts of the Group (covering unaudited consolidated financial results and explanatory notes explaining variance) are circulated to the Board for their information.

Independent Internal Audit Function

The GIA's objectives, scope of authority and responsibilities are defined in the Group's Internal Audit Charter, which is approved by the AC. The AC is satisfied that the GIA is adequately resourced, effective and independent of the activities it audits. The GIA does not undertake any operational responsibility or authority over any of the activities within its audit scope.

The GIA provides the AC with reasonable assurance that the Group maintains adequate and effective internal controls covering financial, operational, compliance and information technology controls as well as risk management systems. The GIA also conducts whistleblowing investigations.

The GIA adopts a risk-based approach in formulating the annual internal audit plan that aligns its activities to the key risk areas across the Group. The annual internal audit plan is developed based on a documented risk and control assessment framework, which considers inherent risk and control effectiveness of each auditable entity or process in the Group, with inputs from Senior Management and the Board. Higher-risk areas are prioritised for auditing. In compliance with Rule 711B(3) of the Listing Manual, SATS' sustainability reporting process will be subjected to an internal review and has been included in the Group's internal audit plan for FY2026, as approved by the AC.

In addition, the AC reviewed significant audit findings reported, recommendations made, and Senior Management's responses. The GIA reported the results of remediating actions taken to the AC quarterly, after Senior Management ensured that the GIA's recommendations had been implemented in a timely manner.

The annual internal audit plan is reviewed and approved by the AC. The AC conducts an annual review of the adequacy, effectiveness, independence, scope and results of the internal audit function and ensures that GIA has appropriate standing within the Group to perform its function effectively. GIA also works closely with Senior Management in its internal control advisory review role to promote effective risk management, robust internal control and good governance practices.

Audit reports containing identified issues and corrective action plans are reported to the AC and Senior Management. Progress of the corrective action plans is monitored and past due action plans are included in regular reports to Senior Management and the AC. The GIA works closely with the external auditors to coordinate audit efforts and updates the external auditors of all relevant audit matters.

The GIA is headed by Global Head, GIA and staffed by suitably qualified and experienced executives. Internal auditors report to the Global Head, GIA, who reports functionally to the AC. In the execution of its audit activities, the GIA is authorised to obtain the assistance of specialist or specialised services (such as technology audits) from within or outside of the organisation or to outsource audit projects to reputable firms with project-appropriate resources and specialised skills. In situations where the audit work to be carried out by the GIA may potentially give rise to conflicts of interest, it will be brought to the attention of the AC. The AC may authorise such audit work to be carried out by an independent third party as it deems appropriate.

The appointment and removal of the Global Head, GIA are subject to the approval of the AC. Under the Group's Internal Audit Charter, the GIA has full access to the AC and unrestricted access to all the Group's documents, records, properties and personnel. Restrictions to access imposed by any employee of the Group (including Senior Management), which prevents the GIA from performing its duties, will be reported immediately to PCEO or directly to the AC, based on circumstances as determined by the Global Head, GIA.

The GIA is a corporate member of the Singapore chapter of the Institute of Internal Auditors (IIA). It is guided by the Global Internal Audit Standards set by the IIA. In line with leading practices, GIA has a Quality Assurance and Improvement Programme that covers its audit activity and conforms to the Global Internal Audit Standards. External Quality Assurance Reviews are carried out at least once every five years by qualified professionals from an external organisation. Training and development opportunities are provided for the GIA's members to ensure their technical knowledge and skill sets remain up-to-date and relevant. The GIA's members are also supported in achieving and maintaining their certification and relevant professional accreditations (e.g., Certified Internal Auditor, Certified Fraud Examiner, Certified Information Systems Auditor and Chartered Accountants, etc.). A structured programme is in place for professional service providers engaged by the Group to regularly share their knowledge and expertise with the GIA's members. The GIA's members also attend external trainings and seminars hosted by reputable public accounting and auditing firms, and professional associations such as IIA, Association of Certified Fraud Examiners, Institute of Singapore Chartered Accountants and ISACA.

Review of Interested Person Transactions

The Group has established policies and procedures to comply with the reporting requirements under Chapter 9 of the Listing Manual relating to IPTs. The GIA regularly reviews the IPTs entered into by the Group to verify the accuracy and completeness of the relevant IPT disclosures. These IPTs will be documented and submitted in a report to the AC for their review. During the financial year under review, the AC, assisted by the GIA, reviewed the IPTs, including those entered into pursuant to the Shareholders' Mandate approved by shareholders at the 2024 AGM. The AC is satisfied that the IPTs were made on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders. Details of the Shareholders' Mandate, proposed to be renewed at the 2025 AGM, are set out in the Appendix to the 2025 Letter to Shareholders. The Appendix outlines, inter alia, the review procedures for determining transaction prices and the relevant internal approval thresholds for IPTs conducted under the Shareholders' Mandate.

As required by the Listing Manual, details of the IPTs entered into by the Group are disclosed in this Annual Report. Pursuant to the Listing Manual, any IPT requiring specific shareholders' approval will necessitate that the interested person and any associate of the interested person abstain from voting on the resolution and refrain from accepting proxy appointments unless specific voting instructions have been given. In relation to the annual renewal of the Shareholders' Mandate at the Company's AGMs, interested persons covered by the mandate, as well as their associates, must abstain from voting on the resolution to renew the Shareholders' Mandate. Votes cast by such persons on such resolution will be disregarded.

Corporate Culture – Other Codes and Practices

The SATS Code of Conduct sets out the standards of behaviour by which we deal with our customers, business partners, colleagues, suppliers and each other. All employees are required to read and acknowledge the Code of Conduct upon joining the Company. Employees are regularly reminded of the need to comply with the Code of Conduct. The principles covered in the Code of Conduct include:

- **High Integrity**
We build trust through integrity. Unless otherwise approved by Senior Management, employees are not permitted to taking on work outside of SATS so that they focus solely on their work at SATS. A culture of integrity is further advanced via through the inclusion of non-competition and non-solicitation obligations for one year after employment ends.

We diligently avoid any situations where personal connections or financial interests could compromise impartiality. Employees must notify us if they have family members engaged in business dealings with the Group. Additionally, employees and their family members are prohibited from accepting gifts or preferential treatment due to their association with SATS.

Information is a critical asset to our business. Employees are expected to maintain confidentiality, refrain from making false claims and avoid insider trading.

- **Safety in the Workplace**
Workplace safety is essential for our business. All employees and contractors receive proper training to perform their tasks competently, and adherence to safety rules is required.
- **Safeguarding Assets**
Employees are expected to exercise responsibility and good judgement in the use of Company assets. Use of these properties must be authorised and individuals are required to comply with the rules governing such usage.

Corporate Governance Report

As the Group focuses on executing on its global growth strategy, we have continued to emphasise the cornerstones of our success as a global team by reiterating our People Values. These values reflect our dedication to putting people first in all aspects of our business and to embrace the values we want to embed across our Group. These five values focus on each employee's personal responsibilities across every aspect of our day-to-day operations and decision-making processes, with safety always being top of mind:

Safety

The safety and well-being of our team members, customers, and stakeholders are paramount. We prioritise a culture of safety, adhering to rigorous protocols and best practices to ensure a secure environment for all.

Customer Focus

Our customers are at the heart of everything we do. We are committed to understanding their needs, exceeding their expectations, and delivering exceptional experiences that build lasting partnerships.

Respect

We value diversity, inclusion, and mutual respect. We treat everyone with dignity and empathy, fostering an environment where all individuals feel valued, heard, and empowered to succeed.

Excellence

We strive for excellence in all that we do. From the services we provide to the relationships we cultivate, we pursue the highest standards of quality, innovation, and continuous improvement. A spirit of excellence inspires and motivates us to continuously improve and thereby brings out the best in everyone.

Teamwork

Collaboration is the cornerstone of our success. We recognise the collective strength of our team and embrace a spirit of collaboration, communication and support to achieve our common goals.

We have a shared responsibility to ensure our People Values are not just words on paper. They must be the guiding principles which embody our behaviour, accountability, and collaboration, and empower us to be the best we can be.

Ethics and Compliance

Our Company is committed to operating with the highest standards of ethics and integrity, and in strict compliance with applicable laws and regulatory requirements. As we expand globally, we are exposed to more complex legal and regulatory risks. These risks can change rapidly due to macroeconomic and geopolitical trends, increasing uncertainty and operating risks in the countries where we operate. To address these opportunities and uncertainties, our Company firmly adopts a zero-tolerance approach towards bribery, corruption, fraud and illegal or unethical behaviour.

We have in place global policies and procedures to address compliance with applicable laws and regulations including those relating to bribery and corruption, sanctions and personal data protection. We have a set of procedures that apply to our employees in their dealings with our suppliers, customers, potential investments and joint venture partnerships.

Additionally, our Code of Ethics and Business Conduct, available on our website, outlines the standards of behaviour for employees when interacting with colleagues and third parties, such as customers, business partners, and suppliers. This demonstrates SATS' commitment to maintaining high standards of integrity and business conduct.

SATS' Supplier Code of Conduct provides guidance on compliance with various laws and regulations and outlines expected ethical behaviour towards and of suppliers engaged by SATS. Our whistle-blowing channels provide an avenue to both employees and the public to report any actual or suspected wrong-doings committed by a SATS employee or business partner.

As part of our anti-bribery and anti-corruption programme, we have obtained the ISO 37001 Certification for SATS Ltd. and 12 of its key subsidiaries operating in Singapore, namely SATS Airport Services Pte Ltd, SATS Catering Pte Ltd, SATS Aero Laundry Pte Ltd, SATS Food Services Pte Ltd, SATS Institutional Catering Pte Ltd, SFI Manufacturing Pte Ltd, SATS Seletar Aviation Service Pte Ltd, SATS Security Services Pte Ltd, SATS Asia-Pacific Star Pte Ltd, Primary Industries Pte Ltd, SATS-Creuers Cruise Services Pte Ltd and Country Foods Pte Ltd.

Building an ethical and compliant culture is an ongoing process. The Ethics & Compliance team will continue to review and update existing systems, policies, and processes to ensure compliance with current and new laws and regulations, while considering industry best practices.

Whistleblowing Policy

The Group in place a whistleblowing policy that sets out the procedure for reporting possible or suspected misconduct or wrongdoing relating to the Group and its officers. A whistleblower could be an employee, officer, Director, customer, supplier, contractor, agent or any member of the public. Under the SATS Whistleblowing Policy, all employees and officers of the Group are required to promptly report any misconduct or wrongdoing involving suspected fraud, corruption, other illegal or unethical practices or other similar matters that may cause financial loss to the Group or damage its reputation.

Whistleblowers may identify themselves or make anonymous reports in the form of emails or written/verbal reports directly to the GIA, or via dedicated whistleblowing channels through email at tipoffs@sats.com.sg, via hotline numbers at or accessible from +65 6370 7736 (Singapore and China) / 1800 2666 703 (India) / [WFS Hotline](#), and through the online whistleblowing platforms for SATS (at <https://sats.whisppli.com>) and WFS (accessible via the [WFS Ethics & Compliance Portal](#)). On the online whistleblowing platforms, whistleblowers can continue to communicate anonymously via the secured messaging channels to provide additional information or receive updates. The SATS Whistleblowing Policy further provides that reports and investigations, as well as the identity of the whistleblower, are kept confidential to the extent practicable or permitted by law or the applicable regulatory authority.

The SATS Whistleblowing Policy and SATS Code of Conduct expressly provide that there shall be no reprisal (whether in the form of termination, retribution, harassment or any unfair treatment) against a whistleblower who has made a report in good faith, even if the concerns raised may eventually be established to be mistaken.

The GIA, as an independent function, reviews and investigates whistleblowing reports to assess the seriousness, credibility, and likelihood of confirming allegations. If the reports are made in good faith, the GIA decides if further investigation is needed and whether they or another skilled team should handle it. External service providers may assist depending on the complexity of the issue. Reports concerning the Global Head, GIA, or the PCEO will be escalated to the AC Chairperson, who may delegate the investigation to a suitable person.

The AC oversees and reviews whistleblowing cases, ensuring an effective management process. Quarterly, the GIA updates the AC on whistleblowing reports for SATS and WFS, including investigation outcomes related to fraud, corruption, theft, conflicts of interest, and financial statement fraud. These internal processes guarantee independent investigations and proper follow-up actions, including disciplinary measures where needed.

As part of the Group's efforts to promote strong ethical values as well as fraud and control awareness, references to the SATS Whistleblowing Policy are made in the SATS Employee Handbook and SATS' Anti-Bribery and Anti-Corruption Policy and are covered during employee trainings and periodic communications to all employees and across all locations. The SATS Whistleblowing Policy is made available to all employees on the Group's intranet and the whistleblowing channels on the Group's intranet and corporate website. The Group's policies are harmonised with a view to ensuring the adoption of best practices and behaviours that are common across all locations within the Group.

SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder Rights and Conduct of General Meetings

Principle 11

Shareholder Rights

SATS practices fair and equal dissemination of information. Media releases, announcements pertaining to material information, and investor presentations are issued via SGXNET and uploaded on the Company's website, providing timely information to shareholders.

Shareholders are informed of general meetings through notices published in the newspapers, electronic releases and/or reports or circulars sent to all shareholders. We generally provide our shareholders with longer than the minimum notice period required for general meetings. We also give our shareholders the necessary information on each resolution so as to enable them to exercise their votes on an informed basis. In particular, for resolutions on the election or re-election of Directors, sufficient information is provided on their background, their contributions to SATS and their Board and Board Committee positions so that shareholders may properly assess the candidacy of such Directors.

Shareholders are given the opportunity to participate effectively in and vote at general meetings. They are invited at such meetings to put forth any questions they may have on the motions to be debated and decided upon. Shareholders also have the right to call for general meetings by requisition, in accordance with the provisions of the Companies Act.

Provision 11.4 of the Code provides for a company's constitution to allow for absentia voting at general meetings of shareholders. Our Constitution currently does not, however, permit shareholders to vote at general meetings *in absentia* (such as via mail, email or fax). We will consider implementing the relevant amendments to the Company's Constitution if the Board is of the view that there is a demand for such alternative methods of voting, and after we have evaluated and put in place the necessary security processes to facilitate *in absentia* voting, and prevention measures against errors, fraud and other irregularities. Shareholders nevertheless already have the opportunity to communicate their views on matters affecting the Company even when they are not in attendance at general meetings as each shareholder is allowed to appoint up to two proxies to vote on his/her behalf at the meeting through proxy forms sent in advance. Institutional shareholders are allowed to appoint multiple proxies, so indirect investors who hold shares through nominee companies, custodian banks, CPF agent banks or SRS operators may be appointed as proxies to attend, speak and vote at the AGM.

Corporate Governance Report

The voting rights of shareholders are described in the Annual Report, and shareholders are briefed by independent scrutineers on the rules and voting procedures at the beginning of general meetings. We encourage shareholders to actively participate in general meetings, which are held at convenient locations.

Conduct of Shareholder Meetings

All Directors are generally required to attend general meetings and remain present for their entire duration. The Chairman of the Board, the Chairpersons of each of the Board Committees as well as our external auditors, are present to address shareholders' queries. Our PCEO makes presentations at AGMs to update shareholders on our performance, business activities and prospects, with presentation materials uploaded onto SGXNET and our corporate website. The Chairman of the meeting facilitates dialogue between the shareholders and the Board, Senior Management and external auditors. Where appropriate, the Chairman may request for specific Directors, such as the respective Board Committee Chairpersons, to answer queries related to their roles. Shareholders also have the opportunity to interact with the Directors before and/or after general meetings. Efforts are made to avoid scheduling AGMs during peak periods to prevent conflicts with the AGMs of other listed companies.

At general meetings, each specific issue is presented as a separate resolution, and resolutions are typically not "bundled" or made interdependent. When resolutions are "bundled", the rationale and material implications for doing so are detailed in the notice convening the general meeting.

All resolutions are put to the vote by electronic poll voting. Voting by poll allows for an equitable and transparent voting process. Shareholders will be better able to demonstrate their concerns in a manner more accurately reflective of their shareholdings. Independent scrutineers are appointed to conduct the voting process. Independent scrutineers brief the shareholders on the e-polling voting process and verify and tabulate votes after each resolution. The results of the voting at the general meetings showing the number of votes cast for and against each resolution and the respective percentages are shown to the shareholders at the end of each resolution before the Chairman makes a declaration on the passing of the resolution. In addition, the voting results at the general meetings showing the number of votes cast for and against each resolution and the respective percentages and the name of the independent scrutineer will be announced via SGXNET immediately after each general meeting.

The Company Secretary prepares minutes of shareholders' meetings, which incorporate substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting, and responses from the Board and Senior Management. These minutes are published on our corporate website and on SGXNET within one month of the AGM.

2024 AGM

The 2024 AGM was held in a wholly physical format, with no option for virtual participation available to shareholders. Shareholders were given the opportunity to submit written questions prior to the 2024 AGM, and all substantial and relevant comments and queries received by the stated deadline were addressed through publication on SGXNET and the Company's corporate website on 13 July 2024.

2025 AGM

As with the 2024 AGM, the 2025 AGM will be held in a wholly physical format. There will be no option for shareholders to participate virtually. Shareholders may submit written questions prior to the 2025 AGM, and all substantial and relevant comments and queries received by the specified deadline will be addressed at least 48 hours prior to the closing date and time the lodgement of proxy forms, through publication on SGXNET and the Company's corporate website. For further information, please refer to the Notice of AGM for the 2025 AGM.

Dividend Policy

The Company is committed to paying dividends to shareholders equitably and sustainably. The Company's policy is to pay dividends that grow progressively with earnings, while taking into account the Company's cash flow generation capacity, level of cash and reserves, reinvestment and capital expenditure needs for sustainable growth, debt repayments to strengthen its balance sheet, any circumstances which might reduce the amount of reserves available to pay dividends and other factors that the Board considers to be relevant in determining the allocation of earnings for distribution and the amount of dividends.

Upon approval by shareholders at the general meeting, dividends are generally paid to all shareholders within 15 market days after the record date.

In the event of a material variation in declared dividends compared to the previous corresponding period, or any decision not to declare a dividend, the reasons for such will be disclosed in accordance with the Listing Manual.

Dealings in Securities

In line with the rules of the Listing Manual, we have in place a policy and guidelines on dealings in Company securities for the Company and for employees of the Group and Directors of the companies within the Group. The policy and guidelines restrict the Company and certain employees (including all administrative officers and employees of managerial grade and above, and employees in departments which are likely to be privy to confidential material price-sensitive or trade-sensitive information, such as the offices of Senior Management, the Legal and Finance departments, and departments or units of companies in the Group having charge of business development and/or marketing activities) from trading in Company securities during the period of one month immediately preceding the announcement of our half year and full year financial statements and during the period of two weeks immediately preceding the announcement of our voluntary quarterly business updates containing meaningful and relevant financial and non-financial information on our performance for the first and third quarters of each financial year.

The Company has a procedure for calling for a trading halt in its securities. This helps us manage our continuous disclosure obligations in accordance with Rule 703 of the Listing Manual, in case of leaked material unpublished information or false rumours or reports where a media comment about us is sufficiently specific and detailed to warrant a response, by ensuring we can respond appropriately to such media comments or SGX-ST queries.

In addition, the Company and the Group's Directors and employees are prohibited at all times from trading in the Company's securities whilst in possession of non-public, price-sensitive or trade-sensitive information. The policy and guidelines also remind employees and Directors of the Group that they should not deal in our securities on short-term considerations, and to be mindful of the insider trading prohibitions under the SFA whenever trading in our or any other corporation's securities. Directors are also reminded of their obligations under the SFA to give the requisite notice to the Company of any interests in securities of the Company or of any of its related corporations, and of any changes, within two business days after they acquire such interests or, as the case may be, after they become aware of the changes. In any event, the non-executive Directors who are currently our shareholders hold an insignificant number of shares in SATS.

SHAREHOLDER RIGHTS AND ENGAGEMENT

Engagement with Shareholders

Principle 12

Communication with Shareholders – Investor Relations

SATS' Mission and Values reflect our aim to create value across our businesses for our customers, industry partners, shareholders and employees. As such, SATS strives to communicate pertinent information to shareholders and the investment community in a clear and detailed manner on a regular and timely basis. We commit to disclosing material price- and trade-sensitive information to the public on a prompt and inclusive basis, providing our stakeholders with the latest, most relevant information they require to make informed decisions about the value of SATS and our long-term prospects. Material information relating to our financial performance, business and strategic developments is published on SGXNET first, followed by our website at www.sats.com.sg.

As required by the Listing Manual, the Company discloses the names of its substantial shareholders¹ and a breakdown of their direct and deemed interests (including how such interests are held or derived) in its annual report every year. The Company also disseminates, via SGXNET, the notifications it receives from its substantial shareholders, in accordance with the provisions of the SFA.

A dedicated investor relations section on our website enables access for our shareholders and the investment community to pertinent information about SATS such as annual reports, financial results/voluntary quarterly business updates, webcasts of earnings briefings, and the latest corporate presentations. Shareholders are also able to access a copy of the Company's Constitution on its website.

We offer several channels for engagement and dialogue with Senior Management, helping stakeholders better understand our business strategies. In FY2025, we organised post-results conference calls at the end of every quarter of the financial year, with live audio webcasts to brief shareholders, the investment community and the media on our financial performance and key business and corporate developments. We also make available an on-demand audio recording of such sessions on our website within three business days.

The SATS Strategy Update and Capital Markets Day were held in conjunction with the announcements of our full year results in May 2024 and second quarter results in November 2024 respectively. Both events were held in hybrid formats, with in-person presentations by SATS' executive management and a live audio-visual webcast for investors and analysts.

We regularly participate in investor conferences, both locally and overseas, to meet with investors who are interested in knowing more about our business. We respond to requests from key institutional investors to meet with select members of Senior Management regarding specific matters and queries about our business. In FY2025, we extended our reach to investors through our participation in nine investor conferences, including two Non-Deal Roadshows to meet with existing and potential North American investors in New York City, Boston and Toronto as well as Kuala Lumpur.

¹ A substantial shareholder is a person who has an interest in one or more voting shares in the Company and the total votes attached to that share, or those shares, is not less than 5% of the total votes attached to all the voting shares in the Company.

Corporate Governance Report

Our Corporate Affairs department acts as our corporate liaison to facilitate the flow of information between SATS and our stakeholders, including investors, analysts, government agencies, the media and the general public. The department disseminates corporate information that promotes a transparent and positive relationship with all our stakeholders and manages enquiries about our business performance and requests for meetings with Senior Management. Shareholders who wish to contact SATS may get in touch with the Corporate Affairs department by completing the General Enquiry Form on our website, accessible from the URL <https://www.sats.com.sg/about-sats/contact-us/general-enquiry-form>, with "Investor Relations" selected as the nature of enquiry.

A dedicated investor relations team in the Finance Department works closely with the Corporate Affairs team to implement a defined investor relations programme. Upon receiving queries and feedback, our Corporate Affairs team will consult the relevant subject matter experts before responding appropriately. Communications with our stakeholders are conducted in an open, transparent manner and in compliance with SGX requirements. The Board receives regular updates from Senior Management on feedback received from stakeholders and is generally kept apprised of stakeholder discussions and queries.

Accountability to Shareholders Sustainability

As aviation volumes recover to pre-COVID levels, SATS is working to improve its ESG performance across its global network.

Our eight ESG priorities have been established through a regularly revised materiality assessment that considers best practices, market trends, regulations, and stakeholder expectations. We are committed to:

- Reducing our environmental footprint through decarbonisation, waste management and sustainable sourcing.
- Improving our preparedness for extreme weather and cyber threats.
- Continuously investing in our people and systems to create a safe, secure, diverse and inclusive workplace.
- Upholding strong standards of governance and business ethics.

The Board provides strategic guidance on the Company's business strategy, regularly reviewing the effectiveness of sustainability driven programmes to ensure they remain relevant and current. Additionally, the Board also ensures the integration of sustainability goals with business objectives, making sustainability an essential component of business strategy. In FY2024, SATS incorporated sustainability oversight into the Terms of Reference of the former Board Risk and Safety Committee which was later renamed as the SSRC, to drive sustainability imperatives as part of business strategy.

The SSRMC, chaired by the PCEO and comprising GMB members, ensures alignment among top decision-makers on ESG ambitions and initiatives. The SSRMC also evaluates the business cases and trade-offs for the implementation of ESG projects, including resourcing, capital allocation, and potential financial impacts across SATS' global network.

The SSRMC relies on the outcomes and recommendations from four regional ESG Councils, established to better support ESG champions in driving ESG agendas in their respective business units and locations. The ESG Councils assess the effectiveness of sustainability programmes each quarter with reference to key performance metrics, share best practices between the various business entities, and identify opportunities and projects that drive decarbonisation and waste management outcomes.

We report our sustainability performance in accordance with the SGX Sustainability Reporting Guide, referencing the Global Reporting Initiative framework.

We align material topics with the United Nations Sustainable Development Goals and continuously review our sustainability strategy to improve stewardship and reporting. In FY2025, SATS renewed its membership as a signatory to the United Nations Global Compact (UNGC), demonstrating the Company's support for the UNGC's ten universal principles relating to human rights, labour, environment, and anti-corruption.

Addressing climate change is an important task that requires a global joint effort shared across all countries, sectors, and supply chains. In playing its part in this ecosystem and this collective worldwide effort, SATS has been taking and will continue to take, deliberate actions to decarbonise its operations.

In FY2023, we enhanced our Task Force on Climate-related Financial Disclosures to better assess climate-related financial risks and opportunities, supporting investments in mitigation actions and business climate resilience. Since then, we have been deliberate in investing in energy-efficient equipment, developing local supply bases for supply chain resilience, and continuously assessing carbon tax impacts on energy prices.

SATS is the first ground handling company and inflight catering business making disclosures through the Carbon Disclosure Project. In doing so and aligning our efforts with a widely accepted and recognisable global sustainability reporting standard, we wish to demonstrate that our ESG progress is measurable, credible, and aligned with investor and customer expectations. In FY2024, we have improved our scores in 6 categories and reached a B- level in 9 categories out of 16, demonstrating SATS' deliberate and coordinated action on environmental issues.

Our Environmental Policy has been translated into various key languages for our global network and published on our website.

Collaboration with stakeholders enhances our environmental and community impact. We regularly engage with internal and external stakeholders to align on key issues guiding our decisions, such as: customers, suppliers, employees, regulators, airport communities, industry associations, and the media.

More details are available in our Sustainability Report.

MANAGING STAKEHOLDER RELATIONSHIPS

Engagement with Stakeholders

Principle 13

Our Engagement Activities and Initiatives with Business Partners and Key Stakeholders

SATS has established appropriate channels to identify and engage with our key stakeholder groups in addition to our shareholders. We recognise the importance of sharing detailed knowledge of our business and having regular interactions with our stakeholders to determine material concerns for our business. These engagements enable SATS to review business processes, report on the progress of initiatives, and share ideas and knowledge for deeper collaboration with our partners.

Investor and Media Outreach

On the communications front, SATS is committed to transparency by providing timely and informative updates relating to Company announcements, financial results / voluntary quarterly business updates, news releases, and corporate presentations on its corporate website. We observe best practices when communicating with key stakeholders such as by tailoring relevant information for specific groups, considering constructive feedback on pertinent issues and postponing engagements during blackout periods.

SATS interacts with the investment community through various channels. We hold quarterly meetings with analysts and investors to discuss SATS' financial performance and address related queries. During these meetings, we also provide updates on the integration of WFS with SATS and the progress made towards achieving the committed potential EBITDA synergies. We share pertinent information with the broader investment community through updates on the SATS and SGX websites.

During FY2025, we engaged with around 600 analysts and investors through 60 face-to-face/virtual meetings, nine investor conferences and four results briefings. We also conducted two facility tours for our investors.

Through regular press releases and SGX announcements, we keep the investment community informed of material information such as new investments, commercial wins, and strategic collaborations.

Engagement and support of our suppliers in line with our Sustainable sourcing goals

Collaboration with our suppliers is essential to driving sustainability across our value chain. Beyond regular face-to-face meetings, phone calls, emails, and specific events such as our annual Suppliers' Day forum for our Singapore-based Food Solutions suppliers, we actively engage our partners through structured sustainability initiatives. In Singapore, the SATS Supplier Engagement Programme, which has commenced in 2023, serves as an ongoing platform to support our suppliers in their ESG journeys.

In FY2025, the sustainability and procurement teams worked to expand our supplier engagement efforts and ESG screening of our suppliers across the world covering all our regions and operations.

More details are available in our Sustainability Report.

Singapore Hub

SATS Singapore Hub takes a proactive approach in engaging with our stakeholders.

We regularly engage with stakeholders (such as the Ministry of Transport, Civil Aviation Authority of Singapore, Changi Airport Group and Singapore Airlines) to drive strategic initiatives and foster collaboration on the continued sustainability, capacity growth, and operational resilience of the Singapore aviation hub.

We also work closely with National Trades Union Congress and our union leaders on ensuring that job roles remain competitive and offer career progression for our employees.

Corporate Governance Report

SUMMARY OF DISCLOSURES

Summary of Disclosures of Code of Corporate Governance 2018 (CCG 2018)

BOARD MATTERS		Level and Mix of Remuneration	
The Board's Conduct of Affairs		Principle 7	
Principle 1		Provision 7.1	Page 90
Provision 1.1	Pages 72 – 73	Provision 7.2	Page 87
Provision 1.2	Pages 72, 76 – 77	Provision 7.3	Pages 87 – 88, 90 – 92
Provision 1.3	Page 72	Disclosure on Remuneration	
Provision 1.4	Pages 73, 77, 82, 86 – 87, 96 – 99	Principle 8	
Provision 1.5	Pages 74 – 75, 85	Provision 8.1	Pages 89 – 90, 94 – 95
Provision 1.6	Pages 74, 76	Provision 8.2	Page 95
Provision 1.7	Page 76	Provision 8.3	Pages 89 – 95
Board Composition and Guidance		ACCOUNTABILITY AND AUDIT	
Principle 2		Risk Management and Internal Controls	
Provision 2.1	Page 84	Principle 9	
Provision 2.2	Page 77	Provision 9.1	Pages 70, 96, 109
Provision 2.3	Page 77	Provision 9.2	Pages 97, 115
Provision 2.4	Pages 70, 77 – 81	Audit Committee	
Provision 2.5	Page 74	Principle 10	
Chairman and Chief Executive Officer		Provision 10.1	Pages 97 – 99, 103
Principle 3		Provision 10.2	Page 97
Provision 3.1	Page 81	Provision 10.3	Page 97
Provision 3.2	Page 81	Provision 10.4	Pages 98, 100 – 101
Provision 3.3	Page 77	Provision 10.5	Page 99
Board Membership		SHAREHOLDER RIGHTS AND ENGAGEMENT	
Principle 4		Shareholder Rights and Conduct of General Meetings	
Provision 4.1	Pages 76 – 77, 82 – 83, 85 – 86	Principle 11	
Provision 4.2	Page 82	Provision 11.1	Pages 103 – 104
Provision 4.3	Page 83	Provision 11.2	Page 104
Provision 4.4	Pages 82, 84 – 85	Provision 11.3	Pages 74 – 75, 104
Provision 4.5	Pages 26 – 33, 82, 85	Provision 11.4	Page 103
Board Performance		Provision 11.5	Page 104
Principle 5		Provision 11.6	Page 104
Provision 5.1	Page 86	Engagement with Shareholders	
Provision 5.2	Page 86	Principle 12	
REMUNERATION MATTERS		Provision 12.1	Pages 105 – 106
Procedures for Developing Remuneration Policies		Provision 12.2	Pages 105 – 106
Principle 6		Provision 12.3	Page 106
Provision 6.1	Page 87	MANAGING STAKEHOLDERS RELATIONSHIPS	
Provision 6.2	Page 86	Engagement with Stakeholders	
Provision 6.3	Page 87	Principle 13	
Provision 6.4	Pages 87, 90	Provision 13.1	Page 107
		Provision 13.2	Page 107
		Provision 13.3	Page 107

SATS Ltd. RISK MANAGEMENT AND INTERNAL CONTROLS

Risk Management and Internal Controls Statement

The Board oversees risk governance, establishing the Company's risk tolerance and appetite. It determines the nature and extent of the significant risks which the Group is willing to take to achieve its strategic objectives. Annually, the Board reviews the effectiveness of the internal controls and risk management system implemented by Senior Management to ensure:

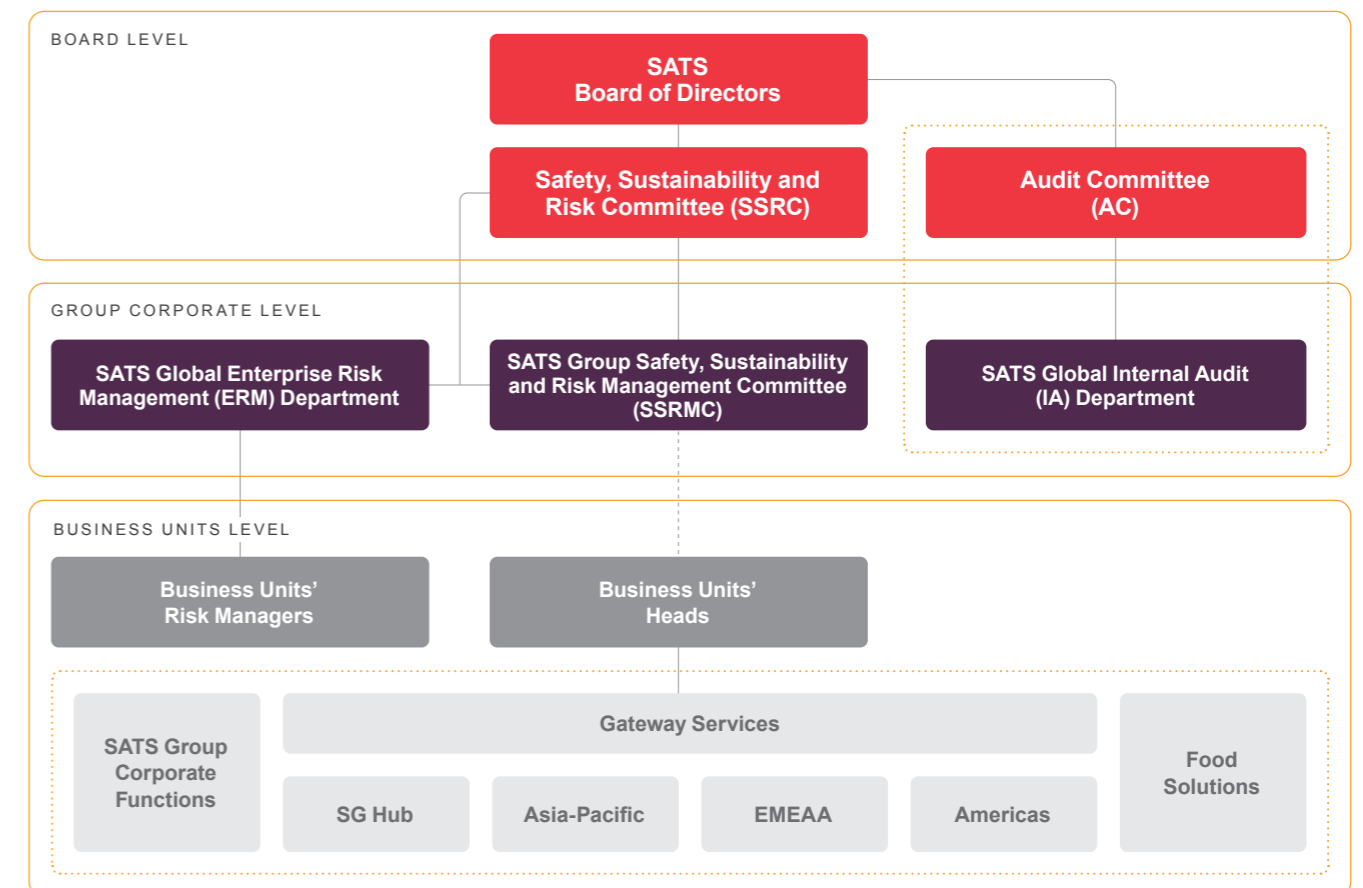
- Safeguarding of assets against unauthorised or improper use or disposal
- Protection against material misstatements or losses
- Maintenance of proper accounting records
- Reliability of financial information for internal use and publication
- Compliance with laws, regulations and corporate governance practices
- Identification and management of business risks

Risk Management Organisational Structure

The SSRC oversees the effectiveness of safety and risk management systems. It ensures the programme meets the organisation's needs. Supported by the SSRMC, the SSRC monitors regular risk management reports, initiatives, processes, and exercises. The SSRMC reviews the risk management system and mitigation measures quarterly.

The ERM Department coordinates and facilitates the risk management processes within the Group. It provides support to the SSRMC in carrying out its functions.

The Group risk management reporting structure is as depicted in the diagram below.



Corporate Governance Report

Enterprise Risk Management

At SATS, we understand that risks are an inherent part of conducting business. To manage these risks, we have in place an ERM Framework that guides our business in identifying, categorising, assessing and monitoring key risks through a structured process as these are crucial for achieving our strategic goals and objectives. The ERM Framework is also underpinned by a robust Management Controls and Assurance Framework¹.

Further, by closely integrating risk with strategy and performance, we are driving the right behaviours, culture and mindset necessary for informed decision making, ultimately driving value creation and sustainable growth for the organisation. To this end, the Board and Senior Management have also agreed on an established risk appetite for key risk areas for the Group ranging from 'conservative' to 'bold' and also monitor risk performance through the use of Key Risk Indicators where defined thresholds and limits are approved by the SSRC.

Key Risks of the Group

We have identified five key risk areas most significant to the Group – Strategic, Financial, Operational, Compliance and Technology. The Board, and its Committees oversee Senior Management's actions regarding these key risks. The following table highlights the key focus areas and risks for the Group.

KEY RISKS	RISK DESCRIPTIONS
STRATEGIC	
Market Economics & Competition	Erosion of market share, outdated business model or profitability pressures arising from: <ul style="list-style-type: none"> Market disruptions from macroeconomic shifts, geopolitical tensions, and political instability; Losing our competitive advantage and market leadership due to poor cost management, unmet customers and stakeholders expectations, or lack of innovation to capture growth opportunities; or Concentration risk from overdependence on key sectors or regions.
Talent & Organisational Development	Inability to attract and retain talent to support the business due to: <ul style="list-style-type: none"> A tightening of labour market conditions, poor workplace culture and/or inadequate compensation and benefits as compared to industry peers and/or cross-sector competition; Limited or uncompetitive talent development options and career development pathways; or Lack of quality bench strength and key succession planning to cater for attrition or an ageing workforce.
Environment & Climate Change	Environmental and climate change impacts on our reputation, investments, and operations such as: <ul style="list-style-type: none"> Not meeting our public environmental commitments such as decarbonisation and waste reduction goals, thereby undermining trust and credibility; Non-compliance with environmental regulations at global, regional, and local levels, potentially leading to legal and financial penalties; Inadequately addressing low-carbon transition risks, such as financing decarbonisation, may impede long-term sustainability goals.; or Insufficiently addressing and mitigating climate change-related physical risks, such as extreme weather events, chronic climate changes, and supply chain disruptions, any of which may impact operational continuity and profitability.
FINANCIAL	
Financial Resiliency	Inability to maintain investment grade rating, access to capital markets funding and low investor's confidence due to: <ul style="list-style-type: none"> Inadequate liquidity and cash flow, inefficient capital structure or weak financial ratios; Poor management of market related risks (foreign currency, interest rates, etc.); Concentration of credit risks from key customers and counterparties not meeting their financial obligations; or Breaches of key financial and loan covenants.

¹ Refer to Management Controls and Assurance Framework section on page 115.

KEY RISKS	RISK DESCRIPTIONS
Financial Controls	Risk of inaccurate financials or financial misstatements arising from weak internal controls over financial reporting and financial governance such as: <ul style="list-style-type: none"> Gaps and lapses in financial policies and procedures; Poor monitoring and independent verification checks; Inadequate supporting documents and incomplete 3-way matches for key transactions (i.e. procure to pay process); or Lack of clear segregation of duties.
OPERATIONAL	
Operational & Business Process Management	Risk of disruption to business operations/inefficient business processes and sub-optimal productivity arising from: <ul style="list-style-type: none"> Operational lapses such as unplanned facilities/plant shutdowns or reduced availability due to poor machinery and equipment maintenance, non-compliance with SOPs, manpower/workforce shortages and/or labour strikes; Poor project management and execution resulting in delays, cost overruns, variation orders and quality issues; or Inability to synergise and integrate business processes across sectors and geographies.
Supply Chain & Third-Party Risks	Reputational, financial and operational risks/disruptions from outsourcing or using third-parties, vendors, and suppliers: <ul style="list-style-type: none"> Inadequate onboarding and due diligence of third parties, vendors and suppliers; Poor contract management and enforcement, including inadequate legal safeguards in contractual arrangements; Misalignment of corporate values and ethics; Weak business process and internal controls of third parties leading to data breaches or operational lapses; or Supply chain disruptions due to material unavailability and quality issues.
Health, Safety & Security	Risk of health, safety and security incidents such as: <ul style="list-style-type: none"> Food safety incidents, aviation related accidents, disease outbreaks and pandemics, extreme weather-related events and mental health related issues which can lead to loss time injuries and fatalities; A less than desirable Health, Safety, Security and Environment culture and mindset as well as a lack of health and safety related training and awareness; or Physical security incidents such as unauthorised access, terrorism and sabotage at operations and project sites due to poor security measures, trainings, and awareness.
Business Continuity	Unpreparedness in responding to crises like fires, natural calamities, pandemics, or major business disruptions that impede the ability to continue business operations or impact lives and assets. Causes include: <ul style="list-style-type: none"> Inadequate crisis response and business continuity/recovery plans, training and exercises; A lack of structured and timely escalation procedures; or Poor insurance strategy, inadequate insurance coverage, poor insurance response and lengthy claims processes.
COMPLIANCE	
Legal & Regulatory Compliance	Risk of non-compliances with applicable laws and regulations resulting in fines, stop-work orders, suspension, or termination of operating licenses/permits. This could be due to: <ul style="list-style-type: none"> Unfamiliarity with overseas markets, volatile political conditions or unclear laws and regulations; Rising compliance costs and difficulty in adapting to rapid and complex regulatory changes; Poor understanding of the organisation's compliance management system; or Complexity and adequacy of addressing compliance and conflicting requirements of global sanctions laws and regulations.
Fraud, Corruption & Bribery	Intentional act to obtain an unfair advantage or unlawful gain. This could arise from the following: <ul style="list-style-type: none"> Offering or accepting any payment, gift, favour, or advantage as an inducement to (i) advance a business advantage, (ii) avoid taking an official action, (iii) gain an improper business advantage, or (iv) influence business outcome; or Any dishonest or fraudulent behaviour or activity that undermines the integrity of the organisation including the misappropriation of assets and intentional misstatements of financial information.

Corporate Governance Report

KEY RISKS	RISK DESCRIPTIONS
TECHNOLOGY	
Cyber & Data Security	<p>Risk of breach of privacy, loss of sensitive and confidential information, ransomware, and disruption to infrastructure from cyber-attacks. This is due to:</p> <ul style="list-style-type: none"> Increased sophistication in methods (direct hacking, phishing, etc.) deployed by threat actors riding on accelerated digitisation and generative Artificial Intelligence, remote working, and digital connectivity; Weak cyber and data security infrastructure, policy and procedures and lack of training and awareness; or Absence of a robust data governance framework and inadequate communication and training for employees in this area.

Strategic Risks

Current and future portfolio considerations are integral to SATS' strategic risk management. We regularly monitor international developments, identify growth opportunities in new markets and capitalise on investment opportunities as they emerge. When evaluating current and potential investments, it is essential that we consider factors such as customer and country concentration or exposure to higher-risk regions. The Group remains highly cognisant of the impact of an evolving and often volatile macroeconomic environment, including heightened geopolitical tensions, effects from tariffs, unpredictable interest rates trends and the potential for persistent inflation, among other factors.

The Group is committed to ensuring the optimal combination of talent and capital for future success. SATS holds that empowering employees results in increased productivity and enhanced customer services. Accordingly, several initiatives have been introduced, such as global mobility programmes and various training courses, to offer employees greater opportunities for growth, enabling them to realise their career aspirations with SATS.

In its commitment to environmental responsibility and sustainability, the Group employs a technology-driven, people-focused approach to create more value for stakeholders. This approach includes enhancing SATS' operational efficiencies and reducing carbon footprint and waste, while transitioning to renewable and more sustainable sources of energy, water and raw materials to mitigate the environmental impact of its operations. More details are available in our Sustainability Report.

Financial Risks

SATS recognises the need for a comprehensive financial risk management system, given the globalised and diversified nature of the Group's businesses. SATS' overall philosophy to financial risk management is to manage the effects of economic uncertainty on the Group's financial performance, with its policies subject to regular Board reviews. Currently, foreign currency, interest rate and credit and liquidity risks form the main areas of concern for SATS' financial risk management.

To uphold the integrity and reliability of financial reporting, SATS has in place financial controls that includes clear approval processes, segregation of duties and regular reconciliations to ensure accountability and accuracy in financial transactions. Independent audits further validate the effectiveness of these controls, ensuring compliance with regulatory requirements and internal control policies.

In addition, SATS maintains a responsible and transparent approach to tax governance.

Tax Strategy and Governance Framework

In line with SATS' Corporate Governance principles and core values, SATS maintains a high standard of integrity in managing its tax affairs and complying with applicable local tax laws. We exercise due care and follow prescribed protocols in tax risk management, adopting a transparent approach in fulfilling our tax reporting obligations.

Compliance with Tax Law

As SATS continues to expand its global presence, we are fully committed to adhering to applicable tax laws and regulations in all jurisdictions where SATS has a taxable presence or where a tax reporting obligation arises under local law.

SATS exercises good faith effort in meeting all tax filings and payment obligations promptly. Operating within today's global business environments has become increasingly complex, with stringent regulatory requirements for tax reporting and transparency. SATS commits to being a responsible taxpayer and remains vigilant in complying with these regulations. Importantly, SATS does not engage in profit shifting with the intent of tax avoidance to minimise its tax obligations and upholds the principle of paying its fair share of taxes in all jurisdictions where it has tax filing obligations.

Where relevant, business or legal entity reorganisation plans are led by valid commercial reasons that support SATS' business strategy. In the event that these business reorganisation plans may give rise to tax consequences, appropriate external tax advice will be sought to address the relevant risk and potential financial impact that may arise from these business reorganisation plans.

Governance for Managing Tax Risk

SATS' tax risk and governance framework conforms to the principles under its Corporate Governance framework. SATS' Board has fully embraced the Corporate Governance principles since their adoption. Appropriate delegation of authority has been put in place to set up an adequate tax governance and control framework. The tax governance and control framework is fully endorsed by the Board and is designed to safeguard the Group from material financial or reputational risks.

Tax laws and regulations are continually evolving and becoming increasingly complex. The growing demands in tax reporting obligations substantially elevate the risk of unintentional non-compliance. SATS is committed to managing its tax affairs responsibly and with the utmost integrity.

SATS supports competitive business growth without compromising the integrity of its tax risk and governance principles. Differences in interpretation and/or enforcement of tax laws, rules and regulations may create tax risks, which SATS will proactively seek to identify, evaluate, manage and monitor through compliance, disclosure and an adequate control framework. Any significant tax issues will be reported to Senior Management and/or the Board in line with established risk management protocols and the delegation of authority framework.

The level of tax risk that SATS accepts is aligned with its business strategy, core values, corporate social responsibility and reputation. SATS seeks the counsel of external advisors, when relevant, to assess the tax risks associated with the interpretation of tax laws, rules or regulations. Care is duly exercised in the assessment of tax risks based on the available facts.

Relationship with Tax Authorities

SATS is committed to nurturing a collaborative relationship with the tax authorities and to exercise due care and professionalism in responding to questions or queries raised by the respective tax authorities. We seek appropriate opportunities to develop mutually respectful relationships with tax authorities based on transparency and trust. Where relevant, SATS intends to work with relevant authorities and legislators to engage in discussions, obtain advance rulings on certain transactions or seek clarity around any points of uncertainty arising from the interpretation or application of tax laws, rules and regulations.

More information on these risk areas can be found in the "Notes to the Financial Statements" in the "Financials" section of this Annual Report.

Operational Risks

Given the critical nature of SATS' operations in the aviation sector, the Group faces operational risks such as adverse exogenous events, extreme weather, trade sanctions, terrorism and workplace and food safety incidents. To mitigate these risks, SATS fosters a culture of vigilance and resilience, emphasising cybersecurity, food hygiene and mindfulness for workplace safety at all organisational levels. Risk managers have been appointed within all business units consolidate and streamline risk management processes efficiently. Additionally, SATS collaborates closely with the aviation community and relevant authorities, continually seeking innovative, technology-driven solutions to enhance operational excellence and further mitigate operational risks, particularly in the areas of workplace and aviation safety and security.

We also conduct regular audits across our operational domains to ensure that stringent safety and quality standards are met. In relation to these audits, we have obtained internationally recognised certifications such as ISO 45001, ISO 9001, ISO 14001, ISO 22000 and HACCP. SATS has also actively participated in the SGSecure@Workplaces programme, having been registered under the Singapore Police Force and Singapore Civil Defence Force's Safety and Security Watch Group scheme.

SATS monitors and mitigates risks from political and geopolitical uncertainties, including global supply chain disruptions, increased food and energy prices, and resulting inflationary pressures. Senior Management has determined that the direct impact on business, including bad debt provisions, has not been material but will continue to monitor the situation.

Compliance Risks

Operating in a highly regulated environment and owing to the strength of the SATS brand as a major institution in cargo, ground handling and catering, SATS is mindful of the importance of developing sustainable work practices and managing reputational and compliance risks, including fraud. SATS has in place an ethics and compliance programme and has implemented a comprehensive set of procedures to ensure that legal and industry regulations are monitored and complied with, thus mitigating as far as practicable the occurrence and impact of these risks as they arise.

Corporate Governance Report

The Board and Senior Management also continually monitors the Group's exposure or link to sanctions-related risks which are relevant and material to SATS' operations as an enlarged group following the acquisition of WFS. The Group has put in place a sanctions programme that entails (i) a sanctions policy and operations procedure to address and mitigate known and potential sanctions risks, (ii) enhancement of proprietary software screening tools to detect, report and block sanctioned activity in our cargo operations, (iii) the use of third party vendor tools to screen our vendors, suppliers and partners for sanctions-related risks amongst other compliance risks, and (iv) providing guidance to our businesses on our approach to contracts with our counterparties. Neither SATS, its subsidiaries nor its associated companies are presently on any sanctions list. Although the Group may have exposure to sanctions-related risks in operations in which it does not have management or operational control (e.g., via its associated companies or joint ventures), the Board and Senior Management have assessed that presently, such exposure does not materially change the risk profile of the Group and does not materially impact the Group's operations.

Technology Risks

SATS acknowledges the growing importance of cyber and data security as we embrace digital transformation and advanced technology to drive growth and efficiency. We are committed to a robust cybersecurity strategy and data governance framework to protect against evolving cyber threats and data security risks.

SATS continues to prioritise and maintain a strong focus on cybersecurity management, including security governance of both Operational Technology (sensor, controllers and CCTV) and Information Technology (network, computing and cloud assets). SATS' Information Security policy and its supporting standards and guidelines are aligned with ISO27001 and other cybersecurity best practices. The SATS Cyber Security Management Framework is designed to protect, detect and respond to cybersecurity threats, and strengthen SATS' cyber resilience.

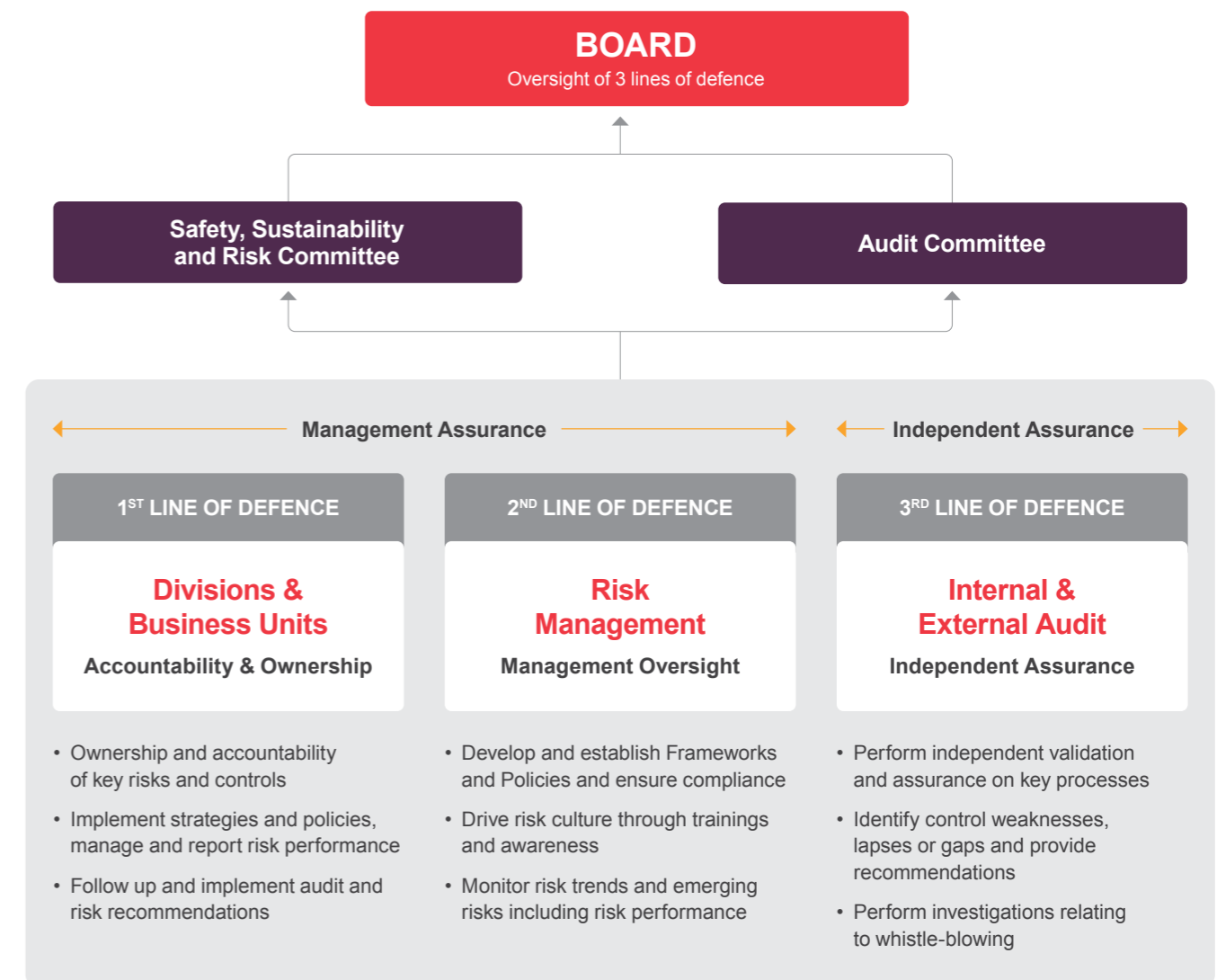
CYBER SECURITY MANAGEMENT FRAMEWORK

Defence-in-Depth	Attacker's Perspective	Cybersecure Culture	Collective Defence
Deploying multiple layers of security measures to protect against different types of attacks, reduce the likelihood of successful attacks and minimise the impact of any breaches.	Looking at SATS' systems and networks from the point of view of attackers to understand how they might try to exploit SATS' systems and take proactive steps to prevent or mitigate those attacks.	Promoting safe and responsible behaviour when using SATS' IT assets and empowering employees to spot and report cyberattacks promptly.	Working together within a trusted community by collaborating and sharing insights, best practices, and resources to improve our overall security posture and better defend against cyber threats.
Standardised System Criticality baselines: 1. Critical 2. Essential 3. Standard	Continuous attack surface monitoring System and infrastructure vulnerability assessments	Security awareness programme Phishing simulations	Threat insight sharing within trusted community
Cyber programme maturity assessment based upon the US National Institute of Standards and Technology's Cybersecurity Framework	Red-team exercises Technical Incident Response rehearsals	Cyber tabletop exercises Acceptable Use Policy	Knowledge sharing and collaboration with the transportation sector ecosystem
Multi-layer security controls: • Firewalls • Intrusion Prevention System • Secure Internet Access • Mobile Security • Infrastructure Security • Application Security • Data Encryption • Multi-Factor Authentication	Cyber Threat Intelligence	Data Privacy Policy	Active community involvement and partnership

Following the acquisition of WFS, SATS has expanded its cybersecurity mandate globally, integrating cybersecurity teams from both SATS and WFS into a single global team. Cybersecurity reports are presented to the SSRMC and SSRC quarterly, in line with our commitment to transparency and accountability.

Management Controls and Assurance Framework

The Group's Management Controls and Assurance Framework (Framework) comprises three levels of defence to ensure the adequacy and effectiveness of the Group's systems of risk management and internal controls.



Board Oversight

The Board of Directors, supported by the AC and the SSRC, oversees the Group's systems of internal controls and risk management. The Board required and has received assurance from the PCEO and CFO that the financial records have been properly maintained and that the financial statements give a true and fair view of the Group's operations and financial position.

Additionally, the PCEO and relevant business heads have assured the Board of the adequacy and effectiveness of the Group's risk management and internal control systems, which operate to identify, monitor and address financial, operational, compliance and technology risks as they arise.

In particular, the AC regularly reviews the Group's financials, projections, and its finance watchlist, highlighting high-risk areas like accounts receivables, the carrying value of investments, asset obsolescence and funding requirements. Key financial ratios and financial covenants are also tracked and presented regularly to alert the Board on the Group's financial condition.

Material updates and risks are highlighted to the SSRC at its quarterly meetings as well as through monthly risk reports. The SSRC is kept abreast of the financial impact of significant risks, if and where these arise.

Corporate Governance Report

1st Line of Defence – Accountability and Ownership

Under the 1st Line of Defence, the relevant businesses and divisions are both accountable and responsible for the identification and mitigation of the risks in their respective business. The business units consult the appropriate corporate functional teams as needed, ensuring coordinated risk management in addressing any potential risks. Senior Management maintains a high standard of corporate governance by implementing and ensuring adherence to policies and procedures relevant to the Group's business environment.

These policies and procedures govern financial, operational, information technology and compliance matters. Employees are also guided by SATS' core values and are expected to strictly comply with our Code of Conduct.

2nd Line of Defence – Oversight

Under the 2nd Line of Defence, management assurance frameworks are established to provide the necessary oversight and governance over the activities undertaken by the respective divisions and business units. The ERM framework has been integrated with Strategy and Performance as the Group recognises the importance of connecting strategic decision-making and entity performance with risk management to accelerate the Group's growth and enhance performance.

The risk management system focuses on those key risks which may have a significant influence on the Group's assets, finances and profits, and those that may potentially endanger the continued existence of the Group's companies. The procedures adopted facilitate the early detection and control of risks. The operational business units meet regularly to review risk and control matters, including ascertaining that there are effective follow-up procedures. The outcome and status of such matters are reported regularly to the SSRC and the AC for review and information.

The ongoing process to identify, assess, monitor and manage business risks that can impede the achievement of the Group's objectives is continuously reviewed for improvements. The key risks are assessed by their probability, consequence and velocity on a predetermined scale, and then ranked accordingly. The risk management process, which is in place throughout the year and up to the date of this statement, is firmly embedded within the Group's business operations and is every employee's responsibility.

3rd Line of Defence – Independent Assurance

Under the 3rd Line of Defence, both internal and external audit provide the Board and Senior Management with independent assurance on the adequacy and effectiveness of the system of internal controls, risk management and governance. Specifically, external audit also considers the internal controls relevant to SATS' preparation of financial statements and performs tests on such internal controls where necessary.

Written assurances and representations on the adequacy and effectiveness of the risk management and internal control systems have also been obtained from all relevant Key Management Personnel for the entities and functions under their charge.

The external auditors will highlight any material internal control weaknesses that have come to their attention in the course of their statutory audit. Any significant non-compliance or failures in internal controls and recommendations for improvement are reported to the AC.

The details of the Group's independent Internal Audit function are set out in the "Audit Committee" sub-section of this CG Report.

Conclusion

Taking into account the views of the AC and SSRC in the exercise of their responsibilities under their respective terms of reference, the framework of management controls, the internal control policies and procedures established and maintained by the Management, the reviews conducted by the internal and external auditors and the documented governance assurance, the Board is of the opinion that the systems of internal controls and risk management (addressing financial, operational, compliance and technology controls) that the Group considers relevant and material to its current business scope and environment were adequate and effective as at the date of the Directors' Statement set out in this Annual Report. The AC concurs with the Board's opinion.

However, the Board also notes that no system of risk management and internal controls can provide absolute assurance in this regard, or absolute assurance against poor judgement in decision-making, human error, losses, fraud, cyberattacks or other irregularities.