

# Notice of Annual General Meeting

SATS Ltd.

(Incorporated in the Republic of Singapore)

Company Registration No. 197201770G

**NOTICE IS HEREBY GIVEN** that the 47<sup>th</sup> Annual General Meeting of SATS Ltd. (the “**Company**”) will be convened and held by way of electronic means on Thursday, 24 September 2020 at 11.00 a.m. (Singapore time) to transact the following business:

## Ordinary Business

1. To receive and adopt the Directors’ Statement and Audited Financial Statements for the financial year ended 31 March 2020 and the Auditors’ Report thereon.
2. To re-elect Mr Yap Kim Wah, 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.
3. To re-elect Mr Achal Agarwal, 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.
4. To re-elect Mr Chia Kim Huat, 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.
5. To re-elect Ms Jessica Tan Soon Neo, 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.
6. To approve payment of Directors’ fees of up to S\$1,200,000 for the financial year ending 31 March 2021 (2020: up to S\$1,300,000).
7. 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.

## Special Business

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

8. That authority be and is hereby given to the Directors of the Company to:
  - (a) (i) issue shares 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 and subsidiary holdings) (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 and subsidiary holdings) (as calculated in accordance with sub-paragraph (ii) below);

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(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 and subsidiary holdings) 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 were issued and are outstanding or subsisting at the time this Resolution is passed; and

(bb) any subsequent bonus issue, consolidation or subdivision of Shares,

and, in sub-paragraph (i) above and this sub-paragraph (ii), “**subsidiary holdings**” has the meaning given to it in the Listing Manual of the SGX-ST;

(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 Constitution 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.

9. That the Directors of the Company be and are hereby authorised to:

(a) grant awards in accordance with the provisions of the SATS Performance Share Plan and/or the SATS Restricted Share Plan; and

(b) allot and issue from time to time such number of ordinary shares of the Company (“**Shares**”) as may be required to be issued pursuant to the vesting of awards under the SATS Performance Share Plan and/or the SATS Restricted Share Plan,

provided that:

(i) the aggregate number of new Shares to be allotted and issued pursuant to the SATS Performance Share Plan, the SATS Restricted Share Plan and the SATS Employee Share Option Plan shall not exceed 15 percent of the total number of issued Shares (excluding treasury shares and subsidiary holdings) from time to time; and

(ii) the aggregate number of Shares under awards to be granted pursuant to the SATS Performance Share Plan and/or the SATS 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 and subsidiary holdings) from time to time,

and in this Resolution, “**subsidiary holdings**” has the meaning given to it in the Listing Manual of the Singapore Exchange Securities Trading Limited.

10. That:

(a) approval be and is hereby given, for the purposes of Chapter 9 of the Listing Manual (“**Chapter 9**”) of the Singapore Exchange Securities Trading Limited, 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 26 August 2020 (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 and/or he may consider expedient or necessary or in the interests of the Company to give effect to the IPT Mandate and/or this Resolution.

11. That:

(a) for the purposes of Sections 76C and 76E of the Companies Act, Chapter 50 of Singapore (the “**Companies Act**”), the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued ordinary shares of the Company (“**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 Singapore Exchange Securities Trading Limited (“**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 treasury shares and subsidiary holdings (as defined in the Listing Manual of the SGX-ST)); 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 during the relevant five-day period and 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

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“**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 or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Resolution.

BY ORDER OF THE BOARD

**Prema d/o K Subramaniam**  
Company Secretary

Singapore, 26 August 2020

## Explanatory Notes

- (a) In relation to Ordinary Resolution No. 2, Mr Yap Kim Wah will be retiring from office at the Annual General Meeting pursuant to Article 90 of the Constitution of the Company, and will be standing for re-election at the Annual General Meeting. Mr Yap will, upon re-election, continue to serve as a member of the Audit Committee and a member of the Board Risk and Safety Committee. Mr Yap is considered an independent Director.

(b) In relation to Ordinary Resolution No. 3, Mr Achal Agarwal will be retiring from office at the Annual General Meeting pursuant to Article 90 of the Constitution of the Company, and will be standing for re-election at the Annual General Meeting. Mr Agarwal will, upon re-election, continue to serve as a member of the Board Executive Committee and a member of the Remuneration and Human Resource Committee. Mr Agarwal is considered an independent Director.

(c) In relation to Ordinary Resolution No. 4, Mr Chia Kim Huat will be retiring from office at the Annual General Meeting pursuant to Article 90 of the Constitution of the Company, and will be standing for re-election at the Annual General Meeting. Mr Chia will, upon re-election, continue to serve as a member of the Nominating Committee and a member of the Board Risk and Safety Committee. Mr Chia is considered an independent Director.

(d) In relation to Ordinary Resolution No. 5, Ms Jessica Tan Soon Neo will be retiring from office at the Annual General Meeting pursuant to Article 90 of the Constitution of the Company, and will be standing for re-election at the Annual General Meeting. Ms Tan will, upon re-election, continue to serve as a member of the Nominating Committee and a member of the Audit Committee. Ms Tan is considered an independent Director.

Detailed information on these Directors (including information as set out in Appendix 7.4.1 of the Listing Manual of the Singapore Exchange Securities Trading Limited) can be found in the section on “Additional information on Directors seeking re-election” in the SATS Annual Report for the financial year ended 31 March 2020.

- Ordinary Resolution No. 6 is to approve the payment of an aggregate sum of up to S\$1,200,000 as Directors’ fees for the non-executive Directors of the Company for the current financial year ending 31 March 2021 (“**FY2020-21**”). Although the scale of fees for the non-executive Directors remains unchanged from the last financial year ended 31 March 2020 (“**FY2019-20**”), there is a reduction of S\$100,000 in the amount of the proposed Directors’ fees for FY2020-21 as compared to FY2019-20, to take into account the voluntary 15% reduction in Directors’ fees with effect from 1 March 2020, which the Company had announced on 9 March 2020 as part of a series of cost-saving measures taken in view of the impact of the COVID-19 pandemic on its business.

The proposed fees for FY2020-21, if approved, will facilitate the payment of Directors’ fees during or soon after the financial year in which such fees are incurred. The amount of Directors’ fees has been computed on the basis of the anticipated number of Board and Board Committee meetings for FY2020-21, assuming attendance by all the Directors at such meetings, and also caters for additional fees (if any) which may be payable due to additional board representations on the Company’s subsidiary(ies) and/or joint ventures, or to additional Board or Board Committee members being appointed in the course of FY2020-21. 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 next Annual General Meeting in the year 2021 (the “**2021 AGM**”) before any such payments are made.

If approved, each of the non-executive Directors (including the Chairman) will receive approximately 70 percent of his/her total Directors’ fees for FY2020-21 in cash and approximately 30 percent in the form of ordinary shares of the Company (“**Shares**”) (FY2019-20: 70 percent in cash and 30 percent in Shares).

The Share component of the Directors’ fees for FY2020-21 is intended to be paid out in the form of awards under the SATS Restricted Share Plan. The awards will consist of fully paid Shares with no performance conditions attached and no vesting periods imposed. However, the non-executive Directors will be required to retain a base shareholding worth up to one year’s retainer fee for as long as he/she is on the Board of the Company, and for a period of one year after stepping down as a Director, in order to better align the interests of non-executive Directors with the interests of shareholders. A non-executive Director who steps down before the payment of the Share component of his/her fees will receive all of his/her fees (calculated on a pro-rated basis, where applicable) in cash. Further details regarding the Directors’ fees can be found under the heading “Non-Executive Directors Remuneration” in the Corporate Governance Report in the SATS Annual Report for FY2019-20.

The cash component of the Directors’ fees for FY2020-21 is intended to be paid half-yearly in arrears. The current intention is for the Share component of the Directors’ fees for FY2020-21 to be paid after the 2021 AGM has been held. The actual number of Shares to be awarded will be determined by reference to the volume-weighted average price of a Share on the Singapore Exchange Securities Trading Limited over the 10 trading days after the 2021 AGM, rounded down to the nearest hundred Shares, and any residual balance will be settled in cash.

The non-executive Directors will abstain from voting his/her holding of Shares (if any), and will procure that their respective associates abstain from voting their respective holdings of Shares (if any), in respect of this Resolution. The Chairman of the Meeting will accept appointment as proxy for any other shareholder to vote in respect of this Resolution, where such shareholder has given specific instructions in a validly completed and submitted instrument appointing a proxy as to voting, or abstentions from voting, in respect of this Resolution.

- Ordinary Resolution No. 8, if passed, will empower the 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 Resolution will not exceed 50 percent of the issued Shares (excluding treasury shares and subsidiary holdings) 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. 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 and subsidiary holdings) at the time this 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 were issued and are outstanding at the time this Resolution is passed and (b) any subsequent bonus issue, consolidation or subdivision of Shares. As at 28 July 2020, the Company had 6,402,355 treasury shares and no subsidiary holdings.
- Ordinary Resolution No. 9 is to empower the Directors to grant awards and to allot and issue Shares pursuant to the SATS Performance Share Plan and/or the SATS Restricted Share Plan, provided that:

  - the aggregate number of new Shares which may be issued under the SATS Performance Share Plan, the SATS Restricted Share Plan and the SATS Employee Share Option Plan is limited to 15 percent of the total number of issued Shares (excluding treasury shares and subsidiary holdings) from time to time; and
  - the aggregate number of Shares under awards which may be granted pursuant to the SATS Performance Share Plan and/or the SATS 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 and subsidiary holdings) from time to time.

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The SATS Employee 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 SATS Performance Share Plan and the SATS Restricted Share Plan were adopted at an Extraordinary General Meeting of the Company held on 19 July 2005 for an initial duration of 10 years and subsequently at the Annual General Meeting held on 23 July 2014, were extended for a further period of 10 years up to 18 July 2025. The SATS Restricted Share Plan was altered at the Annual General Meeting held on 18 July 2019 to (*inter alia*) permit grants of fully paid Shares to be made to the non-executive Directors of the Company as part of their remuneration in respect of their office as such in lieu of cash.

5. Ordinary Resolution No. 10 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 of the Singapore Exchange Securities Trading Limited) 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. 11 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 July 2020 (the "**Latest Practicable Date**"), the purchase by the Company of 2 percent of its issued Shares (excluding treasury shares and subsidiary holdings) will result in the purchase or acquisition of a maximum number of 22,353,078 Shares.

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 22,353,078 Shares at the Maximum Price of S\$3.01 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 22,353,078 Shares is approximately S\$67,282,765.

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 2020, based on certain assumptions, are set out in paragraph 3.7.4 of the Letter to Shareholders dated 26 August 2020 (the "**Letter to Shareholders**").

Please refer to the Letter to Shareholders for more details.

## Notes:

1. The Annual General Meeting is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of this Notice will not be sent to members. Instead, this Notice will be sent to members by electronic means via publication on the Company's website at the URL <https://www.sats.com.sg/AGM2020>. This Notice will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.
2. Alternative arrangements relating to attendance at the Annual General Meeting via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the Meeting in advance of the Annual General Meeting, addressing of substantial and relevant questions at the Annual General Meeting and voting by appointing the Chairman of the Meeting as proxy at the Annual General Meeting, are set out in the accompanying Company's announcement dated 26 August 2020. This announcement may be accessed at the Company's website at the URL <https://www.sats.com.sg/AGM2020>, and will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.

3. **Due to the current COVID-19 situation in Singapore, a member will not be able to attend the Annual General Meeting in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Annual General Meeting if such member wishes to exercise his/her/its voting rights at the Annual General Meeting.** The accompanying proxy form for the Annual General Meeting may be accessed at the Company's website at the URL <https://www.sats.com.sg/AGM2020>, and will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>. A member may also appoint the Chairman of the Meeting as his/her/its proxy via the pre-registration website at the URL <https://www.sats.com.sg/AGM2020>.

Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the instrument appointing a proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

CPF and SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 pm on 14 September 2020.

4. The Chairman of the Meeting, as proxy, need not be a member of the Company.
5. The instrument appointing the Chairman of the Meeting as proxy must be submitted to the Company in the following manner:
  - (a) if submitted by post, be lodged at the office of the Company's Share Registrar, M & C Services Private Limited, at 112 Robinson Road #05-01, Singapore 068902; or
  - (b) if submitted electronically:
    - (i) be submitted via email to the Company's Share Registrar at [gpe@mncsingapore.com](mailto:gpe@mncsingapore.com); or
    - (ii) be submitted via the pre-registration website at the URL <https://www.sats.com.sg/AGM2020>,

in each case not less than 72 hours before the time appointed for holding the Annual General Meeting.

A member who wishes to submit an instrument appointing a proxy by post or via email must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

**Due to the current COVID-19 situation in Singapore, members are strongly encouraged to submit completed instruments appointing a proxy electronically via email or via the pre-registration website at the URL <https://www.sats.com.sg/AGM2020>.**

6. The Annual Report 2019-20 and the Letter to Shareholders dated 26 August 2020 (in relation to the proposed renewal of the mandate for interested person transactions and the proposed renewal of the share purchase mandate) may be accessed at the Company's website as follows:
  - (a) the Annual Report 2019-20 may be accessed at the URL <https://www.sats.com.sg/AGM2020>; and
  - (b) the Letter to Shareholders dated 26 August 2020 may be accessed at the URL <https://www.sats.com.sg/AGM2020>.

The above documents will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.

## Personal Data Privacy

By submitting an instrument appointing the Chairman of the Meeting as proxy to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of the appointment of the Chairman of the Meeting as proxy 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 or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines.