

**SATS LTD.**

**MINUTES OF THE 46<sup>th</sup> ANNUAL GENERAL MEETING  
HELD ON THURSDAY, 18<sup>TH</sup> JULY 2019 AT 11 AM  
AT MARINA MANDARIN BALLROOM, LEVEL 1, MARINA MANDARIN SINGAPORE  
6 RAFFLES BOULEVARD, MARINA SQUARE, SINGAPORE 039594**

**1. PRESIDENT AND CHIEF EXECUTIVE OFFICER'S PRESENTATION**

- 1.1 President and Chief Executive Officer, Mr. Alex Hungate, reviewed the progress of SATS Ltd. (the "**Company**" or "**SATS**") during the financial year ended 31 March 2019 ("**FY18/19**") and laid out the Company's strategy and future direction.

**2. WELCOME ADDRESS**

- 2.1 Chairman, Ms. Euleen Goh, welcomed the shareholders and proxies to the Meeting.
- 2.2 Chairman informed the Meeting that a quorum was present and called the Meeting to order at 11.15 AM.
- 2.3 Chairman informed the Meeting that the proxies lodged have been checked and that she had been appointed to act as proxy for some shareholders and that she would vote according to their instructions.
- 2.4 Chairman introduced the following members of the Panel to those present:
- 2.4.1 Other Directors of the Company – Mr. Alex Hungate (President & Chief Executive Officer), Mr. Yap Chee Meng, Mr. Tan Soo Nan, Mr. Yap Kim Wah, Ms. Jessica Tan, Mr. Michael Kok, Mr. Achal Agarwal, Mr. Chia Kim Huat, Ms. Jenny Lee;
- 2.4.2 Chief Financial Officer of the Company – Mr. Manfred Seah; and
- 2.4.3 Company Secretary – Ms. Prema Subramaniam.
- 2.5 Chairman also informed the Meeting that the Company's current auditors, KPMG, the Company's legal advisors, Allen & Gledhill, and the Company's remuneration consultant, AON Hewitt, were present at the Meeting.

**3. ELECTRONIC VOTING**

- 3.1 Chairman informed the Meeting that voting of all resolutions at the Meeting would be by poll and conducted electronically, and invited the Scrutineer to take the shareholders through the procedures for electronic voting.
- 3.2 The Scrutineer invited the shareholders to view a short video presentation explaining the voting process. The Scrutineer explained that a voting time of 15 seconds would be given for the voting of each resolution as shown on the timer on the large screens facing the shareholders, and that if any shareholder wished to spilt the vote for the resolution, that shareholder would need to register the spilt votes outside the ballroom, at the Split Vote Counter located next to the Registration Counters.
- 3.3 A test resolution was then carried out to familiarise shareholders with the system.

#### 4. NOTICE OF ANNUAL GENERAL MEETING

- 4.1 Chairman informed the Meeting that the Notice of the 46<sup>th</sup> Annual General Meeting had been circulated to shareholders earlier and could be found in the Annual Report and the booklet that was sent to the shareholders on 19 June 2019. Chairman also informed that the Notice had also been advertised in the Business Times on 19 June 2019, and posted on the SATS Website and SGXNET on the same day.
- 4.2 Chairman proposed that the Notice be taken as read. This was accepted by those present at the Meeting.

#### ORDINARY BUSINESS

##### 5. RESOLUTION 1: To receive and adopt the Directors' Statement and Audited Financial Statements for the financial year ended 31 March 2019 and the Auditors' Report thereon

- 5.1 The first item on the Agenda was to receive and adopt the Directors' Statement and Audited Financial Statements for the financial year ended 31 March 2019 ("FY18/19") and the Auditors' Report thereon.
- 5.2 Chairman proposed the motion. She then invited questions from the audience.
- 5.3 Mr. Vincent Tan, a shareholder, asked (1) how the Company intended to scale up its operations in China; (2) if the Company's stated plan to invest S\$1 billion in the next three financial years would impact future dividends; and (3) if the growth in ship calls handled by the Marina Bay Cruise Centre Singapore ("MBCCS") in FY18/19 was sustainable.
- 5.4 Addressing the question on dividends, Chairman commented that the Board seeks a sustainable dividend policy for the Company, while also balancing this objective against investment opportunities which may present better value if they lead to greater growth over the long run.
- 5.5 Regarding the first question, President and Chief Executive Officer, Mr. Hungate, shared that China is indeed an important market for the Company, especially as the Chinese aviation catering market is the largest in Asia. Since commencement of operations in China 20 years ago, SATS now has three flight kitchens in Beijing, Shenyang and Tianjin, with a fourth kitchen to come in the new Daxing International Airport in Beijing. The recent acquisition of Nanjing Weizhou will complement the existing flight kitchens with its relationships with Chinese airline customers and distribution across 85 airports in China. Beyond aviation, the Company had made a good start in supplying the fast growing food services industry from its new central kitchen in Kunshan. The Company will construct a second central kitchen in Tianjin to serve these food service customers in the Jing-Jin-Ji metropolitan area. The large scale of this Tianjin kitchen would also improve the productivity of the flight kitchens as it begins to contribute to the Group's supply chain.
- 5.6 Regarding the large increase in ship calls at MBCCS last year, Mr. Hungate clarified that the same rate of growth was not likely to be sustainable. MBCCS now operates close to capacity during the peak season winter months in the North Hemisphere

when cruise lines divert ships to Asia. Market demand was largely driven by the marketing efforts of cruise lines, and it was possible that such efforts may result in more passengers per ship.

- 5.7 A shareholder, Mr. Gunther Witt, asked how the Company protected its know-how. Chairman highlighted that the Company does protect and keep secret its intellectual property through patents and unique recipes. However the Company believes that the bulk of its know-how and do-how resides in its people, through its end-to-end processes and organisational efficiencies, and these aspects are not easily replicable. This is the reason the Company heavily emphasises development of its values, common purpose and passion in its people.
- 5.8 A shareholder, Mr. Koh Chin Hwa, noted that the Company's return on equity ("ROE") for FY18/19 of 15.1% was lower than the ROE of 16.7% for financial year ended 31 March 2017 ("FY16/17"). Mr. Koh also asked if there was a base rate of return on capital invested ("ROI"). In response, Chairman highlighted the trade-off in foregoing higher ROE was that Company could grow more sustainably in the long run. While the Company has out-performed its industry benchmarks, the strategic question of sustainable growth was constantly considered by the Board. For setting a base return, the Board's view was that a fixed rate of ROI may be unduly inflexible, as the Board considers several relevant financial indicators when assessing each investment opportunity, including total shareholders' return over relevant time periods, which takes into account growth of dividends, value of the Company and share price over the long term.
- 5.9 Chief Financial Officer, Mr. Seah, clarified further that the Company had recognised exceptional one-off gains in excess of S\$20 million in each of FY16/17 and FY17/18. If these gains were normalised, the ROEs for each of FY16/17 to FY18/19 would have been comparable. These one-off items included gains resulting mainly from the negative goodwill from the Company's increasing its stake in Evergreen Sky Catering Corporation.
- 5.10 Mr. Raymond Lee, a shareholder, asked how the Company intended to finance its substantial investment plan and capital expenditure ("CAPEX") in the coming years. Chairman commented that the Company currently had significant cash that generated little returns, given the current climate. The Board looks at each investment carefully, and considers factors such as cash flow implications, and whether the Company had room to grow through these investments. Mr. Seah also highlighted that the Company's cash flows from operating activities in recent years has consistently been about S\$250-S\$300 million a year, which was sufficient to fund operational CAPEX requirements of about S\$80 - S\$100 million a year on average. To fund investments, the Company would first draw on internal resources, and upon depletion of internal resources, the Company was open to drawing down on credit facilities or bank debt. Based on the Company's current net cash position of about S\$400 million, it had substantial room to increase its gearing. Mr. Seah also concurred with Chairman's comment on the Board's rigor in reviewing investment opportunities.
- 5.11 Mr. A.P. Chong, a proxy, asked (1) if the Company had sufficient cash for dividends given its investment plans over the coming years; (2) if the Company was able to recover its bad debts; (3) the reason for the Company's high intangible assets; and (4) what comprised "underlying profits" in the financial statements.

- 5.12 In response to the first question, Chairman assured shareholders that for every investment, the Board considered whether it was accretive to the bottom line, how the investment would grow the Company, and whether the investment was in line with the Company's strategy. Investments meeting these criteria would increase the Company's market capitalisation, thereby benefiting all shareholders. Regarding the question on bad debts, Mr. Seah highlighted that the Company's bad debts provision of approximately S\$1.3 million was not substantial in contrast with the Company's annual revenue of about S\$1.8 billion. The Company has to make appropriate provisions for bad debts whenever customers are in financial distress. With regards to intangible assets, Mr. Seah explained that this largely comprised goodwill and long-term contracts. As for "underlying profits", Mr. Seah explained that this was the core recurring profit of the Company generated from the ordinary course of business, excluding all exceptional or one-off gains.
- 5.13 A shareholder, Ms. Sophie, asked (1) in respect of the investment plan, whether the Company had any specific acquisition criteria in mind such as hurdle rates or investment size; (2) whether the global slowdown in the cargo industry impacted the Company's Indonesian associates, and was there any time lag in accounting for profits from these associates; and (3) the Company's recent food technology initiatives and the recent development of plant-based protein patties.
- 5.14 Regarding the question on time lags in consolidating financial results of associates, Mr. Seah clarified that generally there were no time lags as the Company, as a listed entity, had to strictly adhere to the applicable financial disclosure timelines.
- 5.15 On the first question, Mr. Hungate shared that future acquisitions were likely to be "bolt on" additions of companies similar in size to investments made in the past five years. The aim is to create value by acquiring, absorbing and linking these companies to the Company's digital networks. On the second question, Mr. Hungate agreed that the Company's Indonesian associates have felt the effects of weaker trade flows impacting air freight markets in Asia. On the last question on food technology, Mr. Hungate highlighted that this was a fast-developing area, and SATS was keen on implementing new food technology, such as retort pack technology and more recently, FreshTech, which extends shelf-life while preserving nutritional content of food. As mentioned by Chairman earlier, the Company's chefs, food scientists and operations team work together to develop new recipes and do-how with these new technologies which is difficult for others to copy. Finally, Mr. Hungate shared that plant-based protein technology is rapidly gaining popularity worldwide, starting in Europe and America as traditional meats entail higher carbon footprints. This trend is likely to spread across Asia. With its extensive distribution network in Singapore, China and India, SATS is well positioned to support penetration of such plant-based proteins in Asia.
- 5.16 A shareholder, Mr. Tan, asked if the Company had considered providing food for the Company's future annual general meetings. Chairman clarified that hotels typically reserve the exclusive right to cater food for events held at hotel venues. Nevertheless, the Company does look out for opportunities to supply quality food to large channels such as hotels.
- 5.17 A shareholder, Mr. Matthew, asked (1) if there were risks the Company considered in respect of its stated investment plan in the coming years; and (2) what external

events could derail the Company. On the first question, Chairman noted that the stated investment amount of S\$1 billion in the coming years was an aspirational figure and not a hard number. The Board and Management consider the risks and challenges of each investment, as well as potential returns. In the last three to five years the Company has been assessing and identifying its strengths and areas of expertise, and now intends to leverage on these in new opportunities in India and China, where markets were still fragmented. On the second question, Chairman shared that external events such as the global trade slowdown, regional politics and government policies are factors taken into account when the Company considers macro factors.

- 5.18 A shareholder, Ms. Tan Xiang Ren, asked about the Company's efforts in response to climate change. Chairman referred shareholders to the Company's sustainability report, which sets out efforts undertaken by the Company in this regard. Mr. Hungate added that the Company takes its responsibility to minimise its direct and indirect environmental impact seriously, and it is able to influence consumption patterns, inspire and support local produce farmed through innovative methods, and ensure that its suppliers adopt sustainable practices (such as purchasing seafood only from suppliers certified by the Marine Stewardship Council). In alignment with the United Nations Sustainable Development Goal of reducing emissions, SATS has installed one of the largest arrays of roof-top solar panels in Singapore. The Company is also currently transitioning its entire fleet of ground vehicles to electric-powered vehicles.
- 5.19 A shareholder, Mr. Woo, asked if the Company had plans to bring its cruise terminal management business to other regions. Mr. Hungate updated that the Company was exploring opportunities in the region.
- 5.20 A shareholder, Ms. Cecilia, asked if the Company had adequate food security measures, particularly to prevent internal sabotage of food products. Chairman highlighted this was a high priority, and the Board has a Risk and Safety Committee that has considered this issue. Mr. Hungate added that the Company's food production is centralised within secure premises with physical security checks on all persons entering the premises. Additionally, there are various screening processes throughout food production, including both automated screening and manual quality inspections. Ultimately the Company believes that the best safeguard would be a company's culture and values, and engagement levels of staff. Mr. Hungate assured the Meeting that the Company is doing well in this regard based on recent surveys.
- 5.21 A proxy, Mr. Louis Lee, queried if North Korea was a region that the Company was considering. Chairman replied that all opportunities are considered, and the Board assesses and prioritises each opportunity based on its merits and potential value.
- 5.22 A shareholder, John, asked the reason for the drop of more than S\$10 million from share of results from associates / joint ventures (referencing the Consolidated Income Statement on page 100 of the Annual Report). Mr. Seah explained that this was mainly due to three reasons: (1) as mentioned earlier, the Company no longer enjoyed the exceptional one-off gains which it had enjoyed in the previous financial year; (2) there was some impairment of recoverable assets; and (3) the current cargo industry environment faced by the Company's Indonesian associates.
- 5.23 As there were no further questions, Chairman put the motion to vote by poll. Shareholders holding 776,285,815 shares (representing 99.67% of votes) voted in

favour of the motion, and shareholders holding 2,552,963 shares (representing 0.33% of votes) voted against the motion. Accordingly, Chairman declared the motion carried.

**6. RESOLUTION 2: To declare a final ordinary tax-exempt (one-tier) dividend of 13 cents per share for the financial year ended 31 March 2019**

6.1 Chairman informed the shareholders that the Board has recommended the payment of a final ordinary tax-exempt (one-tier) dividend of 13 cents per share for FY18/19. This represented an increase of one cent from the final dividend for FY17/18. Chairman added that if the resolution is approved, the total dividend for FY18/19 would be 19 cents per share.

6.2 Chairman proposed the motion, and then invited questions from shareholders present.

6.3 A shareholder, Mr. Leung Kit Cheong, asked if (1) the Company had considered issuing scrip dividends; and (2) if the Board considered allowing trading of its shares in odd lots. In response, Chairman commented that the Company currently had no need to increase its share capital in this manner, although the Board noted his suggestion. Regarding odd lots, Chairman clarified that the Company's shares could be traded in odd lots (subject to a minimum of 100 shares.)

6.4 Mr. Vincent Chang, a shareholder, commented that the Company's final dividend amount tended to be larger than the interim dividend amount, whereas typically in other companies, the interim dividend was larger. Chairman responded that the Board had considered this carefully, and was being conservative in declaring a smaller amount of interim dividends, with an eye towards sustainability.

6.5 There being no further questions, Chairman put the motion to vote by poll. Shareholders holding 778,989,423 shares (representing 99.98% of votes) voted in favour of the motion, and shareholders holding 161,432 shares (representing 0.02% of votes) voted against the motion. Accordingly, Chairman declared the motion carried.

6.6 Before proceeding to Resolution 3, Chairman informed the Meeting that as Resolution 3 related to her own re-election as a Director, she proposed that Mr. Agarwal, an independent director and member of the Board Executive Committee, take over the Chair of proceedings for Resolution 3.

6.7 There being no objections, Mr. Agarwal took over the Chair of proceedings for Resolution 3.

**7. RESOLUTION 3: To re-elect Ms. Euleen Goh Yiu Kiang, who will retire by rotation in accordance with Article 90 of the Constitution of the Company and who, being eligible, offers herself for re-election as a Director of the Company**

7.1 Mr. Agarwal informed the Meeting that Ms. Euleen Goh, would be retiring under Article 90 of the Company's Constitution at the AGM, and that she was eligible for re-election and was willing to be re-elected as a Director of the Company. If re-elected, she would continue to serve as Chairman of the Board, as well as Chairman of the

Board Executive Committee, the Nominating Committee, and the Remuneration and Human Resource Committee.

- 7.2 Mr. Agarwal added that the Nominating Committee and Board (with Ms. Goh recusing herself from such determination) consider Ms. Goh to be an independent Director.
- 7.3 A shareholder, Mr. Low Chin-Tho, proposed the motion, after which Mr. Agarwal invited questions.
- 7.4 There being no questions, Mr. Agarwal put the motion to vote by poll. Shareholders holding 778,207,512 shares (representing 99.93% of votes) voted in favour of the motion, and shareholders holding 552,866 shares (representing 0.07% of votes) voted against the motion. Accordingly, Mr. Agarwal declared the motion carried.
- 7.5 Chairman thanked the shareholders for supporting her re-election, and took over the Chair of proceedings for the next Resolution 4.
8. **RESOLUTION 4: To re-elect Mr. Yap Chee Meng, who will retire by rotation in accordance with Article 90 of the Constitution of the Company and who, being eligible, offers himself for re-election as a Director of the Company**
- 8.1 Chairman informed the Meeting that Mr. Yap would be retiring under Article 90 of the Company's Constitution at the AGM, and that Mr. Yap was eligible for re-election and was willing to be re-elected as a Director of the Company. If re-elected, Mr. Yap would continue to serve as the Chairman of the Audit Committee, and a Member of the Board Risk and Safety Committee.
- 8.2 Chairman added that the Nominating Committee and Board (with Mr. Yap recusing himself from such determination) consider Mr. Yap to be an independent Director.
- 8.3 Chairman proposed the motion, and thereafter invited questions.
- 8.4 There being no questions, Chairman put the motion to vote by poll. Shareholders holding 777,220,900 shares (representing 99.84% of votes) voted in favour of the motion, and shareholders holding 1,271,288 shares (representing 0.16% of votes) voted against the motion. Accordingly, Chairman declared the motion carried.
9. **RESOLUTION 5: To re-elect Mr. Michael Kok Pak Kuan, who will retire by rotation in accordance with Article 90 of the Constitution of the Company and who, being eligible, offers himself for re-election as a Director of the Company**
- 9.1 Chairman informed the Meeting that Mr. Michael Kok would be retiring under Article 90 of the Company's Constitution at the AGM, and that Mr. Kok was eligible for re-election and was willing to be re-elected as a Director of the Company. If re-elected, Mr. Kok would continue to serve as a Member of the Board Executive Committee and the Remuneration and Human Resource Committee.
- 9.2 Chairman added that the Nominating Committee and the Board (with Mr. Kok recusing himself from such determination) consider Mr. Kok to be an independent Director.

- 9.3 Chairman proposed the motion and then invited questions.
- 9.4 There being no questions, Chairman put the motion to vote by poll. Shareholders holding 777,968,790 shares (representing 99.97% of votes) voted in favour of the motion, and shareholders holding 203,341 shares (representing 0.03% of votes) voted against the motion. Accordingly, Chairman declared the motion carried.
10. **RESOLUTION 6: To re-elect Ms. Jenny Lee Hong Wei, who will retire in accordance with Article 96 of the Constitution of the Company and who, being eligible, offers herself for re-election as a Director of the Company**
- 10.1 Chairman informed the Meeting that Ms. Jenny Lee would be retiring under Article 96 of the Company's Constitution at the AGM, and that Ms. Lee was eligible for re-election and was willing to be re-elected as a Director of the Company.
- 10.2 Chairman added that the Nominating Committee and the Board (with Ms. Lee recusing herself from such determination) consider Ms. Lee to be an independent Director.
- 10.3 Chairman proposed the motion, and invited questions.
- 10.4 There being no questions, Chairman put the motion to vote by poll. Shareholders holding 777,957,711 shares (representing 99.98% of votes) voted in favour of the motion, and shareholders holding 193,869 shares (representing 0.02% of votes) voted against the motion. Accordingly, Chairman declared the motion carried.
11. **RESOLUTION 7: To approve payment of Directors' fees of up to S\$1,300,000 for the financial year ending 31 March 2020**
- 11.1 Chairman informed the Meeting that the Company would like to seek the approval of shareholders for the payment of Directors' fees up to the amount of S\$1.3 million for the financial year ending 31 March 2020. Chairman added that there is no increase in the total amount of the fees from the previous financial year.
- 11.2 If approved, the motion would facilitate the timely payment of Directors' fees in arrears on a half-yearly basis during the financial year. The non-executive Directors will receive approximately 70% of their total Directors' fees for FY2019-20 in cash and approximately 30% in the form of ordinary shares of the Company. The non-executive Directors who have shares in the Company would abstain from voting on this Resolution.
- 11.3 A shareholder, Mr. Chang, proposed the motion. Chairman invited questions from the Meeting.
- 11.4 There being no questions, Chairman put the motion to vote by poll. Shareholders holding 777,607,867 shares (representing 99.97% of votes) voted in favour of the motion, and shareholders holding 243,191 shares (representing 0.03% of votes) voted against the motion. Accordingly, Chairman declared the motion carried.
12. **RESOLUTION 8: To re-appoint Messrs KPMG LLP as Auditors of the Company to hold office until the next Annual General Meeting and to authorise the Directors to fix their remuneration**



- 12.1 Chairman informed the Meeting that Resolution 8 was to re-appoint Messrs KPMG LLP as the Company's Auditors, and also to authorise the Directors to fix their remuneration. Messrs KPMG LLP, have expressed their willingness to continue in office.
- 12.2 Chairman proposed the motion and then invited questions.
- 12.3 There being no questions, Chairman put the motion to vote by poll. Shareholders holding 774,802,444 shares (representing 99.63% of votes) voted in favour of the motion, and shareholders holding 2,868,908 shares (representing 0.37% of votes) voted against the motion. Accordingly, Chairman declared the motion carried.

### **SPECIAL BUSINESS**

13. **RESOLUTION 9:** To grant authority to the Directors to issue additional shares and convertible instruments pursuant to Section 161 of the Companies Act
- 13.1 Chairman informed the Meeting that Resolution 9 (the full text of which was set out in the Notice of AGM) was a resolution to give flexibility and discretion to Directors to issue shares at short notice, for the benefit of the Company and its shareholders, for example, to raise funds, or to facilitate an equity exchange with a strategic party, or as consideration for an acquisition.
- 13.2 Chairman added that the Listing Manual and Article 58(2) of the Company's Constitution permit shareholders to give a mandate to Directors to issue shares not exceeding 50% of the Company's issued share capital (excluding treasury shares and subsidiary holdings). A sub-limit of 20% would apply if the shares were not issued on a *pro rata* basis to existing shareholders.
- 13.3 Chairman said that the approval sought was for a mandated sub-limit of 5% instead of 20% for shares not issued on a *pro rata* basis to existing shareholders, which the Board considered to be sufficient for the Company's present purposes. This authority given to Directors would expire at the conclusion of the next AGM.
- 13.4 Chairman proposed the motion. She then invited questions.
- 13.5 There being no questions, Chairman put the motion to vote by poll. Shareholders holding 759,754,915 shares (representing 97.92% of votes) voted in favour of the motion, and shareholders holding 16,167,269 shares (representing 2.08% of votes) voted against the motion. Accordingly, Chairman declared the motion carried.

14. **RESOLUTION 10:** To approve the proposed alterations to the SATS Restricted Share Plan and to grant authority to the Directors to grant awards and issue shares in accordance with the provisions of the SATS Performance Share Plan and the SATS Restricted Share Plan (as proposed to be altered)
- 14.1 Chairman informed the Meeting that Resolution 10 (the full text of which was set out in the Notice of AGM) was to (a) approve the alterations to the SATS Restricted Share Plan (“**RSP**”) as proposed in the Company’s Letter to Shareholders to permit grants of fully paid shares to be made to non-executive Directors of the Company as part of their remuneration in respect of their office as such in lieu of cash, in order to improve the alignment of the interests of the non-executive Directors with the interests of shareholders; and (b) empower the Directors to grant awards under the SATS Performance Share Plan (“**PSP**”, and collectively with the RSP, the “**Share Plans**”) and the RSP (as altered), as well as to issue shares that may be required to be issued pursuant to these Share Plans.
- 14.2 Chairman informed the Meeting that the awards of shares to the non-executive Directors will have no performance conditions attached and no vesting periods imposed. Chairman added that the Resolution provided that the number of new shares which may be issued under both Share Plans and pursuant to the exercise of options granted under the SATS Employee Share Option Plan (“**ESOP**”) was limited to 15% of the Company’s issued share capital (excluding treasury shares and subsidiary holdings). Chairman highlighted that in relation to the ESOP, the final grant of share options was made on 1 July 2008. Chairman informed the Meeting that the Resolution also provided that the number of shares under awards which may be granted pursuant to the Share Plans from this Meeting until the next AGM would not exceed 1% of the Company’s issued share capital (excluding treasury shares and subsidiary holdings).
- 14.3 Chairman said that all shareholders who were eligible to participate in any of the Share Plans should abstain from voting on this Resolution. Chairman added that all Directors who were eligible to participate in the RSP would also abstain from voting on Resolution 10.
- 14.4 A shareholder proposed the motion. Chairman then invited questions.
- 14.5 A shareholder, Mr. Matthew, commented that 15% of the company’s issued share capital amount was a substantial amount in value (based on the Company’s current market capitalisation). Chairman clarified that the 15% limit was the maximum amount which could be issued over the life of the Share Plans, and the total number of shares which could be awarded under the Share Plans from this AGM until the next AGM was actually 1% of total issued share capital of the Company.
- 14.6 There being no further questions, Chairman put the motion to vote by poll. Shareholders holding 713,317,085 shares (representing 93.23% of votes) voted in favour of the motion, and shareholders holding 51,778,433 shares (representing 6.77% of votes) voted against the motion. Accordingly, Chairman declared the motion carried.

**15. RESOLUTION 11: To approve the proposed renewal of the Mandate for Interested Person Transactions**

- 15.1 Chairman informed the Meeting that Resolution 11 (the full text of which is set out in the Notice of AGM) was to renew the Mandate for Interested Person Transactions (“**IPT Mandate**”), with Temasek Holdings (Private) Limited (“**Temasek**”) and its associates, which had been approved by the shareholders of the Company at the Extraordinary General Meeting (“**EGM**”) held on 19 July 2003, and modified and renewed in subsequent years. The IPT Mandate was last renewed at the AGM held on 19 July 2018. Chairman explained that as the IPT Mandate would expire at the conclusion of the Meeting, the Directors were seeking the shareholders’ approval to renew the IPT Mandate for another year. Chairman highlighted that more details of the IPT Mandate were set out in the Company’s Letter to Shareholders.
- 15.2 Chairman added that Temasek and its associates are regarded as Interested Persons under the IPT Mandate, and would abstain from voting on this Resolution.
- 15.3 Chairman proposed the motion, and thereafter invited questions.
- 15.4 There being no questions, Chairman put the motion to vote by poll. Shareholders holding 327,988,859 shares (representing 99.56% of votes) voted in favour of the motion, and shareholders holding 1,459,134 shares (representing 0.44% of votes) voted against the motion. Accordingly, Chairman declared the motion carried.

**16. RESOLUTION 12: To approve the proposed renewal of the Share Purchase Mandate**

- 16.1 Chairman informed the Meeting that Resolution 12 was a proposal by the Company to renew the mandate from shareholders to acquire or purchase its issued shares. Chairman explained that this mandate would allow the Company to hold the repurchased shares in treasury for the Company’s employee share plans, so that such plans will not have any dilutive effect to the extent that no new shares are issued. Chairman added that such a mandate would also provide greater flexibility for the Company to manage its capital and maximise returns to its shareholders, as well as improve the ROE of the Company.
- 16.2 Chairman informed the Meeting that the limit on the number of shares which may be purchased or acquired under this mandate is 2% of the Company’s current issued share capital (excluding treasury shares and subsidiary holdings), and that, if approved by shareholders, the mandate will continue until the next AGM of the Company, or until it is varied or revoked by the Company in a general meeting, or until purchases or acquisitions have been carried out to the full extent mandated. Chairman highlighted that more details of the mandate were set out in the Company’s Letter to Shareholders.
- 16.3 Chairman proposed the motion, and then invited questions from the Meeting.
- 16.4 A shareholder, Mr. Louis Lee, asked (1) how many treasury shares does the Company currently hold; (2) how many treasury shares were repurchased in the last financial year, and the repurchase price; and (3) what were the purposes for these share repurchases. In response to the first two questions, Mr. Seah (referring to page

140 of the Annual Report) informed shareholders that the Company presently held approximately 9.7 million treasury shares, and approximately 5.9 million were repurchased in FY18/19, at a price range of about S\$4.50 to S\$4.90. In response to the last question, Chairman explained that the share repurchases in the past have been used for issuance to employees under the Share Plans and the ESOP. The Company has not used treasury shares as investment consideration so far.

- 16.5 There being no further questions, Chairman put the motion to vote by poll. Shareholders holding 770,502,559 shares (representing 99.84% of votes) voted in favour of the motion, and shareholders holding 1,266,194 shares (representing 0.16% of votes) voted against the motion. Accordingly, Chairman declared the motion carried.

## **17. CONCLUSION OF MEETING**

- 17.1 Chairman declared that the formal business of the Meeting had concluded and declared the 46<sup>th</sup> Annual General Meeting closed. Chairman thanked those present for their attendance at the Meeting.

The Meeting concluded at 12.55 PM.

Approved by:

Euleen Goh  
Chairman  
SATS Ltd.