Corporate Governance Report

Key Highlights

Awards & Accolades

- Investors' Choice Awards 2025 — Winner for Singapore Corporate Governance Award (Big Cap Category)
- Topping the annual corporate governance scorecard of the 2025 Singapore Governance and Transparency Index for the second consecutive year
- Singapore Corporate Awards 2025 — Bronze for Best Investor Relations (Large Cap Category)
- Singapore Business Awards 2026 — Outstanding Chief Executive of the Year (Mr Kerry Mok)

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 define the nature and extent of risks that the Group is willing to take to achieve its strategic and business objectives and value creation initiatives.
- 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 a three lines of defence model. This framework is meant to offer Senior Management and the Board reasonable assurance on the adequacy and effectiveness of the risk management and internal control systems in the areas of strategic, financial, operational, compliance and technology risks.

Progressive Renewal of the Board

In FY2026, the Board was refreshed after an evaluation of its effectiveness and relevance in aligning with the Company's growth strategy. This process demonstrates a continued commitment to strong corporate governance and ensures the Board is well-positioned to support the Company's international expansion as the Board undergoes a renewal of its composition. Two new non-executive Directors, Mr Malcolm Wilson and Mr Michael Zechmeister, were appointed during FY2026. Mr Wilson, who is based in the UK, brings substantial expertise in logistics and supply chain management, thereby strengthening the Board's capabilities in this domain and particularly in the logistics and supply chain sector in general. Mr Zechmeister, based in the US, contributes significant financial acumen along with valuable experience in the consumer products, global logistics, warehousing and food service sectors.

The additions of Mr Wilson and Mr Zechmeister to the Board have strengthened Board competencies by contributing a well-rounded mix of skills, international experience and insights, which will support the Company's ambition of establishing itself as a global organisation. With internationally diverse Board, the Company is now better equipped to achieve its strategic goals and respond effectively to changing global business conditions.

Below are the key highlights of our governance practices and the steps we have taken to improve Board composition and succession planning during FY2026:

Board Composition and Independence

- Provides oversight and governance with independent leadership.
- Demonstrating and maintaining broad independence with eight out of 10 Directors being independent non-executive Directors.

Succession Planning

- Deliberate and structured succession planning for leadership transition.
- Ms Jessica Tan stepped down as an independent non-executive Director on 31 December 2025 after serving in this capacity for more than eight years.
- Mr Wilson and Mr Zechmeister were appointed as independent non-executive Directors on 15 January 2026 and 26 March 2026 respectively. Their appointments support the Board in sustaining a balanced mix of expertise necessary to effectively oversee the Company's operational and strategic priorities.
- These appointments were made in conjunction with the retirement of tenured directors during FY2026, namely Mr Achal Agarwal, Mr Chia Kim Huat and Ms Jessica Tan. The changes also triggered a round of Board Committee renewals to better match the skillsets and experiences of each Director with the strategic priorities and regulatory best practices of each relevant committee.

Please refer to the Succession Planning and Board Renewal section on page 82 of this Annual Report for further details.

Corporate Governance Report

Board Diversity

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

Length of Service

- The Board consists of a combination of seasoned Directors and those who have been recently appointed.
- Each Director has served for no more than six years. Of the 10 Directors, six have a tenure of less than three years, while the remaining four have served between three and six years.
- Diversity in tenure allows the Board to leverage institutional knowledge and gain fresh insights.

Skills and Diversity

- Collectively, the Board's diversity of skills, experience and perspectives are strengthened by the appointment of new non-executive Directors, reflecting the Company's ongoing commitment to enhance Board diversity and strong governance practices.
- The Board brings together a diverse range of competencies including leadership, financial acumen, risk management, logistics and relevant industry expertise, providing strong oversight of the Company's operations and strategic direction in a global setting.
- With diverse skills, the quality of Board are enhanced and therefore enables the Company to make informed and thoughtful decisions to navigate a global business environment facing geopolitical and macroeconomic challenges.

Please refer to the Board Diversity Targets, Timelines and Progress section on page 76 of this Annual Report for further details.

Our Governance Structure

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 steer the translation of Board decisions into executive action.

THE BOARD OF SATS

10 Directors:
Eight independent directors and two 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.

AC

Chairperson: Mrs Deborah Ong

Composition: All five members are independent non-executive Directors

Key role: The AC is responsible for ensuring the accuracy of financial statements, evaluating the adequacy and effectiveness of internal controls and risk management systems for financial reporting and carrying out all other duties required of an audit committee by the Companies Act, Listing Manual, Code and other regulations.

NC

Chairperson: Mr Mak Swee Wah

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

Key role: The NC oversees and implements the Board Diversity Policy, offering recommendations on Board composition by considering factors such as gender, skills, industry experience and age. It is responsible for selecting new Directors, managing re-nominations and re-appointments and planning for succession within the Board and Board Committees based on the provisions of the Code. The NC also assesses the independence and effectiveness of Directors, especially those with multiple commitments and carries out evaluations of Board performance. Additionally, it reviews Directors' remuneration to ensure these are well aligned with shareholders' interests and reflect each Director's responsibilities, effort and contributions. Beyond these duties, the NC advocates regular training and professional growth for Directors to ensure that new Directors understand their duties and responsibilities.

RHRC

Chairperson: Ms Chan Lai Fung

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 for the PCEO and GMB members, employing benchmarking practices with peer organisations to ensure that compensation packages remain fair and competitive. This approach enables the Group to attract, recruit, motivate and retain high-calibre talent through market-aligned pay structures and progressive initiatives (such as pay-for-performance) thereby supporting the achievement of the Group's objectives and the delivery of sustainable shareholder value. Additionally, the RHRC reviews succession plans for both the PCEO and Key Management Personnel.

SSRC

Chairperson: Ms Vinita Bali

Composition: All five members are independent non-executive Directors

Key role: The SSRC provides direction to the Group on strategic, financial, operational, technological (including cybersecurity) legal and regulatory compliance risks. It works with Senior Management to identify material ESG factors for incorporation into business strategy, supervises the management of enterprise risk factors and monitors the adequacy and effectiveness of risk and safety protocols.

PCEO

Mr Kerry Mok

Key role: The PCEO serves as the highest-ranking executive responsible for leading and managing the Group. In partnership with Senior Management, the PCEO develops strategic recommendations for consideration by the Board. Following the Board's evaluation and strategic direction, the PCEO is responsible for implementing Board-approved strategies, directing business development and ensuring alignment with the Board's objectives. Additionally, the PCEO acts as the Company's representative to key stakeholders, including shareholders, employees, government authorities and regulators, business partners, customers and the general public. At SATS, the PCEO is also, by convention, a Director of the Board and operates as an executive, non-independent Board member.

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 FY2026, 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 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, strategic direction, financial performance and general affairs of the Group. The Board's key functions include:

- Setting the Group's overall business strategies, direction, and long-term goals, including growth, value creation, innovation, sustainability and ensuring that sufficient 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 events.
- 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, premised on transparency and accountability.
- Protecting and enhancing the reputation of the Group.
- Considering sustainability issues as part of the Group's strategy.
- 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 in writing 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. For example, Mr Mak Swee Wah, Chairperson of the NC, is also a Board appointed special advisor to the Company's Singapore Hub business unit since 1 October 2024. In this capacity, he provides enhanced oversight and supervision of the Singapore Hub business unit, leveraging his extensive experience in the aviation sector in Singapore prior to joining the Board. Board approvals and authority limits 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 and maintaining clear accountability within the Company at all times. They possess a comprehensive understanding of SATS' operations and are fully aware of their responsibilities as directors, whether serving as executive, non-executive, or 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 as well as applicable laws, rules and regulations.
- 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.

Corporate Governance Report

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.

As at the Latest Practicable Date, the compositions of our Board Committees are as follows:

Board Committee	Composition	Members
AC	• Five members • All independent non-executive Directors	• Mrs Deborah Ong (Chairperson) • Ms Vinita Bali • Ms Chan Lai Fung • Mr Pier Sigismondi • Mr Michael Zechmeister
NC	• Four members • Three out of four members (including the NC Chairperson) are independent non-executive Directors	• Mr Mak Swee Wah (Chairperson) • Mr Eng Aik Meng • Mr Irving Tan • Mr Michael Zechmeister
RHRC	• Four members • Three out of four members (including the RHRC Chairperson) are independent non-executive Directors	• Ms Chan Lai Fung (Chairperson) • Mr Eng Aik Meng • Mr Irving Tan • Mr Malcolm Wilson
SSRC	• Five members • All independent non-executive Directors	• Ms Vinita Bali (Chairperson) • Mr Mak Swee Wah • Mrs Deborah Ong • Mr Pier Sigismondi • Mr Malcolm Wilson

As announced by the Company on 5 June 2026, Ms Vinita Bali, who has served for more than five years as an independent non-executive Director, will be retiring by rotation at the 2026 AGM and has notified the Company that she will not be seeking re-election. She will therefore cease to be a Director with effect from the conclusion of the 2026 AGM and consequently, cease to be the Chairperson of the SSRC and a member of the AC.

Upon the NC's recommendation, the Board has approved the reconstitution of the SSRC with effect from the conclusion of the 2026 AGM, with Mr Malcolm Wilson succeeding Ms Vinita Bali as Chairperson of the SSRC.

For a detailed overview of the key responsibilities and activities of each Board Committee, please refer to the relevant sections of this CG 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 72 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 only 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 engenders 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 enabling Directors who are unable to attend a meeting to provide inputs and raise queries on the agenda items.

Board papers are designed to 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 for Directors to exercise their duties and obligations.

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 project-specific areas of interest, 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 – known internally as "Board Strategy Meetings" – for focused discussions on key strategic issues, with Directors lending their experience and expertise during these discussions, which may be region or business-specific, outside of formal Board and Board Committee meetings. Where appropriate, Directors are included in strategy discussions ahead of the Board Strategy Meetings 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.

Corporate Governance Report

Board Attendance and Participation

The table below provides information on the membership of the Board Committees during FY2026 and attendance at Board and Board Committee meetings, as well as the 2025 AGM, for the Directors who held office during FY2026.

For details on the non-executive Directors' remuneration and fee structure, please refer to pages 85 to 88 of this Annual Report.

	Board Meetings	Board Committee Meetings				
	Attendance Rate (1 April 2025 to 31 March 2026)					
	BOD[1]	NC	AC	SSRC	RHRC	
	No. of Meetings Held (1 April 2025 to 31 March 2026)					
Name of Director	**8**	**3**	**4**	**4**	**3**	**2025 AGM**
Mr Kerry Mok Executive Director	8	–	–	–	–	1
Mr Irving Tan Independent Non-Executive Director	8	3	–	–	3	1
Mr Achal Agarwal[2] Independent Non-Executive Director	1/1	–	–	–	1/1	0/1
Ms Vinita Bali Independent Non-Executive Director	8	–	4	4	–	1
Mr Chia Kim Huat[3] Independent Non-Executive Director	1/1	1/1	–	1/1	–	1
Mrs Deborah Ong Independent Non-Executive Director	8	–	4	4	–	1
Ms Jessica Tan[4] Independent Non-Executive Director	5/6	3	3/3	–	–	1
Mr Eng Aik Meng Non-Independent Non-Executive Director	7/8	3	–	–	3	1
Mr Pier Sigismondi Independent Non-Executive Director	8	–	4	4	–	1
Mr Mak Swee Wah[5] Independent Non-Executive Director	8	2/2	–	4	–	1
Ms Chan Lai Fung[6] Independent Non-Executive Director	8	–	4	–	3	1
Mr Malcolm Wilson[7] Independent Non-Executive Director	2/2	–	–	1/1	1/1	–
Mr Michael Zechmeister[8] Independent Non-Executive Director	1/1	–	–	–	–	–

Notes:

(1) BOD meetings included a two-day Board Strategy Meeting held in Singapore on 24 and 25 September 2025.

(2) Mr Achal Agarwal stepped down from the Board on 25 July 2025. During his tenure as a Director and the Chairperson of the RHRC in FY2026, he attended all scheduled meetings except for the 2025 AGM.

(3) Mr Chia Kim Huat retired from the Board on 25 July 2025. During his tenure as a Director and as a member of the NC and SSRC in FY2026, he attended all scheduled meetings.

(4) Ms Jessica Tan stepped down from the Board on 31 December 2025. During her tenure as a Director, the Chairperson of the NC and as a member of the AC in FY2026, she attended five out of six BOD meetings and all scheduled NC and AC meetings.

(5) Mr Mak Swee Wah was appointed as a member of the NC on 25 July 2025. Following Ms Jessica Tan's stepping down as a Director on 31 December 2025, Mr Mak assumed the role of Chairperson of the NC on 1 January 2026. During his tenure as a Director and as a member and subsequently the Chairperson of the NC in FY2026, he attended all scheduled meetings.

(6) Following Mr Achal Agarwal's stepping down as a Director on 25 July 2025, Ms Chan Lai Fung assumed the role of Chairperson of the RHRC on 25 July 2025. During her tenure as a Director and as a member of the AC and RHRC, and subsequently the Chairperson of the RHRC in FY2026, she attended all scheduled meetings.

(7) Mr Malcolm Wilson was appointed as an independent non-executive Director on 15 January 2026. He was appointed as a member of the RHRC and the SSRC on even date. During his tenure as a Director and as a member of the RHRC and SSRC in FY2026, he attended two out of two BOD meetings and all scheduled RHRC and SSRC meetings.

(8) Mr Michael Zechmeister was appointed as an independent non-executive Director on 26 March 2026. He was appointed as a member of the AC and the NC on even date. During his tenure as a Director and as a member of the AC and NC in FY2026, he attended one out of one BOD meeting. No AC or NC meetings were scheduled between 26 March 2026 and 31 March 2026.

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 to which they are appointed 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 and are aided with sufficient time and resources to review materials for deliberation, 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 in a financial 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 familiar with 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 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, airside visits in Singapore and within the regions 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 Malcolm Wilson and Mr Michael Zechmeister, who were appointed during FY2026, were briefed by Senior Management on the Group's objectives, strategic plans, businesses operations and processes and had visited the Company's facilities in Singapore to familiarise themselves with its various business operations.

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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 to which they are appointed as well as relevant 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.

Mr Malcolm Wilson completed the SGX-ST mandated training for new directors of Singapore listed entities in March 2026, within one year of his appointment. Mr Michael Zechmeister, appointed on 26 March 2026, is scheduled to undertake the required training during FY2027.

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 FY2026, one Director attended the two-day Asia Board Leadership Summit organised by the Human Capital Leadership Institute, held from 14 to 15 January 2026.

In compliance with Rule 720(7) of the Listing Manual, except Mr Michael Zechmeister who was appointed on 26 March 2026, all of the Directors in office as at the end of FY2026 have completed the required training on sustainability matters as prescribed by the SGX-ST in FY2026. Mr Zechmeister will undergo the required training on sustainability matters as prescribed by the SGX-ST during the course of FY2027.

Board Matters

Board Composition and Guidance
Principle 2

Board Composition

As at the Latest Practicable Date, our Board comprises 10 Directors, of which eight (including the Chairman) are independent non-executive Directors. Following Ms Vinita Bali's cessation as a Director with effect from the conclusion of the 2026 AGM, the Board will comprise nine Directors, seven of whom (including the Chairman) will be independent and non-executive Directors. One Director is non-independent and non-executive, while the PCEO is a non-independent executive Director.

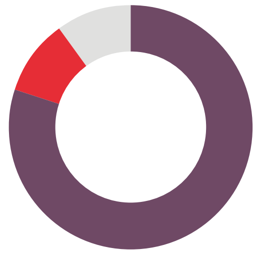
According to the Listing Manual, independent Directors should make up at least one-third of the Board. The Code additionally specifies that non-executive Directors should form a majority of the Board and that independent Directors should form a majority of the Board if the Chairman is not independent. 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 to each other.

The Board comprises business leaders and professionals with experience in financial, banking, sales and marketing, branding, consumer business, logistics and supply chain management, 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.

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



Independent Non-Executive Director	80%
Non-Independent Non-Executive Director	10%
Executive Director/PCEO	10%

LENGTH OF SERVICE

0–3 years	60%
3–6 years	40%

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. Presently, the Board, with the agreement of the NC, is of the view that an effective Board for SATS' purposes should consist of between eight to 10 members, a majority of whom should be independent Directors (in our case, eight out of 10 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 process.

No alternate Directors were appointed during FY2026. 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 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 internal directors' expertise and experience matrix reflects that the Directors collectively 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 mix of 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 and enhancing the Board's ability to provide sound guidance and oversight of Senior Management and our operations. 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.

Following our Board Diversity Policy, the NC takes into account factors such as professional qualifications, industry and geographic experience, relevant skills and knowledge, length of service and the Company's requirements when assessing Board composition, director rotation, retirement and succession planning. We also pay attention to gender diversity and are committed to maintaining an appropriate gender balance on the Board; our policy sets measurable targets to support this goal, with further details of our progress outlined below. All Board appointments are made based on merit and evaluated using objective criteria, while also considering the benefits of diversity, our organisational 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 Malcolm Wilson was appointed as an independent non-executive Director on 15 January 2025. He currently serves as chief executive officer and an executive board member of Dawson Group, a portfolio company owned by KKR & Co. Inc. (KKR). Before joining KKR, he was the chief executive officer of GXO Logistics Inc., a large company listed on the New York Stock Exchange. Mr Wilson enhances the Board's diversity through his international experience, particularly in the European and US markets, as well as his leadership skills in a listed entity and deep knowledge of logistics and supply chain management.

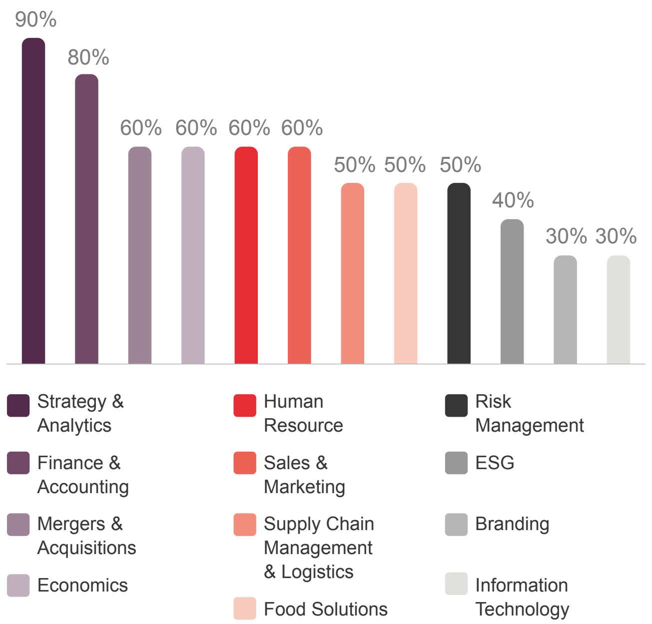
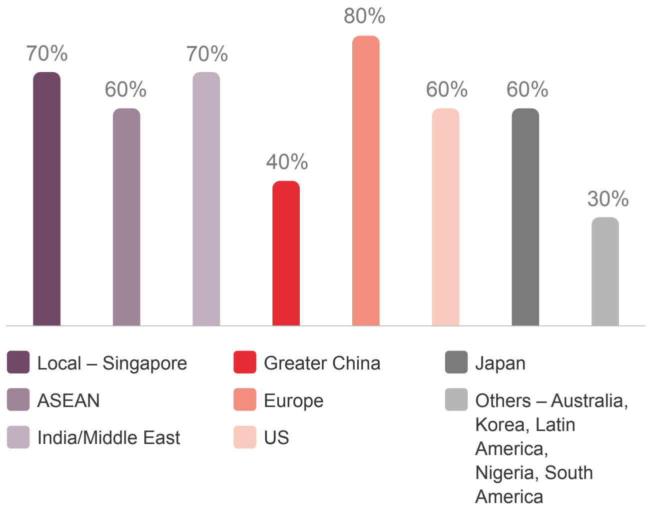
Mr Michael Zechmeister was appointed as an independent non-executive Director on 26 March 2026. He previously served as chief financial officer at C.H. Robinson Worldwide, Inc., a NASDAQ listed company. Mr Zechmeister brings with him a strong technical background in finance and extensive experience in consumer products, global logistics, warehousing and the food service sector, particularly in the US market. His expertise, alongside his experience in a US listed entity, adds significant depth, value and international experience to the Board's competencies.

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".

The NC considers the current composition of the Board to reflect an appropriate balance and mix of industry knowledge, skills, backgrounds, experience, professional qualifications, age and gender. It is satisfied that the objectives of the Board Diversity Policy are generally met. As of 31 March 2026, all diversity targets except one had been met (see table below). The Board and the NC will continue to review and refine their strategies to support further progress towards implementing the Board Diversity Policy and its objectives.

The table below set out the Company's Board diversity targets, the plans and timelines for achieving them and the progress made as at the Latest Practicable Date.

Area of Diversity, Targets and Timelines	Targets Met/Progress Towards Meeting Targets
Skills and Experience Our objective is to ensure that the Board consists of members possessing a comprehensive and balanced range of qualifications and expertise. This encompasses skillsets and experience in critical areas such as accounting, finance, legal, supply chain management and logistics (including expertise within the food and related supply chain sectors), branding, as well as business and management acumen (notably in human capital development and management). The Company has met this target and intends to maintain it through 31 March 2030. 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.	The Board is of the view that relative to the previous financial year, it has improved upon its skills and experience metrics, particularly in the food, supply chain and logistics. 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. As at 19 May 2026 
Skills and Experience	The appointments of Mr Malcolm Wilson and Mr Michael Zechmeister in FY2026 have significantly augmented the Board's overall capabilities and further enhanced the Board's expertise in cargo and supply chain management. Both possess considerable experience in global logistics. Moreover, Mr Wilson brings valuable expertise in mergers and acquisitions as well as technology-driven transformation, while Mr Zechmeister adds sector experience in the food industry together with extensive operational and technical finance proficiency. These additions enhance the Board's collective skill set, with the proportion of Directors possessing food sector experience rising from 27% in FY2025 to 50% in FY2026 and those with supply chain management & logistics experience increasing from 36% to 50%.
Geographical Background and Experience 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 US markets after acquiring WFS. The Company has met this target and intends to maintain it through 31 March 2030, as it brings varied perspectives to Board and Board Committee deliberations, which is essential for navigating market challenges and opportunities.	The Board is of the view that its geographical diversity and experience have been enhanced since the last financial year with the recent appointment of two new Directors, particularly in relation to the US and European markets. The current Board collectively comprises Directors who possess diverse geographical backgrounds and extensive international experience. This includes representation from the Association of South East Asian Nations (ASEAN) region, the Middle East, Japan, the US, Europe, Greater China and India, as illustrated below. As at 19 May 2026  Following the appointments of Mr Malcolm Wilson and Mr Michael Zechmeister in FY2026, the Board now has deepened its bench strength and experience in the European and US markets, as well as in cargo and supply chain expertise, enhancing the skillsets of the Board as well as contributions to deliberations on Group strategy. With Mr Wilson and Mr Zechmeister's appointments, the proportion of Directors with European experience rose from 64% to 80% and those with US experience increased from 45% to 60%. These appointments have further broadened the Board's insight into opportunities and challenges in the European and US markets.

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Area of Diversity, Targets and Timelines	Targets Met/Progress Towards Meeting Targets
Gender The Board previously established a gender diversity objective to achieve at least a 35% female representation on the Board by 31 March 2026. The Board has set a new target of achieving at least 35% female representation by 31 March 2030, as part of its ongoing Board renewal and succession planning efforts. The Board believes that balanced gender representation provides access to a broader talent pool and diverse perspectives, enhancing strategic thinking and problem solving.	Female Directors currently make up three of the 10 Board members (30%), as shown below. The Board recognises that this falls below the gender diversity target it had set as at 31 March 2026. Nevertheless, the Board remains committed to improving this metric over time.

As at 19 May 2026

●	Male Directors	70%
●	Female Directors	30%

Following the 2025 AGM, women comprised 44% of the Board, with four out of nine Directors being female. Upon Ms Jessica Tan's retirement on 31 December 2025 after nearly nine years of service and the subsequent appointment of two male Board members, female representation decreased to 30%. Currently, there are three female directors on the Board, each of whom chairs a committee as of 31 March 2026. The female representation on the Board will decline further following Ms Vinita Bali's retirement at the conclusion of the 2026 AGM. The Board acknowledges this temporary reduction and remains committed to improving gender diversity over time.

After the acquisition of WFS in April 2023, the Board determined it was essential to enhance its composition by the addition of new directors with broader global networks, international exposure and industry experience to further the Group's growth objectives and global ambitions. Two male Board members, namely, Mr Malcolm Wilson and Mr Michael Zechmeister, were appointed in FY2026 in furtherance of this objective. The Board continues to evaluate candidates who can strengthen and expand its collective competencies, particularly those with significant sector expertise, international backgrounds, prior service on or experience with public company boards and established connections within the logistics, aviation, cargo and transportation sectors.

While the Board considers the guidance provided by the Singapore Council for Board Diversity in its efforts to enhance board diversity, the nature of the specific skills, experience and expertise relevant to the sectors in which the Group operates, coupled with the relatively limited availability of female representation in such sectors, have posed challenges in identifying suitable female directors. Consequently, the gender diversity target was not met. The Board nevertheless remains steadfast in its continuing commitment to improving female representation.

Area of Diversity, Targets and Timelines	Targets Met/Progress Towards Meeting Targets
Ethnicity Our objective is to assemble a Board comprising individuals with diverse backgrounds, cultural perspectives and experiences. 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. The Company has met this target and intends to maintain it through 31 March 2030.	The Board is of the view that it has maintained last financial year's ethnicity diversity metric. At present and as detailed below, the Board of Directors reflects a diverse range of ethnic backgrounds. Seven out of 10 Directors (70%) are of Asian ethnicity, while three Directors (30%) are of Caucasian descent. The appointments of Mr Malcolm Wilson and Mr Michael Zechmeister, both of Caucasian descent, in FY2026 has improved this diversity metric.

As at 19 May 2026

●	Asian	70%
●	Other Ethnic Groups	30%

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 24 to 31 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 exercise independent judgement. 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.

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 a culture of openness and constructive debate.
- Enhancing our local and global market presence and reputation.

Corporate Governance Report

- 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 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.

Board Matters

Board Membership
Principle 4

Nominating Committee

The NC is chaired by Mr Mak Swee Wah with Mr Irving Tan, Mr Eng Aik Meng and Mr Michael Zechmeister serving as members. Three out of four NC members, including the NC Chairperson, are independent non-executive Directors.

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 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 including that new directors complete mandated director's training programmes under law.
- Review and oversee the fee structure and remuneration of the non-executive Directors, ensuring alignment with best practices and the Company's objectives.
- 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 a company's 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 key management personnel.

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 three times in FY2026. The NC terms of reference require 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 eight to 10 members presently, 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 76 to 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. An internal 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. Directors and Senior Management may also propose candidates.

In FY2026, Russell Reynolds Associates, an external consultancy firm, was formally engaged to undertake a search for Board candidates, with a particular focus on individuals based in the US and Europe who possess substantial international experience, experience with publicly listed entities and expertise in logistics, aviation, cargo and transportation.

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.

Corporate Governance Report

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 renewal process, the NC recommended and the Board subsequently approved the appointments of Mr Malcolm Wilson and Mr Michael Zechmeister as independent non-executive Directors of the Company. This decision supports the Company's global expansion and future growth initiatives and follows the recent conclusion of nine-year tenures for certain non-executive Directors in FY2026.

The NC is of the view that the present Board and Board Committees possess an appropriate balance of experience, expertise and independence, enabling them to effectively uphold the Company's governance framework and strategic objectives.

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 (including board roles in 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 boards 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 during FY2026:

i. Ms Chan Lai Fung was appointed as the Chairperson of the RHRC with effect from the conclusion of the 2025 AGM;
ii. Mr Mak Swee Wah was appointed as a member of the NC with effect from the conclusion of the 2025 AGM and assumed the role of Chairperson of the NC with effect from 1 January 2026;
iii. Mr Malcolm Wilson was appointed as a member of the RHRC and the SSRC with effect from 15 January 2026; and
iv. Mr Michael Zechmeister was appointed as a member of the AC and the NC with effect from 26 March 2026.

Upon Ms Vinita Bali's retirement as a Director with effect from the conclusion of the 2026 AGM, Mr Malcolm Wilson will assume the role of Chairperson of the SSRC.

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.

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 non-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 in respect of SATS' interest. 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) is currently the joint head of the portfolio development group at Temasek Singapore Pte Ltd ("**Temasek Singapore**") and head of the operating group at Temasek International Pte. Ltd. ("**Temasek International**"). Both Temasek Singapore and Temasek International are wholly owned subsidiaries of Temasek Holdings (Private) Limited ("**Temasek**"), which is a substantial shareholder of SATS Ltd. Given his full-time executive roles at Temasek Singapore and Temasek International, which include engaging with and partnering Temasek's portfolio companies to support their growth, innovation and transformation initiatives, Mr Eng has confirmed to the Company that he considers himself a non-independent Director and Temasek's nominee to the Board. 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.
- Mr Pier Sigismondi is currently a corporate advisor of Temasek International, 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.
- Mr Michael Zechmeister serves as an independent board director of Hormel Foods Corporation (Hormel). Hormel is an American multinational food processing company. The Board has considered whether his appointments at SATS and Hormel could give rise to any actual or perceived conflict of interest, given certain areas of business overlap between the two companies. SATS has taken and considered advice from external counsel and is satisfied that these roles do not presently give rise to any concerning or significant conflicts of interest. Notwithstanding this assessment, SATS will continue to monitor this position on a bi-annual basis to ensure that the assessment remains valid.

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 FY2026 are Mr Irving Tan, Ms Vinita Bali, Mrs Deborah Ong, Mr Pier Sigismondi, Mr Mak Swee Wah, Ms Chan Lai Fung, Mr Malcolm Wilson and Mr Michael Zechmeister.

Review of Directors' Time Commitments

The NC conducts an annual assessment of each Director's performance at SATS, taking into account their number of board appointments at other listed companies and additional principal commitments. The NC is of the view that the number of each Director's external directorships complies with internal guidelines, which limit non-executive Directors to a maximum of six listed company board roles. Based on each Director's attendance record for Board and, where applicable, Board Committee meetings as well as each Director's demonstrated capacity to contribute meaningfully at such meetings, the NC is satisfied that all Directors have been able to effectively discharge their duties as Directors of SATS. Furthermore, the NC is satisfied that Directors holding multiple board positions have nevertheless dedicated sufficient time and attention to SATS' affairs.

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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 FY2026, 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 is responsible for reviewing the tenure of non-executive Directors. Effective from the financial year ended 31 March 2011, newly appointed non-executive Directors are engaged for an initial three-year term, with the possibility of renewal for subsequent terms subject to the NC's recommendation and Board approval. The Board comprises a balanced mix of experienced and new Directors. All Directors have served on the Board for six years or less; specifically, six out of 10 Directors have tenures of less than three years, while the remaining four have served between three and six 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 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-election at that AGM.

The Directors who are retiring by rotation under Article 90 of the Company's Constitution at the 2026 AGM are Ms Vinita Bali, Mr Kerry Mok and Mr Pier Sigismondi. Save for Ms Bali, Mr Mok and Mr Sigismondi are seeking re-election. Mr Malcolm Wilson and Mr Michael Zechmeister who were appointed after the 2025 AGM will be retiring under Article 96 of the Company's Constitution and will be seeking re-election at the 2026 AGM. After considering the Board's size and composition, as well as each Director's tenure, the NC recommends the re-election of all Directors seeking re-election at the 2026 AGM. The Board endorses this recommendation based on the NC's evaluation of the Directors' skills, dedication, performance and engagement in meetings.

Non-Executive Directors' Remuneration

Review of Non-Executive Directors' Remuneration
In FY2026, the responsibility for reviewing non-executive Directors' remuneration was formally transferred from the RHRC to the NC. The Board made this decision to align the review of non-executive Directors' fees more closely with the NC's broader remit regarding Board composition, succession planning and Director appointments. Allowing the NC to have oversight of non-executive Directors' remuneration would enable it to maintain a comprehensive perspective on all aspects pertaining to the Company's Directors, thereby promoting greater efficiency and effectiveness.

Under Provision 6.1 of the Code, one of the responsibilities of the RHRC is to review and make recommendations to the Board on the framework of remuneration for the Board and the specific remuneration packages for each Director. Notwithstanding this, the Board is satisfied that the NC is suitably equipped to discharge this responsibility in a manner that remains consistent with the spirit of the Code, ensuring that remuneration continues to be fair, transparent and competitive. All recommendations on non-executive Directors' fees made by the NC remain subject to Board approval, maintaining the same level of oversight and accountability. Further, the transfer of this responsibility from the RHRC to the NC does not detract from the fact that the Board has in place a formal and transparent procedure for developing policies on Director remuneration and for fixing the remuneration packages of each individual director, as well as the fact that no Director will be directly involved in deciding his or her own remuneration. Both the RHRC and the NC consist of a majority of independent non-executive Directors.

By entrusting the NC with this responsibility, the evaluation of non-executive Directors' remuneration will take into account Directors' overall contributions to the Board, including their effort, time commitments and responsibilities. This approach supports a holistic assessment of Board performance and governance effectiveness. The remuneration of non-executive Directors is therefore determined with reference to their respective roles and contributions, as detailed below.

Details of Non-Executive Directors' Remuneration
Each Director receives a basic fee. In addition, the Chairman of the Board currently receives an additional Board Chairman's retainer 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 remunerated 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 NC believes that non-executive Directors should not receive excessive remuneration. 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.

With the substantial global expansion of the Group's operations and the recent completion of nine-year tenures of certain non-executive Directors, in alignment with the Group's growth objectives, the Board recognises the need to refresh, reshape and strengthen its composition by considering candidates with relevant expertise and global experience who can contribute to accomplishing the Group's strategic goals. In support of these efforts, the NC undertook a benchmarking exercise and engaged WTW (Singapore) to conduct a benchmarking analysis of market rates and fee trends for the Chairman of the Board and non-executive Directors. The fee scale for non-executive Directors was benchmarked against peer companies in Singapore, the US and Europe based on organisational size, market capitalisation and industry sector to ensure that the proposed levels are competitive, reasonable and commensurate with the scope and complexity of these roles across these regions. Following the benchmarking exercise, the Board attendance fee scale was revised to better align with market practice and strengthen the Company's ability to attract and retain directors of the appropriate calibre and experience, while maintaining effective Board composition and succession.

The revised Directors' fee scale comprises two changes as follows:

Revisions to Attendance Fees (effective 1 Jan 2026)

The Board has been and is constantly being re-shaped and refreshed to include members with international experience beyond the APAC region to support the Company's growth strategy, operational needs and overall ambitions in a complex global landscape. To continue attracting, retaining and motivating global talent (particularly from the US and Europe) to join the SATS Board, the fee scale for non-executive Directors was reviewed following the 2025 AGM. This review benchmarked Director remuneration against industry benchmarks in Singapore, the US and Europe, with the intention of ensuring fees remain competitive, appropriate and proportionate to the scope and complexity of these roles across these regions.

Following this review, a Board decision was taken to adjust the fee structure by way of a refinement in the Board and Board Committee Meetings attendance fees. No changes were made to other components of the Directors' fees, such as committee membership fees or retainer fees. This approach acknowledges and reflects regional differences in payment structures.

The revised framework:

i. increases the attendance fees payable for Board and Board Committee meetings held in home country to S$5,000 and S$2,500 respectively. These new attendance fees replace the previous fees of S$2,500 and S$1,200 payable for in-person attendance at Board and Board Committee meetings respectively held in a Director's home city (up to 4 hours for travel within home city); and
ii. introduces the following three distinct tiers of attendance fees payable for Board and Board Committee meetings held outside home country, determined by the travel time from each Director's home country and which are aimed to better reflect the time and commitment required for meeting attendance:

- **"In-region" (less than 8 hours travel)**: S$7,000 for a Board meeting and S$3,500 for a Board Committee meeting.
- **"Out-region A" (more than 8 hours but less than 15 hours travel)**: S$12,000 for a Board meeting and S$6,000 for a Board Committee meeting.
- **"Out-region B" (more than 15 hours travel)**: S$27,000 for a Board meeting and S$13,500 for a Board Committee meeting.

These new tiers of attendance fees replace the previous fees of S$5,000 and S$2,500 payable for in-person attendance at Board and Board Committee meetings respectively held outside a Director's home city.

Corporate Governance Report

Revisions to Board Chairman's Fee (effective after the conclusion of 2026 AGM)

The proposed adjustment to the Board Chairman's fee is designed to achieve closer alignment with prevailing market standards. Following the 2025 AGM, a review was conducted comparing the Board Chairman's remuneration to benchmarks in Singapore and among global peers, revealing it falls below the market median. To address this disparity, an all-in fee structure was recommended, ensuring the Board Chairman's remuneration reflects both industry norms for companies with similar market capitalisation and acknowledges the significant time commitment, responsibilities and attention required of the role, even though it remains non-executive in nature.

Under the revised framework, the Chairman of the Board will receive a consolidated fee of S$500,000, effective after the conclusion of the 2026 AGM. This will replace the current basic Director's retainer fee of S$70,000 and Board Chairman's retainer fee of S$110,000. This all-in fee structure has been established to better reflect market benchmarks and will be applicable regardless of the number of meetings attended or the number of Board Committees the Board Chairman serves on.

The implementation of the revised attendance fee tiers for non-executive Directors commenced on 1 January 2026. However, the revised fee structure for the Board Chairman is scheduled to take effect only following the conclusion of AGM 2026.

Types of Appointment	Scale of Directors' Fees prior to 1 Jan 2026 (S$)	Revised Scale of Directors' Fee[1] (S$)
Board of Directors		
Basic fee	70,000	**70,000 (no change)**
Board Chairman's fee	180,000[2]	**All-in Fee of 500,000[3]**
Board Deputy Chairman's fee	48,000	**48,000 (no change)**
Audit Committee		
Committee Chairperson's fee	45,000	**45,000 (no change)**
Member's fee	28,000	**28,000 (no change)**
Other Board Committees		
Committee Chairperson's fee	30,000	**30,000 (no change)**
Member's fee	15,000	**15,000 (no change)**
Board Meeting Attendance Fee		
Attendance via teleconference/video conference	1,000	**1,000 (no change)**
Home Country	2,500	**5,000**
Attendance in person outside home country	5,000	**–**
• In-region (< 8hrs travel)	–	**7,000**
• Out-region A (> 8hrs travel <15hrs travel)	–	**12,000**
• Out-region B (>15hrs travel)	–	**27,000**
Board Committee Meeting Attendance Fee		
Attendance via teleconference/video conference	500	**500 (no change)**
Home Country	1,200	**2,500**
Attendance in person outside home country	2,500	**–**
• In-region (< 8hrs travel)	–	**3,500**
• Out-region A (> 8hrs travel <15hrs travel)	–	**6,000**
• Out-region B (>15hrs travel)	–	**13,500**

Notes:

(1) The changes relating to the attendance fees for Board and Board Committee meetings are effective 1 January 2026. The changes relating to the all-in Board Chairman's fees are only effective after the conclusion of the 2026 AGM.

(2) Under the current fee scale, the Board Chairman is entitled to a basic fee of S$70,000 and Board Chairman's fee of S$110,000, resulting in a total fee of S$180,000. The Board Chairman would also be entitled to fees for serving on the various Board Committees as well as attendance fees for attending Board and Board Committee meetings.

(3) Under the revised fee scale which is effective after the conclusion of the 2026 AGM, the Board Chairman will receive a lump sum amount of S$500,000 per financial year. This all-in fee structure is designed to align with market benchmarks and will apply irrespective of the number of meetings attended by the Chairman or the number of Board Committees the Board Chairman serves on.

Directors' Fees for FY2026

At the 2025 AGM, shareholders approved the payment of up to S$1,700,000 as Directors' fees for the non-executive Directors for FY2026. For FY2026, total Directors' fees paid and/or payable to 11 non-executive Directors, excluding Mr Eng Aik Meng, amounted to S$1,289,491.78, as detailed below.

Non-executive Directors did not receive any salary, performance-related income or bonuses, benefits in kind, stock options, share-based awards (other than those disclosed below) or any other long-term incentives for FY2026.

No Directors' fees, payments, allowances and equity-based remuneration in respect of FY2026 were paid by the Company to Mr Eng Aik Meng, or to his respective employers, Temasek International and Temasek Singapore.

Directors' Fees for FY2027

At the 2026 AGM, shareholders' approval will be sought for the payment of up to S$2,200,000 as Directors' fees for non-executive Directors for FY2027. The proposed increase of S$500,000 reflects the revised Board attendance fee scale for non-executive Directors, effective from 1 January 2026 and the change from a Board Chairman's retainer fee to an all-in fee, which will take effect after the conclusion of the 2026 AGM. It also takes into account the expected number of Board and Board Committee meetings in FY2027, assuming full attendance by all Directors, as well as any additional fees that may arise from *ad hoc* meetings required for exigent business purposes, extra board representations on the Company's subsidiaries and/or joint ventures, other appointments or the appointment of new Board or Board Committee members during FY2027.

If approved, the proposed fees for FY2027 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 but excluding Mr Eng Aik Meng) will receive approximately 70 percent of his/her total Director's fees for FY2027 in cash and approximately 30 percent in the form of SATS shares (no change from FY2026: 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, and in order to align the interests of the non-executive Directors with the interests of shareholders, non-executive Directors (including the Chairman of the Board) must retain a base shareholding with a value equivalent to the annual basic fee for a Director while serving on the Board and for a further period of one year after stepping down as a Director. For these purposes, the base shareholding to be retained is determined by reference to the basic fee in effect as at the date the Director formally ceases to serve on the Board. 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 FY2027 is intended to be paid after the 2027 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 2027 AGM, rounded down to the nearest hundred shares, with any remaining balance settled in cash.

No Directors' fees, payments allowances, and equity-based remuneration will be paid by the Company to Mr Eng Aik Meng, Temasek International or Temasek Singapore in respect of FY2027.

Corporate Governance Report

Details on the Directors' fees for FY2026 are set out below.

Remuneration paid by the Company to SATS Directors for FY2026

Name of Director	Directors' Fees in Cash* (S$)	Directors' Fees in SATS Shares* (S$)	Advisory Fees in Cash (S$)	Total Directors' Remuneration for FY2026 (S$)
a. Non-Independent Executive Director				
Mr Kerry Mok**	No Fee**	No Fee**	No Fee**	No Fee**
b. Independent Non-Executive Directors				
Mr Irving Tan	166,110.00 70%	71,190.00 30%	– 0%	237,300.00 100%
Mr Achal Agarwal[(1)]	35,480.83 100%	– 0%	– 0%	35,480.83 100%
Ms Vinita Bali[(2)]	178,000.00 100%	– 0%	– 0%	178,000.00 100%
Mr Chia Kim Huat[(3)]	36,680.82 100%	– 0%	– 0%	36,680.82 100%
Mrs Deborah Ong	110,390.00 70%	47,310.00 30%	– 0%	157,700.00 100%
Ms Jessica Tan[(4)]	113,063.01 100%	– 0%	– 0%	113,063.01 100%
Mr Pier Sigismondi	113,050.00 70%	48,450.00 30%	– 0%	161,500.00 100%
Mr Mak Swee Wah[(5)]	86,990.82 56%	37,281.78 24%	30,000.00 19%	154,272.60 100%
Ms Chan Lai Fung	106,270.55 70%	45,544.52 30%	– 0%	151,815.07 100%
Mr Malcolm Wilson[(6)]	24,375.34 70%	10,446.58 30%	– 0%	34,821.92 100%
Mr Michael Zechmeister[(7)]	20,200.27 70%	8,657.26 30%	– 0%	28,857.53 100%
c. Non-Independent Non-Executive Director				
Mr Eng Aik Meng[(8)]	No Fee	No Fee	No Fee	No Fee

Notes:

(1) Mr Achal Agarwal stepped down from the Board on 25 July 2025 and his pro-rated Directors' fees for FY2026 were fully paid in cash.

(2) Ms Vinita Bali will retire at the conclusion of the 2026 AGM. Consequently, her Directors' fees for FY2026 will be paid fully in cash.

(3) Mr Chia Kim Huat retired from the Board on 25 July 2025 and his pro-rated Directors' fees for FY2026 were fully paid in cash.

(4) Ms Jessica Tan stepped down from the Board on 31 December 2025 and her pro-rated Directors' fees for FY2026 were fully paid in cash.

(5) 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 advisory fees paid to Mr Mak for FY2026 were fully paid in cash.

(6) Mr Malcolm Wilson was appointed as an independent non-executive Director on 15 January 2026. He was also appointed as a member of the RHRC and the SSRC on even date. His Directors' fees for FY2026 were pro-rated accordingly.

(7) Mr Michael Zechmeister was appointed as an independent non-executive Director on 26 March 2026. He was also appointed as a member of the AC and the NC on even date. His Directors' fees for FY2026 were pro-rated accordingly.

(8) Mr Eng Aik Meng, in his capacity as an employee of Temasek International and Temasek Singapore did not receive any Directors' fees, payments, allowances, or equity-based remuneration in FY2026 and neither did Temasek International nor Temasek Singapore.

* The amounts stated may be adjusted (e.g., due to rounding) as indicated under explanatory note 2 of the Notice of AGM for the 2026 AGM.

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

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 FY2025, no external consultant was engaged for the FY2026 assessment.

For FY2026, 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. The NC assessed the independence and objectivity of the external service provider 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 Ms Chan Lai Fung, with Mr Eng Aik Meng, Mr Irving Tan and Mr Malcolm Wilson serving as members. Three of four RHRC members, including the RHRC Chairperson, are independent Directors. All members of the RHRC are non-executive Directors.

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, thereby supporting the achievement of the Group's strategic objectives and the delivery of sustainable shareholder value. Its key responsibilities include:

- Reviewing and recommending the Group's executive remuneration framework (including compensation structure, annual performance bonus and share-based plans) to the Board for approval.
- Reviewing and recommending the specific remuneration packages for the PCEO and the other GMB members, to the Board for approval.
- Overseeing the appointment, terms of appointment, scope of duties and succession planning for the PCEO and other GMB members, taking into account current and future organisational needs.
- 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 Group'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 undertakes pay benchmarking exercises against comparable organisations, to ensure that all aspects of remuneration (including termination terms) are fair and competitive.

Corporate Governance Report

In FY2026, the RHRC sought advice and views on remuneration matters from an external remuneration consultant, WTW (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.

In accordance with its terms of reference, the RHRC reviews and recommends to the Board the remuneration framework and packages for the PCEO and other GMB members.

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 three times in FY2026.

Senior Management's Remuneration

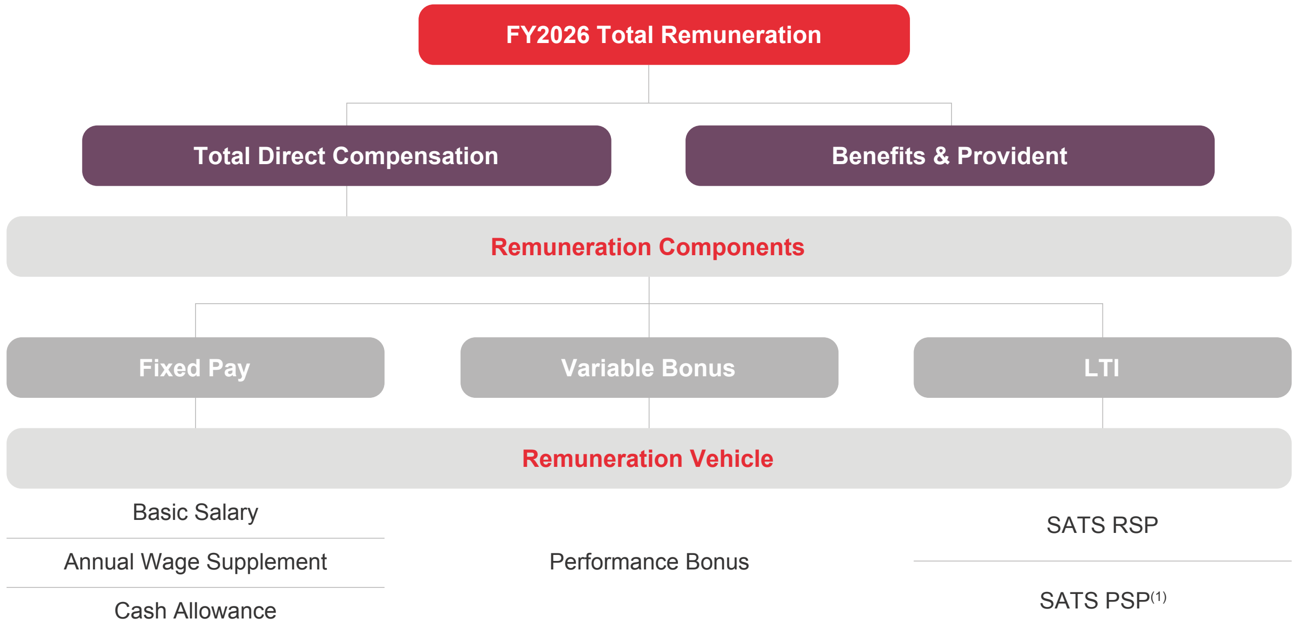
The Senior Management's remuneration framework is designed to link a significant and appropriate proportion of total compensation to both Group and individual performance, while also taking into consideration the Group's risk policies to ensure alignment with risk outcomes and time horizon of risks. 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 strategy and risk policies of the Group.

In FY2026, the RHRC continued to review the effectiveness of the remuneration framework, with reference to market practices and evolving business priorities. The RHRC was supported by WTW (Singapore), who provides ongoing advisory services on remuneration matters.

Remuneration Mix for Senior Management

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

Total direct compensation and the payout under the respective remuneration components align with both Group 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:



Note:

(1) The SATS PSP only applies to GMB members. More information on the SATS PSP (including the one-off Transformation LTI awards granted under the SATS PSP) can be found under the "Long-Term Incentives" section of the CG Report.

The Economic Value Added incentive plan for Senior Management, which was suspended starting from 1 April 2024, remained suspended during FY2026.

Benchmarking and Target Pay Positioning

The target fixed pay for each Senior Management position is established with reference to market benchmarks, taking into account the scope and responsibilities of the role. 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 Group 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 non-financial achievements at the Group and individual level. KPIs and performance targets are set at the beginning of each financial year and cascaded accordingly across the Group.

Balanced scorecards are used for the measurement of achievement for Senior Management and managerial level employees respectively across the Group. The targets comprised in the balanced scorecards include financial, operations (safety & sustainability), customer, people and strategic initiatives. The weightage of each of the respective targets is approved by the RHRC.

Following the close of the financial year, the RHRC reviews and approves the Group 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.

In determining the payout quantum for each GMB member, the RHRC considers the overall performance of the Group, the performance of the division or function they are accountable for, as well as individual performance.

Long-Term Incentives

Long-term incentives are designed to reward sustained shareholder value creation by linking a portion of remuneration to long-term Group performance.

SATS provisionally grants share-based awards under the SATS RSP and SATS PSP to employees as may be selected by the RHRC from time to time with a view to further strengthen the Group's competitiveness in attracting and retaining talent. The aim of such grants is to more directly align the interests of managerial grade employees, including Senior Management, with the interests of shareholders, to improve performance and achieve sustainable growth for the Group in the changing business environment and to foster a greater ownership culture. These share plans contemplate the award of fully paid shares of the Company, when and after pre-determined performance and/or service conditions are accomplished. The number of shares which may be awarded is determined with reference to overall performance outcomes, including individual performance as well as achievement against the agreed KPIs.

When applicable performance and/or vesting conditions are met, vested share awards result in employees receiving shares in the Company, thereby aligning their interests with those of shareholders.

Corporate Governance Report

a. SATS RSP
The SATS RSP is a share-based incentive plan, serving as an additional motivational tool to recruit and retain talented Senior Management and managerial level employees as well as to reward Group and individual performance. In addition, it enhances the Group's overall total compensation packages, strengthening the Group's ability to attract and retain high performing talent.

Under the plan, awards are typically granted in the form of shares, with the final award quantum determined based on factors such as individual position level within the Group and overall performance outcomes, including achievement against Group and individual performance measures.

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 generally vests approximately one year after the grant date, with the remaining shares vesting in equal tranches over the subsequent two financial years, thereby supporting employee retention and alignment with long-term performance.

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 role, 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.

Shareholders' approval was also obtained at the Annual General Meeting held on 18 July 2019 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 in lieu of part of their remuneration. Such grants are not subject to performance conditions or vesting requirements. In order to align the interests of the non-executive Directors with the interests of shareholders, such non-executive Directors (including the Chairman of the Board) will be required to retain a base shareholding with a value equivalent to the annual basic fee for a Director 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. For these purposes, the base shareholding to be retained is determined by reference to the annual basic fee for a Director in effect as at the date the Director formally ceases to serve on the Board.

b. SATS PSP
The SATS PSP is targeted at GMB members who shoulder the responsibility for the Group's performance and who are able to drive the growth of the Group through innovation, creativity and superior performance. Awards under the SATS PSP are performance-based. It is an initial award made in the form of a right to receive shares contingent upon meeting pre-set long-term performance targets in accordance with corporate objectives covering market competitiveness, quality of returns, business growth and productivity growth.

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 members' remuneration given the stretched goals set out in the transformation plan. The one-off Transformation LTI awards granted in FY2025 replace the annual grants under the SATS PSP for FY2025, FY2026 and FY2027 and are to be awarded over a five-year performance period. In FY2026, pro-rated one-off Transformation LTI awards were granted where a member joined the GMB post the commencement of the one-off Transformation LTI Plan.

The one-off Transformation LTI Plan has a five-year performance period. To encourage the GMB to achieve the five-year targets earlier, this plan includes a milestone vesting feature. This allows 15% to vest after Year three if the five-year Absolute TSR performance threshold is achieved and five-year cumulative PATMI and carbon emission reduction are on track based on business plan trajectory and another 15% would vest 12 months later, subject to RHRC's approval. The remaining 70% would be subject to final performance achievement after Year five if the milestone vesting has been achieved.

In FY2026, a total of 15,610,312* shares and 1,211,099 shares have been granted under the SATS RSP and SATS PSP respectively.

* This figure includes shares comprised in the re-granted share awards announced on 28 July 2025 which replaced (i) the share awards announced on 24 June 2025 and (ii) the share awards announced on 20 September 2024 (to the extent not yet vested), both of which were reversed. For more information on the reversal and re-grant exercise, please refer to the Company's announcement dated 28 July 2025 and titled "Re-Grant of Share Awards under the SATS Restricted Share Plan" which may be accessed on the SGX website at the URL https://www.sgx.com/securities/company-announcements.

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 Annual General Meeting, followed by another 10-year extension until 18 July 2035 at the 51st Annual General Meeting. 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.

Proposed Alterations to the SATS RSP and the SATS PSP
The Company is proposing at the 2026 AGM to alter the SATS RSP and SATS PSP (collectively, the "**Share Plans**") by changing the maximum limit placed on the number of new shares which may be issued under the Share Plans. Currently, the aggregate number of new shares which may be issued under the Share Plans and the SATS ESOP is limited to 15% of the total number of issued shares (excluding treasury shares and subsidiary holdings) from time to time. The SATS ESOP was adopted by the Company in February 2000 and the last grant of options thereunder was made in July 2008. The last options granted under the SATS ESOP expired on 30 June 2018 and there are no longer any outstanding options under the SATS ESOP.

The Company has undertaken a review of the appropriateness of the maximum limit moving forward, and is proposing that the maximum limit be reduced to 8 percent of the total number of issued shares (excluding treasury shares and subsidiary holdings) from time to time, but that historical issues of new shares made (1) under the Share Plans before 19 July 2025 (being the commencement date of the current 10-year duration of the Share Plans), and (2) under the SATS ESOP (which has expired and under which there are no outstanding options), will no longer count towards such maximum limit. This effectively means that, as altered, the maximum limit of new shares which may be issued under the Share Plans will be 8 percent of the total number of issued shares (excluding treasury shares and subsidiary holdings) from time to time over the current 10-year duration of the Share Plans (which is from 19 July 2025 to 18 July 2035). The Company believes that this will rationalise and simplify monitoring of the maximum limit as historical issues of new shares (including under the expired SATS ESOP) would no longer continue to count towards the number of new shares available for future issue under the Share Plans, and as such would better align the Share Plans with the Group's current business and operational needs.

The Company has also undertaken a review of the existing 1 percent annual sub-limit for the aggregate number of shares under awards which may be granted pursuant to the Share Plans between the 2025 AGM and the 2026 AGM. The aggregate number of shares comprised in grants of share awards made between the 2024 AGM and the 2025 AGM was higher than in prior periods due to certain non-recurring events. Accordingly, in order to adhere to the annual grant limit under the share plan mandate approved by shareholders at the 2024 AGM, the grants of share awards pursuant to the SATS RSP announced on 20 September 2024 and 24 June 2025 were, to the extent not yet vested, reversed and, following shareholder approval obtained for the share plan mandate at the 2025 AGM, regranted to the relevant participants on 28 July 2025*. Correspondingly, the grant of share awards with respect to FY2026 has been deferred to a date after the 2026 AGM and the grant of share awards with respect to FY2027 is intended to be made within the same cycle (i.e., between the 2026 AGM and the 2027 AGM). In order to provide for sufficient headroom for the aggregate number of shares under awards which may be granted pursuant to the Share Plans between the 2026 AGM and the 2027 AGM, Ordinary Resolution No. 10, as stated in the Notice of AGM for the 2026 AGM, will provide for an increased annual sub-limit of 2 percent.

The total number of shares comprised in awards granted under the Share Plans between the 2025 AGM and 2026 AGM did not exceed 1 percent of the total number of issued shares (excluding treasury shares and subsidiary holdings).

Details of the SATS RSP and the SATS PSP
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 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. Since 2014, there has been no change to this minimum threshold.

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.

* For more information on the reversal and re-grant exercise, please refer to the Company's announcement dated 28 July 2025 and titled "Re-Grant of Share Awards under the SATS Restricted Share Plan" which may be accessed on the SGX website at the URL https://www.sgx.com/securities/company-announcements.

Corporate Governance Report

Details of PCEO and Top Key Management Personal Remuneration

Details of the compensation paid or accrued to the PCEO and the top Key Management Personnel (excluding the PCEO), for FY2026 are set out below

President and Chief Executive Officer (PCEO)	Salary[1]	Bonuses	Benefits[2]	Share Awards Vested During FY2026[3]	Total Remuneration[12]
Mr Kerry Mok	S$1,040,000 27%	S$1,513,143 39%	S$91,674 2%	S$1,231,070 32%	S$3,875,887 100%

Details of share awards (for the purposes of this section, "**Awards**") granted or to be granted, vested and/or lapsed under the SATS RSP and SATS PSP for Mr Mok in or with respect to FY2026 are as follows:

	Awards under SATS RSP[4]				
				Released	
	Granted/ To be Granted (No. of shares)	Vested (No. of shares)	Lapsed (No. of shares)	Date	No. of shares
FY2022 Awards under SATS RSP	288,000	288,000		10-Jul-23	96,000
				1-Jul-24	96,000
				1-Jul-25	96,000
FY2023 Awards under SATS RSP	376,600	251,200		1-Jul-24	125,600
				1-Jul-25	125,600
				1-Jul-26	
FY2024 Awards under SATS RSP	376,600	125,600		1-Jul-25	125,600
				1-Jul-26	
				1-Jul-27	
FY2025 Awards under SATS RSP	364,600			1-Jul-26	
				1-Jul-27	
				3-Jul-28	
FY2026 Awards under SATS RSP[5]	305,200			1-Jul-27	
				3-Jul-28	
				2-Jul-29	

	Awards under SATS PSP[6]				
				Released	
	Granted (No. of Shares)	Vested (No. of shares)	Lapsed (No. of shares)	Date	No. of shares
FY2023 Awards under SATS PSP	91,262	53,800	37,462	1-Jul-25	53,800
FY2024 Awards under SATS PSP	165,000			1-Jul-26	

	One-off Transformation LTI Awards[7]				
				Released	
	Granted (No. of Shares)	Vested (No. of shares)	Lapsed (No. of shares)	Date	No. of shares
FY2025 Awards under SATS PSP[8]	1,527,273			1-Jul-29	

While Provision 8.1(b) of the Code stipulates that the names, amounts and breakdown 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 approach ensures a balance between providing comprehensive, meaningful, and transparent remuneration disclosures while also protecting the confidentiality and commercial sensitivity of remuneration matters, especially given the highly competitive human resource environment in which the Group operates.

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 FY2026, the top Key Management Personnel (excluding the PCEO) mentioned in the table below are Bob Chi, John Batten, Timothy Tang, Michael Simpson, Samuel Koh and Henry Low.

Remuneration Band	Number of Key Management Personnel (excluding PCEO)[11]	Salary[1] (%)	Bonuses (%)	Benefits[2] (%)	Share Awards Vested During FY2026 (%)[3]	Total Remuneration[12] (%)
S$1,500,001 to S$1,750,000	4	39	31	9	22	100
S$750,001 to S$1,000,000	1[10]	44	52	3	0	100
S$250,001 to S$500,000	1[10]	43	50	6	0	100
Aggregate Total Remuneration						**S$7,834,554**

Details of share awards granted or to be granted under the SATS RSP and SATS PSP in or with respect to FY2026 for the above executives are as follows:

	Awards under SATS RSP[4]		
		Released	
	To be Granted (No. of Shares)	Date	No. of shares
FY2026 Awards under SATS RSP[5]	660,000	1-Jul-27	
		3-Jul-28	
		2-Jul-29	

	One-off Transformation LTI Awards[7]		
		Released	
	Granted (No. of Shares)	Date	No. of shares
FY2026 Awards under SATS PSP[9]	297,580	2-Jul-29	

Notes:

(1) Other than for Mr John Batten and Mr Michael Simpson, salary includes annual wage supplement for FY2026.

(2) Employer CPF contribution in Singapore or equivalent in other countries, where relevant, are included under Benefits.

(3) Represents aggregate value of shares that vested in accordance with the terms of the SATS RSP and SATS PSP during FY2026.

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

(5) FY2026 Awards under the SATS RSP relate to performance for FY2026 and have not yet been granted. Such awards are intended to be granted after the 2026 AGM, subject to shareholders' approval being obtained for Ordinary Resolution No. 10, as stated in the Notice of AGM for the 2026 AGM, at the upcoming 2026 AGM. The number of shares awarded was determined based on the three-month volume-weighted average price of SATS shares (S$3.719) for the period from January 2026 to March 2026.

(6) 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.

(7) In FY2025, the RHRC approved a one-off Transformation LTI Plan awarded under the SATS PSP for GMB members. The 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. In FY2026, pro-rated Transformation LTI awards were granted where a new member joins the GMB post the commencement of the one-off Transformation LTI Plan.

(8) The per unit fair value of the one-off Transformation LTI awards granted in FY2025 is S$1.65.

(9) The per unit fair value of the one-off Transformation LTI awards granted in FY2026 is S$2.02.

(10) The remuneration bands for these Key Management Personnel with respect to FY2026 reflect their remuneration for their respective periods of service as they joined the Group midway during the financial year.

(11) Two other Key Management Personnel transitioned to a non-Key Management Personnel role during FY2026. The pro-rated amount of their compensation as Key Management Personnel for FY2026 was within the remuneration band of S$250,001 to S$500,000 (Breakdown: salary (35%), bonuses (18%), benefits (4%) and share awards vested during FY2026 (43%)) and S$750,001 to S$1,000,000 (Breakdown: salary (42%), bonuses (34%), benefits (6%) and share awards vested during FY2026 (18%)), respectively.
In addition to the remuneration disclosed above, two Key Management Personnel were entitled to non-recurring payments arising from legacy employment arrangements. One Key Management Personnel, whose arrangement was subject to multi-year service and performance-related conditions, received partial payment of S$475,858 in FY2026, which included the corresponding employer social security contributions required to be made under the applicable statutory employment framework in the relevant jurisdiction of employment. This Key Management Personnel is scheduled to receive the remaining payment under the legacy employment arrangement in July 2026. The other Key Management Personnel received S$270,480 in FY2026.

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

Corporate Governance Report

The aggregate total compensation paid to the abovementioned top Key Management Personnel (who are neither Directors nor the PCEO) for FY2026 was S$7,834,554*.

No immediate family members of any Director or of the PCEO were employed by the Company or any of its related companies during FY2026.

No termination, retirement or post-employment benefits were granted to Directors or the PCEO during FY2026.

Learning and Development Programmes for Employees

Learning and development is embedded in SATS' DNA. Our learning philosophy is anchored in the Group's five core values — Safety, Customer Focus, Respect, Teamwork and Excellence — ensuring that all training programmes are aligned with strong corporate governance standards and responsible business practices. This reflects our belief that a highly skilled and knowledgeable workforce is fundamental to sustainable growth, operational excellence and long-term value creation.

At SATS, learning extends beyond technical capabilities to encompass professional integrity, ethical conduct and regulatory compliance. To reinforce these principles, employees undergo structured induction programmes covering key corporate governance topics, including legal and regulatory requirements, cybersecurity, people management and workplace conduct. Delivered across our geographical footprint and regularly refreshed, these programmes help ensure that employees at all levels remain informed of their legal, ethical and professional responsibilities.

Recognising the critical role leaders play in upholding governance standards and shaping organisational culture, SATS invests significantly in leadership development. Our flagship programme, Built to Lead (BTL), serves as the foundational leadership programme for people managers. BTL equips leaders with essential management capabilities, including goal setting, employee engagement, coaching, feedback delivery and managing difficult conversations. The programme also reinforces the SATS leadership ethos, which is grounded in a growth mindset, trust-building, ownership and an enterprise-wide perspective.

To further strengthen leadership capabilities, SATS offers a series of ongoing Leadership Power-Up workshops. These focused learning modules address emerging leadership themes and practical management skills, including fostering a respectful workplace culture and leading multi-generational teams. Designed as elective programmes, Leadership Power-Ups complement the core competencies developed through BTL.

Beyond leadership development, SATS actively invests in capability building across critical business domains, including process excellence and Artificial Intelligence (AI) literacy. Our comprehensive Lean Six Sigma curriculum enhances employees' competencies in process improvement, quality management and risk mitigation, supporting operational excellence and disciplined performance management. At the same time, we are accelerating the development of AI capabilities across the organisation through an AI literacy framework that prepares our workforce for an increasingly digital future. Current offerings include programmes such as "Easy AI, Easy Life" and cybersecurity awareness training, with additional initiatives being developed to support the evolving needs of the business.

In a rapidly changing business environment, SATS views learning and development as a strategic enabler of business success. We remain committed to investing in the continuous upskilling and reskilling of our people, empowering them to adapt, innovate and thrive while supporting the long-term growth and resilience of the organisation.

* The aggregate total compensation is S$10,075,178 if including: (1) the pro-rated compensation of the two Key Management Personnel who transitioned to a non-Key Management Personnel role with effect from 25 July 2025 and 31 December 2025, respectively (see footnote 11 of the remuneration disclosures set out above); and (2) the non-recurring payments to the two Key Management Personnel in FY2026 arising from legacy employment arrangements (see footnote 11 of the remuneration disclosures set out above).

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, EMEA 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 a comprehensive suite of global talent programmes – ACCELERATE, CULTIVATE, NAVIGATE and ACTIVATE. These programmes are globally consistent yet locally adaptable and are sponsored by Senior Management to ensure strategic alignment and impact across the Group. ACCELERATE develops top talent for future leadership roles; CULTIVATE focuses on mid-level "growth" talent; NAVIGATE supports emerging talent; and ACTIVATE is an open-to-all series of webinars on strategic topics. These initiatives strengthen SATS' leadership pipeline and enhance organisational capability, thereby reinforcing effective governance through strong leadership.

To complement formal training, SATS launched "ELEVATE", an innovative global mobility programme for talent development. Under ELEVATE, selected high-potential employees undertake short-term international assignments with specific business projects and objectives. This experience gives talent cross-geography exposure, fostering cross-cultural competencies and facilitating the exchange of best practices across the Group. Such initiatives contribute to building cultural agility and global leadership skills, enhancing the Group's succession readiness in its expanded international network.

Accountability and Audit

Risk Management and Internal Controls
Principle 9

Safety, Sustainability and Risk Committee

The SSRC is chaired by Ms Vinita Bali, with Mr Mak Swee Wah, Mrs Deborah Ong, Mr Pier Sigismondi and Mr Malcolm Wilson serving as members. All of the SSRC members (including the SSRC Chairperson) are independent Directors.

As announced by the Company on 5 June 2026, Mr Malcolm Wilson will be appointed as the Chairperson of the SSRC with effect from the conclusion of the 2026 AGM, following Ms Bali's retirement at the conclusion of the 2026 AGM.

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
- Providing guidance on sustainability-related matters and working with Senior Management to set targets to ensure alignment with SATS' strategic goals and sustainability commitments and ensuring compliance with applicable regulatory requirements
- Providing guidance on 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

Corporate Governance Report

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 FY2026. At each of these meetings, a segment of the meeting was conducted jointly with the AC.

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 112 to 120 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, with Ms Vinita Bali, Ms Chan Lai Fung, Mr Pier Sigismondi and Mr Michael Zechmeister serving as members. Ms Jessica Tan stepped down as a member of the AC on 31 December 2025 after serving on the AC for more than 7 years. During her tenure, she contributed significantly to the AC's oversight of financial reporting and internal controls. Ms Vinita Bali will retire from the Board at the conclusion of the 2026 AGM and will accordingly cease to be a member of the AC. All the AC members, including the AC Chairperson, are independent Directors.

The AC members 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 Vinita Bali has relevant expertise through her audit committee memberships as a non-executive director at Bunge Ltd (listed on the NYSE), 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 Sigismondi held senior roles across various multinational companies focusing on transformation and supply chain. Mr Michael Zechmeister has over three decades of senior finance leadership experience across consumer products, food service and global logistics and warehousing. Notably, he served as chief financial officer at C.H. Robinson Worldwide, Inc., a NASDAQ listed company for five years between 2019 and 2024 and prior to that, at United Natural Foods, Inc., a NYSE listed company between 2015 and 2019.

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.

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 financial statements or financial 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

Corporate Governance Report

Interested Person Transactions

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

Whistle-blowing 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 Whistle-blowing Policy)
- Reports on all in-scope whistle-blowing incidents and ensuring that they will be appropriately dealt with
- The disclosure of the SATS Whistle-blowing Policy in the Annual Report and publicly disclosing the procedures for raising such concerns as appropriate

In addition, the AC and the Board 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 the announcement 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 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 a 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	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. 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. 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. The AC was satisfied with the impairment review process, approach and methodology used and the conclusion of the impairment review performed by Senior Management.

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 FY2026. At each of these meetings, a segment of the meeting was conducted jointly with the SSRC.

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 FY2026 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 FY2026 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 2026 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.

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.

Corporate Governance Report

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 whistle-blowing 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 and 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 is subject to an annual internal audit review and the review has been performed in FY2026 by an external qualified professional.

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 (QAR) are carried out at least once every five years by qualified professionals from an external organisation. An external QAR was completed in FY2026 and the results re-affirmed that the internal audit function generally conforms with the IIA's Global Internal Audit Standards (GIAS) 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 Information Systems Audit and Control Association.

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 2025 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 2026 AGM, are set out in the Appendix to the 2026 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 take 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 established global policies, procedures and training programmes to address compliance with applicable laws and regulations, for example those relating to bribery and corruption, sanctions, conflict of interests and personal data protection, including the implementation of relevant incident management protocols. We have also implemented a set of procedures governing employees' interactions with suppliers, customers, investee companies and joint venture partners. In addition, the team is progressively implementing digital solutions to enhance and streamline selected internal processes.

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 wrongdoings 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 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.

Whistle-blowing Policy

The Group has put in place a whistle-blowing policy that sets out the procedure for reporting possible or suspected misconduct or wrongdoing relating to the Group and its officers. A whistle-blower could be an employee, officer, Director, customer, supplier, contractor, agent or any member of the public. Under the SATS Whistle-blowing 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.

Whistle-blowers may identify themselves or make anonymous reports directly to the GIA via any of the four dedicated whistle-blowing channels, namely through email, hotline, postal mail and online whistle-blowing reporting platforms, the details of which can be accessed via https://www.sats.com.sg/about-us/contact-us/whistle-blowing. On the online whistle-blowing reporting platforms, whistle-blowers can continue to communicate anonymously via the secured messaging channels to provide additional information or receive updates. The SATS Whistle-blowing Policy further provides that reports and investigations, as well as the identity of the whistle-blower, are kept confidential to the extent practicable or permitted by law or the applicable regulatory authority.

The SATS Whistle-blowing 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 whistle-blower 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 whistle-blowing reports to assess the seriousness and credibility of allegations and the likelihood of confirming allegations. If the reports are made in good faith, the GIA decides if further investigation is needed and whether such investigation should be handled by the GIA or another skilled team. Depending on the complexity of the issue, external service providers may be engaged for assistance. 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 whistle-blowing cases to ensure an effective management process. The GIA updates the AC quarterly on whistle-blowing reports for all Group entities in the APAC, EMEA and Americas regions, 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 Whistle-blowing 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 Whistle-blowing Policy is made available to all employees on the Group's intranet and the whistle-blowing 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.

Corporate Governance Report

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 though nominee companies, custodian banks, CPF agent banks or SRS operators may be appointed as proxies to attend, speak and vote at the AGM.

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.

2025 AGM

The 2025 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 2025 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 19 July 2025.

2026 AGM

As with the 2025 AGM, the 2026 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 2026 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 for 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 2026 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. It has a disciplined capital allocation approach which takes into account target leverage to strengthen its balance sheet, capital expenditure needs to support operational continuity and sustainable business growth, and any strategic investments and capital recycling initiatives. The Board considers these factors, along with prevailing market conditions and business performance 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.

Corporate Governance Report

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 shareholders[1] 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 FY2026, we organised post-results conference calls at the end of every quarter of the financial year, with live audio or video 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 recording of such sessions on our website, as well as a transcript of our business update presentation within three business days.

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 FY2026, we extended our reach to investors through our participation in seven investor conferences, including a Non-Deal Roadshow in London to engage with UK-based international investors. Beyond our participation in investor conferences, we conducted 30 one-on-one and group meetings with existing and potential investors as well as analysts. We also conducted two facility tours for the analysts and investors.

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/contact-us, 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.

[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.

Accountability to Shareholders and Stakeholders

Sustainability

In FY2026, SATS continued to strengthen its sustainability governance, strategy and reporting in recognition that effective management of sustainability-related and climate-related risks and opportunities is integral to the Group's long-term value creation and resilience. The Board considers not only the interests of shareholders but also those of the Group's material stakeholders, whose expectations and actions may affect SATS' ability to execute its strategy and deliver sustainable growth.

The Group identifies its material stakeholders through its sustainability and ERM processes, including a DMA undertaken to assess and report on its material and topics from two distinct perspectives: how SATS' business operations impact the world and how climate environmental and social issues impact the Group. The outcomes of this DMA incorporate stakeholder perspectives and evolving regulatory and market expectations and informed the identification of 27 sustainability topics, of which 13 were assessed as material to the Group and consolidated into nine ESG priorities. These priorities underpin the Group's sustainability strategy, ERM, target-setting and disclosures.

The Board has overall responsibility for overseeing sustainability and stakeholder-related considerations, ensuring that material stakeholder interests are appropriately reflected in the Group's strategy, risk management and decision-making processes. The Board is supported by the SSRC, which provides detailed oversight of sustainability, climate and general risk matters.

At the management level, sustainability governance is supported by the SSRMC, chaired by the PCEO, which oversees the implementation of sustainability strategies and initiatives across the Group. The SSRMC is supported by six operational Sustainability Councils across business units and regions, which facilitate engagement with stakeholders at the operational level and support the identification and management of sustainability-related risks and opportunities.

In FY2026, SATS established the SSC, chaired by the Chief Corporate Officer, to strengthen coordination across functions and regions on sustainability strategy, targets and regulatory readiness, including alignment with stakeholder expectations. The SSC supports a structured approach to stakeholder-related matters, including the prioritisation of key topics, internal alignment on responses to stakeholder feedback and escalation of material issues to Senior Management and the Board where appropriate.

SATS engages regularly with a broad range of stakeholder groups, including customers, suppliers, employees, investors, regulators, industry partners and local communities, through both formal and informal channels. These engagements enable the Group to identify material stakeholder concerns, assess their potential impact on the business and inform decision-making processes across strategy, operations and risk management. Insights from these engagements are incorporated into the Group's sustainability priorities, risk assessments and disclosures.

In FY2026, SATS also advanced its sustainability reporting practices by preparing its first Sustainability Report broadly aligned with the disclosure standards issued by the ISSB. This report serves as a key channel for communicating our sustainability strategy with stakeholders and reflects the Group's efforts to provide consistent, comparable and decision-useful information on sustainability-related matters.

To enhance transparency and support informed stakeholder engagement, SATS continued to strengthen its ESG data governance efforts, internal controls and assurance readiness. The Group also progressed a scenario-based, Group-wide climate risk assessment covering both physical and transition risks, which supports a more robust understanding of stakeholder-relevant risks and their potential business impacts.

In parallel, SATS continued to prepare for emerging regulatory requirements, including the CSRD for relevant European entities. The outcomes of the FY2026 DMA and ongoing stakeholder engagement activities support the Group's readiness to meet these requirements and reinforce the alignment between sustainability reporting, stakeholder expectations and regulatory developments.

Through these governance structures and processes, the Board ensures that stakeholder considerations are systematically identified, assessed and integrated into the Group's strategy and disclosures.

Further details on stakeholder engagement activities, sustainability strategy and performance are set out in the FY2026 Sustainability Report.

Corporate Governance Report

Managing Stakeholder Relationships

Engagement with Shareholders
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. 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. Our approach is guided by the principle that sustained and meaningful engagement with our stakeholders contributes to informed decision-making and the long-term interests of the Company. Our engagement with shareholders and the investment community is described under Principle 12 above.

The Company's material stakeholder groups include customers, our people and unions, investors, partners, regulators, and the communities in which we operate. Our strategy and key areas of focus in managing these relationships during FY2026 are set out in this Annual Report and in the FY2026 Sustainability Report. These disclosures reflect the Board's commitment to transparency in the management of its stakeholder relationships during the reporting period.

SATS maintains a current corporate website at www.sats.com.sg to communicate and engage with stakeholders. The website provides access to annual reports, sustainability reports, financial results, voluntary quarterly business updates, news releases, corporate presentations, and the Company's Constitution.

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

Collaboration with our suppliers is an important component of SATS' approach to managing sustainability-related risks and opportunities across its value chain. The Group engages suppliers through a combination of ongoing interactions, structured programmes and formal governance processes to support the integration of sustainability considerations into procurement and operational practices.

In addition to regular engagement channels such as meetings, calls and annual supplier forums, SATS has established structured initiatives to support suppliers in strengthening their ESG practices. The SATS Supplier Engagement Programme, launched in 2023, continues to serve as a platform to raise awareness, share expectations and support capability-building among suppliers.

In FY2026, SATS expanded its supplier engagement and ESG risk management approach across its global operations, reflecting the Group's enlarged footprint. The sustainability and procurement teams worked to enhance ESG screening and due diligence processes for suppliers, with a view to identifying material sustainability-related risks, supporting mitigation actions and improving overall alignment with the Group's sustainability priorities following the FY2026 DMA.

Supplier-related sustainability considerations are increasingly integrated into the Group's ERM and procurement processes, supporting more consistent identification, assessment and monitoring of value chain risks across regions and business units. These efforts also support the Group's readiness for evolving regulatory requirements and stakeholder expectations relating to responsible sourcing and supply chain transparency.

Further details on the Group's sustainable sourcing strategy, supplier engagement initiatives and related performance are set out in the FY2026 Sustainability Report.

Singapore Hub

SATS Singapore Hub engages regularly with key aviation ecosystem stakeholders, including the Ministry of Transport, the Civil Aviation Authority of Singapore, Changi Airport Group and Singapore Airlines through established and ongoing channels. These engagements support alignment on system level matters relevant to the sustainability, capacity planning and operational resilience of the Singapore aviation hub, within the context of broader ecosystem considerations.

SATS also engages the National Trades Union Congress and union representatives through structured engagement platforms to discuss workforce related matters, including job design, skills development and career progression, in support of a sustainable and competitive workforce.

Summary of Disclosures

Summary of Disclosures of the Code

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Provision 1.2	Pages 69, 73–74
Provision 1.3	Pages 68–69
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Corporate Governance Report

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:

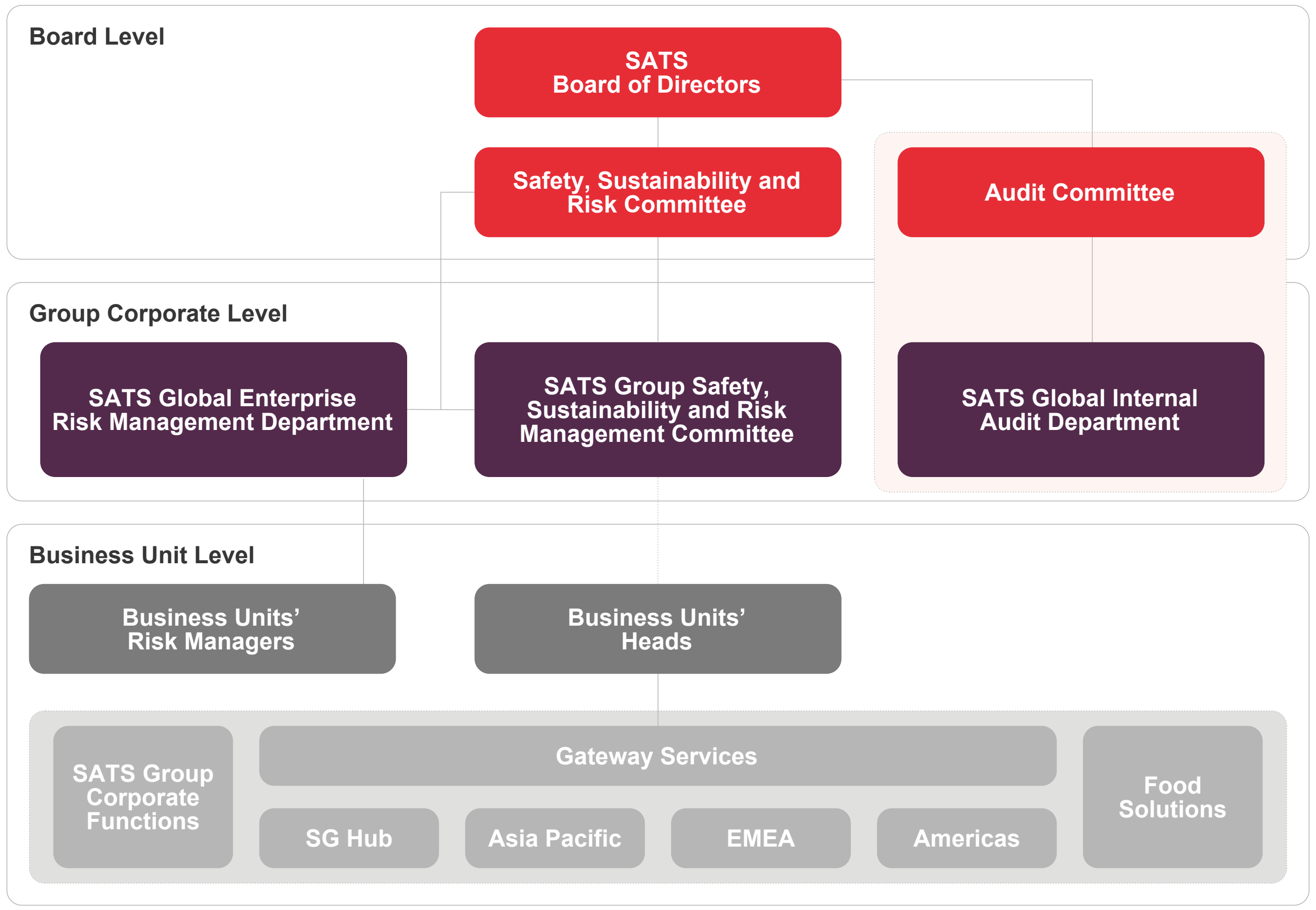
- Safeguarding of assets against unauthorised or improper use or disposal
- Protection against material misstatements or losses
- Maintenance of proper accounting records
- Reliability of financial information for internal use and publication
- Compliance with laws, regulations and corporate governance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

Risk Management Organisational and Governance Structure

The SSRC oversees the effectiveness of safety and risk management systems. It ensures the safety and risk management 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.



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 Framework[1].

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 Board 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	Macro Events • Risk is primarily externally driven and can include major shifts or events impacting macro trends and/or disrupting market conditions, affecting consumer demand, trade flows and/or volumes. This can arise from recession, geopolitical events, changes in trade policies in favour of national interests and security, etc.; or Competitive Landscape • Risk is partially within our sphere of influence and control and relates to erosion or even loss of our competitive advantage, market share and/or market position. This can arise from changes in the competitive landscape from M&A, disruption, innovation, lack of diversification, weak commercial performance, poor cost management, poor quality of service delivery, poor customer relations and retention, etc.
Talent & Organisational Development	Inability to attract and retain talent to support the business due to: • 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: • 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.

[1] Refer to Management Controls and Assurance Framework section on page 119 of this Annual Report.

Corporate Governance Report

Key Risks	Risk Descriptions
Financial	
Financial Resiliency	Inability to maintain investment grade rating, access to capital markets funding and low investor confidence due to: • 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.
Financial Controls	Inaccurate financials or financial misstatements arising from weak internal controls over financial reporting and financial governance such as: • 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	Disruption to business operations/inefficient business processes and sub-optimal productivity arising from: • 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: • 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	Health, safety and security incidents such as: • 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: • 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.

Key Risks	Risk Descriptions
Compliance	
Legal & Regulatory Compliance	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: • 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: • 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.
Technology	
Cyber & Data Security	Breach of privacy, loss of sensitive and confidential information, ransomware and disruption to infrastructure from cyber-attacks. This is due to: • Increased sophistication in methods (direct hacking, phishing, etc.) deployed by threat actors riding on accelerated digitisation and generative AI, 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, exposure to higher-risk regions and impacts of macro shifts such as tariffs and trade policies. The past year has seen a volatile macro-economic environment primarily driven by the conflict in the Middle East which has negatively impacted confidence in the Gulf region and the perception of the region as a safe haven for investment and growth. Additionally, the conflict has driven up oil prices significantly and has also resulted in reduced capacity in passenger and freighter flights. The Group remains highly cognisant of the impacts of a prolonged conflict on the overall macroeconomic environment and are exercising prudence in our investment and commercial decisions as we continue to monitor the geopolitical situation.

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

In our 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 on such initiatives are available in our FY2026 Sustainability Report.

Corporate Governance 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. Foreign currency, interest rate, 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 a wide range of operational risks such as adverse exogenous events including space and manpower constraints brought about by the unpredictable schedules of airlines due to events such as the Middle East conflict, extreme weather, trade sanctions, terrorism and workplace and food safety incidents. To mitigate these risks, SATS fosters a culture of vigilance and resilience, emphasising safety and security, food hygiene and compliance with established policies, processes and standard operating procedures at all organisational levels.

Further, a comprehensive Business Continuity Management framework which includes crisis escalation protocols, emergency response and business continuity plans as well as exercise requirements are in place to ensure that employees are well trained to deal with crises and operational disruptions. 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 in key areas relating to workplace health and safety, quality and environmental management systems and food safety amongst others. Notably, these include 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.

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.

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. Further, the Middle East conflict has highlighted that sanctions compliance is no longer just about checking a list of names but understanding how conflicts re-shape counterparties, ownership structures and payment behaviours in real time. To this end, 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.

Corporate Governance Report

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. With the proliferation and sophistication of new attack vectors and techniques employed by threat actors, many industries have been targeted and have fallen victim to cyber-attacks and ransomware that has resulted in operational disruptions, loss of sensitive data and in many cases a damage to reputation. Further, we are anticipating a broader shift in the acceleration of frontier AI models compressing the time required to discover, analyse and potentially weaponise software vulnerabilities against organisations.

SATS is committed to a robust cybersecurity strategy and data governance framework to protect against evolving cyber threats and data security risks and we continue to prioritise and maintain a strong focus on cybersecurity management, including security governance of AI capabilities, 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

Deploying multiple layers of security measures to protect against different types of attacks, reduce the likelihood of successful attacks and minimise the impact of a breach.

- Standardised System Criticality baselines:
  1. Critical
  2. Essential
  3. Standard
- Cyber programme maturity assessment based upon the US National Institute of Standards and Technology's Cybersecurity Framework
- Multi-layer security controls:
  - Firewalls
  - Intrusion Prevention Systems
  - Secure Internet Access
  - Infrastructure Security
  - Application Security
  - Data Encryption
  - Multi-Factor Authentication

Attacker's Perspective

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.

- Continuous attack surface monitoring
- System and infrastructure vulnerability assessments
- Purple-team exercises
- Technical Incident Response rehearsals
- Cyber Threat Intelligence

Cybersecure Culture

Promoting safe and responsible behaviour when using SATS' IT assets and empowering employees to spot and report cyberattacks promptly.

- Security awareness programme
- Phishing simulations
- Cyber tabletop exercises
- Acceptable Use Policy
- Data Privacy Policy

Collective Defence

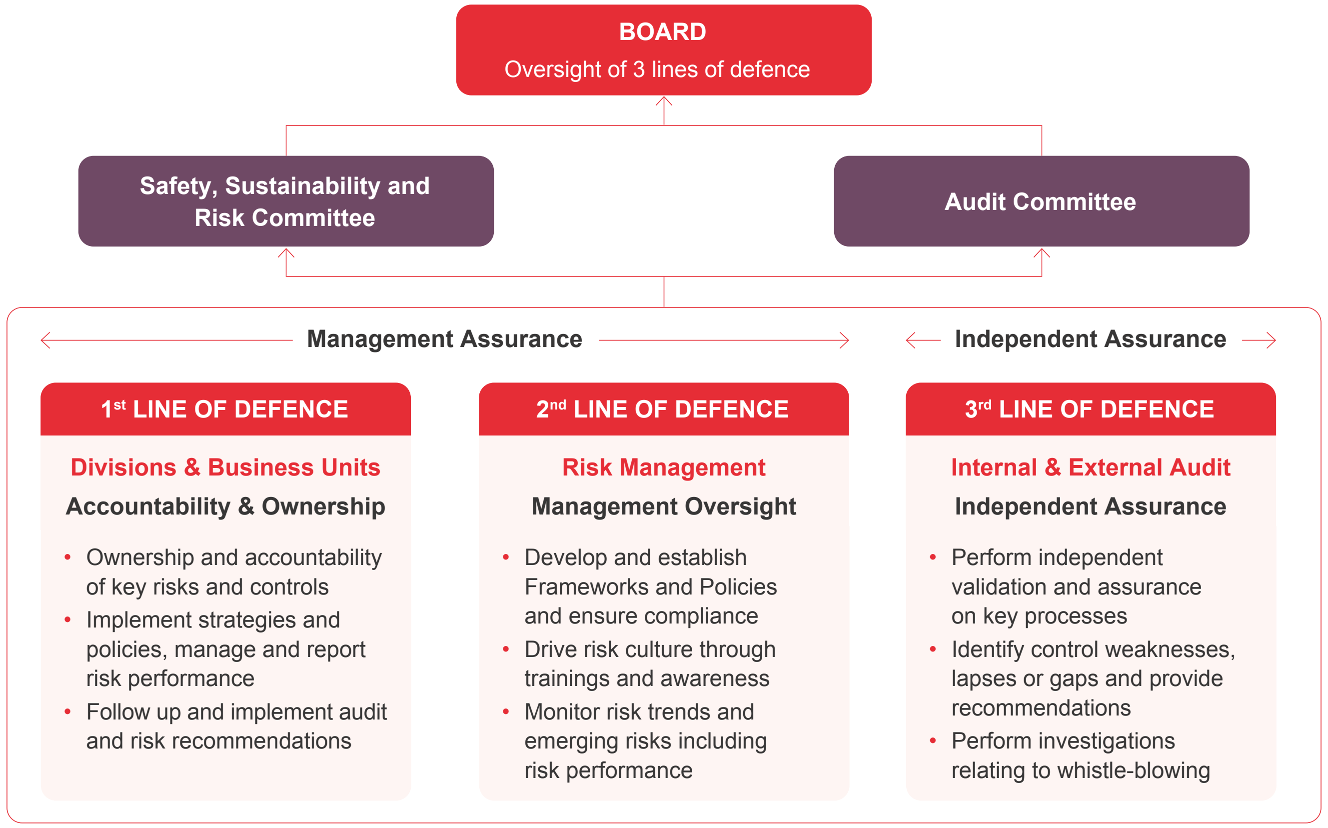
Working together within a trusted community by collaborating and sharing insights, best practices and resources to improve our overall security posture and better defend against cyber threats.

- Threat insight sharing within trusted community
- Knowledge sharing and collaboration with the transportation sector ecosystem
- 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 frequently, 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, 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.

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 systems 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. 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.