

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 41st Annual General Meeting of SATS Ltd. (the “**Company**”) will be held at the Marina Mandarin Ballroom, Level 1, Marina Mandarin Singapore, 6 Raffles Boulevard, Marina Square, Singapore 039594, on Wednesday 23 July 2014 at 11.00 a.m. to transact the following business:

ORDINARY BUSINESS

1. To receive and adopt the Directors’ Report and Audited Financial Statements for the financial year ended 31 March 2014 and the Auditor’s Report thereon.
2. To declare a final ordinary tax-exempt (one-tier) dividend of 8 cents per share for the financial year ended 31 March 2014.
3. To re-appoint Mr David Zalmon Baffsky as a Director of the Company pursuant to Section 153(6) of the Companies Act, Chapter 50 of Singapore (the “**Companies Act**”), to hold such office from the date of this Annual General Meeting until the next Annual General Meeting.
4. To re-appoint Mr Nihal Vijaya Devadas Kaviratne CBE as a Director of the Company pursuant to Section 153(6) of the Companies Act, to hold such office from the date of this Annual General Meeting until the next Annual General Meeting.
5. To re-elect Mr Leo Yip Seng Cheong, who will retire by rotation in accordance with Article 83 of the Company’s Articles of Association and who, being eligible, will offer himself for re-election as a Director of the Company.
6. To re-elect Mr Koh Poh Tiong, who will retire by rotation in accordance with Article 83 of the Company’s Articles of Association and who, being eligible, will offer himself for re-election as a Director of the Company.
7. To re-elect Ms Euleen Goh Yiu Kiang, who will retire in accordance with Article 90 of the Company’s Articles of Association and who, being eligible, will offer herself for re-election as a Director of the Company.
8. To re-elect Mr Yap Chee Meng, who will retire in accordance with Article 90 of the Company’s Articles of Association and who, being eligible, will offer himself for re-election as a Director of the Company.
9. To re-appoint Messrs Ernst & Young LLP as Auditors of the Company to hold office until the next Annual General Meeting and to authorise the Directors to fix their remuneration.
10. To approve payment of Directors’ fees of up to S\$1,300,000 for the financial year ending 31 March 2015 (2014: up to S\$1,300,000).

SPECIAL BUSINESS

To consider and, if thought fit, to pass, with or without modifications, the following resolutions as Ordinary Resolutions:

11. That authority be and is hereby given to the Directors of the Company to:

- (a) (i) issue shares in the capital of the Company (“**shares**”) whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instruments made or granted by the Directors while this Resolution was in force,

provided that:

- (i) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50 percent of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (ii) below), of which the aggregate number of shares to be issued other than on a *pro rata* basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 5 percent of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (ii) below);
- (ii) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited (“SGX-ST”)) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (i) above, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time this Resolution is passed, after adjusting for:
 - (aa) new shares arising from the conversion or exercise of any convertible securities or employee share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and
 - (bb) any subsequent bonus issue, consolidation or subdivision of shares;
- (iii) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association of the Company; and
- (iv) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

12. That:

- (a) (i) pursuant to rule 14.1 of the rules of the SATS Performance Share Plan (“**Performance Share Plan**”), the extension of the duration of the Performance Share Plan for a period of 10 years from 19 July 2015 to 18 July 2025 (both dates inclusive) be and is hereby approved; and
- (ii) pursuant to rule 14.1 of the rules of the SATS Restricted Share Plan (“**Restricted Share Plan**”), the extension of the duration of the Restricted Share Plan for a period of 10 years from 19 July 2015 to 18 July 2025 (both dates inclusive) be and is hereby approved; and
- (b) the Directors be and are hereby authorised to:
 - (i) grant awards in accordance with the provisions of the Performance Share Plan and/or the Restricted Share Plan; and
 - (ii) allot and issue from time to time such number of ordinary shares in the capital of the Company (“**Shares**”) as may be required to be issued pursuant to the exercise of options under the SATS Employee Share Option Plan (“**Share Option Plan**”) and/or such number of fully paid Shares as may be required to be issued pursuant to the vesting of awards under the Performance Share Plan and/or the Restricted Share Plan (the Share Option Plan, the Performance Share Plan and the Restricted Share Plan, together the “**Share Plans**”),

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provided that:

- (aa) the aggregate number of new Shares to be allotted and issued pursuant to the Share Plans shall not exceed 15 percent of the total number of issued Shares (excluding treasury shares) from time to time; and
- (bb) the aggregate number of Shares under awards to be granted pursuant to the Performance Share Plan and or the Restricted Share Plan during the period commencing from the date of this Annual General Meeting of the Company and ending on the date of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier, shall not exceed 1 percent of the total number of issued Shares (excluding treasury shares) from time to time.

13. That:

- (a) approval be and is hereby given, for the purposes of Chapter 9 of the Listing Manual ("**Chapter 9**") of the SGX-ST, for the Company, its subsidiaries and associated companies that are entities at risk (as that term is used in Chapter 9), or any of them, to enter into any of the transactions falling within the types of interested person transactions described in the Appendix to the Letter to Shareholders dated 25 June 2014 (the "**Letter to Shareholders**") with any party who is of the class of interested persons described in the Appendix to the Letter to Shareholders, provided that such transactions are made on normal commercial terms and in accordance with the review procedures for such interested person transactions;
- (b) the approval given in paragraph (a) above (the "**IPT Mandate**") shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company; and
- (c) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary or in the interests of the Company to give effect to the IPT Mandate and/or this Resolution.

14. That:

- (a) for the purposes of Sections 76C and 76E of the Companies Act, the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued Shares not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price or prices as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereafter defined), whether by way of:
 - (i) market purchase(s) on the SGX-ST; and/or
 - (ii) off-market purchase(s) (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors of the Company as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws and regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Purchase Mandate**");

- (b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate may be exercised by the Directors of the Company at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:
 - (i) the date on which the next Annual General Meeting of the Company is held;
 - (ii) the date by which the next Annual General Meeting of the Company is required by law to be held; and
 - (iii) the date on which purchases and acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated;

(c) in this Resolution:

"Maximum Limit" means that number of issued Shares representing 2 percent of the issued Shares as at the date of the passing of this Resolution (excluding any Shares which are held as treasury shares as at that date); and

"Maximum Price" in relation to a Share to be purchased or acquired, means the purchase price (excluding related brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) which shall not exceed, in the case of both a market purchase of a Share and an off-market purchase of a Share, 105 percent of the Average Closing Price of the Shares;

where:

"Average Closing Price" means the average of the last dealt prices of a Share for the five consecutive trading days on which the Shares are transacted on the SGX-ST immediately preceding the date of the market purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the off-market purchase, and deemed to be adjusted in accordance with the listing rules of the SGX-ST for any corporate action that occurs after the relevant five-day period; and

"date of the making of the offer" means the date on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from holders of Shares, stating therein the purchase price (which shall not be more than the Maximum Price calculated on the basis set out herein) for each Share and the relevant terms of the equal access scheme for effecting the off-market purchase; and

(d) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution.

15. To transact any other business which may arise and can be transacted at an Annual General Meeting.

BY ORDER OF THE BOARD

Prema d/o K Subramaniam
Company Secretary

Dated this 25th day of June 2014
Singapore

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EXPLANATORY NOTES

1. (a) In relation to Ordinary Resolution No. 3, Mr David Zalmon Baffsky will be retiring from office at the Annual General Meeting pursuant to Section 153 of the Companies Act, and will be standing for re-appointment at the Annual General Meeting. Please refer to the sections on “Board of Directors” and “Corporate Governance” in the SATS Annual Report for FY2013-14 for more information relating to Mr Baffsky. Mr Baffsky will, upon re-appointment, continue to serve as the Chairman of the Nominating Committee and a member of the Remuneration and Human Resource Committee. Mr Baffsky is considered to be an independent Director.
 - (b) In relation to Ordinary Resolution No. 4, Mr Nihal Vijaya Devadas Kaviratne CBE has attained the age of 70 years in March 2014 and his office as a Director of the Company will be vacated at the forthcoming Annual General Meeting pursuant to Section 153(2) of the Companies Act. Mr Kaviratne will be standing for re-appointment at the Annual General Meeting pursuant to Section 153(6) of the Companies Act. Please refer to the sections on “Board of Directors” and “Corporate Governance” in the SATS Annual Report for FY2013-14 for more information relating to Mr Kaviratne. Mr Kaviratne will, upon re-appointment, continue to serve as a member of the Audit Committee and Board Risk and Safety Committee. Mr Kaviratne is considered to be an independent Director.
 - (c) In relation to Ordinary Resolution No. 5, Mr Leo Yip Seng Cheong will be retiring from office at the Annual General Meeting pursuant to Article 83 of the Company’s Articles of Association, and will be standing for re-election at the Annual General Meeting. Please refer to the sections on “Board of Directors” and “Corporate Governance” in the SATS Annual Report for FY2013-14 for more information relating to Mr Yip. Mr Yip is a member of the Nominating Committee and Remuneration and Human Resource Committee. Mr Yip is considered to be an independent Director.
 - (d) In relation to Ordinary Resolution No. 6, Mr Koh Poh Tiong will be retiring from office at the Annual General Meeting pursuant to Article 83 of the Company’s Articles of Association, and will be standing for re-election at the Annual General Meeting. Please refer to the sections on “Board of Directors” and “Corporate Governance” in the SATS Annual Report for FY2013-14 for more information relating to Mr Koh. Mr Koh is a member of the Audit Committee and the Remuneration and Human Resource Committee. Mr Koh is considered to be an independent Director.
 - (e) In relation to Ordinary Resolution No. 7, Ms Euleen Goh Yiu Kiang will be retiring from office at the Annual General Meeting pursuant to Article 90 of the Company’s Articles of Association, and will be standing for re-election at the Annual General Meeting. Please refer to the sections on “Board of Directors” and “Corporate Governance” in the SATS Annual Report for FY2013-14 for more information relating to Ms Goh. Ms Goh is the Chairman of the Audit Committee and a member of the Board Executive Committee. Ms Goh is considered to be an independent Director.
 - (f) In relation to Ordinary Resolution No. 8, Mr Yap Chee Meng will be retiring from office at the Annual General Meeting pursuant to Article 90 of the Company’s Articles of Association, and will be standing for re-election at the Annual General Meeting. Please refer to the sections on “Board of Directors” and “Corporate Governance” in the SATS Annual Report for FY2013-14 for more information relating to Mr Yap. Mr Yap is the Chairman of the Board Risk and Safety Committee. Mr Yap is considered to be an independent Director.
 - (g) Mr David Heng Chen Seng and Mr Keith Tay Ah Kee have elected to retire from office at the 41st Annual General Meeting.
2. Ordinary Resolution No. 10 is to approve the payment of an aggregate sum of up to S\$1,300,000 as Directors’ remuneration for the Directors of the Company for the current financial year (“**FY2014-15**”). If approved, the proposal will facilitate the payment of Directors’ remuneration during the financial year in which such fees are incurred. The amount of Directors’ remuneration has been computed on the basis of the anticipated number of Board and Board Committee meetings for FY2014-15, assuming attendance in person by all the Directors at such meetings, at the scale of fees set out in the section on “Corporate Governance” in the SATS Annual Report for FY2013-14, and also caters for additional fees (if any) which may be payable due to additional Board or Board Committee members being appointed in the course of FY2014-15. If, for unforeseen reasons, payments are required to be made to the Directors in excess of the amount proposed, the Company will revert to shareholders for approval at the subsequent Annual General Meeting before any such payments are made.

3. Ordinary Resolution No. 11, if passed, will empower Directors to issue shares, make or grant instruments convertible into shares and to issue shares pursuant to such instruments, from the date of this Annual General Meeting until the date of the next Annual General Meeting. The number of shares which the Directors may issue under this Ordinary Resolution will not exceed 50 percent of the issued shares (excluding treasury shares) in the capital of the Company with a sub-limit of 5 percent for issues other than on a *pro rata* basis. The 5 percent sub-limit for non-*pro rata* issues is lower than the 20 percent sub-limit allowed under the Listing Manual of the SGX-ST and the Articles of Association of the Company. For the purpose of determining the aggregate number of shares which may be issued, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time this Ordinary Resolution is passed, after adjusting for (a) new shares arising from the conversion or exercise of any convertible instruments or share options or vesting of share awards which are outstanding at the time this Ordinary Resolution is passed and (b) any subsequent bonus issue, consolidation or subdivision of shares.
4. Ordinary Resolution No. 12 is to:
 - (a) approve an extension of the duration of each of the Performance Share Plan and the Restricted Share Plan for a further period of 10 years from 19 July 2015 to 18 July 2025 (both dates inclusive); and
 - (b) empower the Directors to grant awards pursuant to the Performance Share Plan and/or Restricted Share Plan and to allot and issue Shares pursuant to the Share Option Plan, Performance Share Plan and Restricted Share Plan, provided that:
 - (i) the aggregate number of new Shares which may be issued under the Share Option Plan, Performance Share Plan and Restricted Share Plan is limited to 15 percent of the total number of issued Shares (excluding treasury shares) from time to time; and
 - (ii) the aggregate number of Shares under awards which may be granted pursuant to the Performance Share Plan and/or the Restricted Share Plan from this Annual General Meeting to the next Annual General Meeting shall not exceed 1 percent of the total number of issued Shares (excluding treasury shares) from time to time.

The Share Option Plan was adopted by the Company in February 2000 and the last grant of options thereunder was made on 1 July 2008. The Performance Share Plan and Restricted Share Plan were adopted at an Extraordinary General Meeting of the Company held on 19 July 2005 for an initial duration of up to a maximum period of 10 years from the date of adoption. The Performance Share Plan and Restricted Share Plan are accordingly due to expire on 18 July 2015. Under the rules of the Performance Share Plan and Restricted Share Plan, each of the Performance Share Plan and Restricted Share Plan may continue beyond 18 July 2015 with the approval of the Company's shareholders by ordinary resolution in general meeting and of any relevant authorities which may be required. Please refer to the Letter to Shareholders for more details.

5. Ordinary Resolution No. 13 is to renew the mandate to allow the Company, its subsidiaries and associated companies that are entities at risk (as the term is used in Chapter 9 of the Listing Manual) or any of them, to enter into certain interested person transactions with certain classes of interested persons as described in the Letter to Shareholders. The authority will, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company. Please refer to the Letter to Shareholders for more details.
6. Ordinary Resolution No. 14 is to renew the mandate to allow the Company to purchase or otherwise acquire Shares, on the terms and subject to the conditions set out in the Resolution.

The Company intends to use its internal sources of funds, external borrowings, or a combination of internal resources and external borrowings to finance the purchases or acquisitions of its Shares. The amount of financing required for the Company to purchase or acquire its Shares, and the impact on the Company's financial position, cannot be ascertained as at the date of this Notice as these will depend on the number of Shares purchased or acquired, the price at which such Shares were purchased or acquired and whether the Shares purchased or acquired are held in treasury or cancelled.

Based on the existing issued Shares as at 28 May 2014 (the "**Latest Practicable Date**"), the purchase by the Company of 2 percent of its issued Shares (excluding Shares which are held as treasury Shares) will result in the purchase or acquisition of a maximum number of 22,391,327 Shares.

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In the case of both market purchases and off-market purchases by the Company and assuming that the Company purchases or acquires the maximum number of 22,391,327 Shares at the maximum price of S\$3.28 for one Share (being the price equivalent to 5 percent above the average closing prices of the Shares for the five consecutive market days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase of 22,391,327 Shares is approximately S\$73,443,552.56.

The financial effects of the purchase or acquisition of such Shares by the Company pursuant to the proposed Share Purchase Mandate on the audited financial statements of the Company and the Company and its subsidiaries for the financial year ended 31 March 2014, based on certain assumptions, are set out in paragraph 4.7 of the Letter to Shareholders.

Please refer to the Letter to Shareholders for more details.

NOTES

1. A member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. The instrument appointing a proxy must be deposited at the office of the Company's Share Registrar, M & C Services Private Limited, 112 Robinson Road #05-01, Singapore 068902, not less than 48 hours before the time appointed for the Annual General Meeting.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

CLOSURE OF BOOKS

NOTICE IS HEREBY GIVEN that, subject to the approval of shareholders of the proposed final dividend being obtained at the 41st Annual General Meeting of the Company to be held on 23 July 2014, the Transfer Books and Register of Members of the Company will be closed on 4 August 2014 for the preparation of dividend warrants.

Duly completed and stamped transfers together with all relevant documents of or evidencing title received by the Company's Share Registrar, M & C Services Private Limited, at 112 Robinson Road #05-01, Singapore 068902, up to 5.00 p.m. on 1 August 2014 will be registered to determine shareholders' entitlements to the proposed final dividend. Subject as aforesaid, persons whose securities accounts with The Central Depository (Pte) Limited are credited with ordinary shares in the capital of the Company as at 5.00 p.m. on 1 August 2014 will be entitled to the proposed final dividend.

The proposed final dividend, if approved by shareholders, will be paid on 13 August 2014.