

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt about the contents of this Circular or the action you should take, you should consult your stockbroker or other professional adviser immediately.

The Singapore Exchange Securities Trading Limited ("**SGX-ST**") assumes no responsibility whatsoever for the correctness and accuracy of any statements made, opinions expressed or reports contained in this Circular.

If you have sold or transferred all your shares in the capital of PEC Ltd., you should immediately hand this Circular and the enclosed Proxy Form to the purchaser or transferee or to the bank, stockbroker or agent through whom the sale or transfer was effected for onward transmission to the purchaser or the transferee.



PEC LTD.

(Company Registration No. 198200079M)
(Incorporated in the Republic of Singapore on 8 January 1982)

**CIRCULAR TO SHAREHOLDERS
IN RELATION TO**

- (1) THE PROPOSED GRANT OF AWARD OF UP TO 164,794 SHARES TO A CONTROLLING SHAREHOLDER UNDER THE PEC PERFORMANCE SHARE PLAN**
- (2) THE PROPOSED GRANT OF AWARD OF UP TO 164,794 SHARES TO AN ASSOCIATE OF A CONTROLLING SHAREHOLDER UNDER THE PEC PERFORMANCE SHARE PLAN**
- (3) THE PROPOSED EXTENSION OF THE PEC PERFORMANCE SHARE PLAN**
- (4) THE PROPOSED PARTICIPATION BY A CONTROLLING SHAREHOLDER IN THE PEC PERFORMANCE SHARE PLAN**
- (5) THE PROPOSED PARTICIPATION BY AN ASSOCIATE OF A CONTROLLING SHAREHOLDER IN THE PEC PERFORMANCE SHARE PLAN**

IMPORTANT DATES AND TIMES

- Last date and time for lodgement of Proxy Form : 25 October 2022 at 4 p.m.
- Date and time of Extraordinary General Meeting : 27 October 2022 at 4 p.m. (or as soon as practicable immediately following the conclusion or adjournment of the AGM to be held at 3 p.m. on the same day and at the same place)
- Place of Extraordinary General Meeting : 14 International Business Park, Singapore 609922

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DEFINITIONS

In this Circular, the following definitions apply throughout unless otherwise stated:

- "2013 Circular" : The Company's circular dated 9 October 2013 and issued to Shareholders to seek approval for, among others, the proposed adoption of the Plan, the proposed participation by Edna Ko in the Plan, and the proposed participation by Robert Dompeling in the Plan
- "2013 EGM" : The extraordinary general meeting of the Company held at Shenton Room, Basement 1, M Hotel, 81 Anson Road, Singapore 079908 on 25 October 2013
- "2021 Circular" : The Company's circular dated 11 October 2021 and issued to Shareholders to seek approval for the proposed grant of award of up to 190,512 Shares to Edna Ko and the proposed grant of award of up to 190,512 Shares to Robert Dompeling
- "2021 EGM" : The extraordinary general meeting of the Company held by way of electronic means via live webcast on 27 October 2021
- "AGM" : The annual general meeting of the Company
- "Associate" : (a) in relation to any Director, chief executive officer, substantial shareholder or Controlling Shareholder (being an individual) means:
- (i) his immediate family;
 - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30.0% or more;
- (b) in relation to a substantial shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30.0% or more
- "Award" : A contingent award of fully paid Shares granted under the Plan
- "Award Shares" : Shares over which are the subject of any Award
- "Board" : The board of Directors of the Company
- "CDP" : The Central Depository (Pte) Limited
- "Committee" : A committee constituted in accordance with Rule 14 of the Plan, comprising Directors duly authorised and appointed by the Board to administer the Plan, being as at the Latest Practicable Date, Edna Ko, Robert Dompeling, Wong Peng, David Wong Cheong Fook, Pek Hak Bin, Ngan Wan Sing, Winston and Tan Whei Mien, Joy. For the purposes of the proposed grant of the EK Award and the RD Award, the Committee comprises Wong Peng, David Wong Cheong Fook, Pek Hak Bin, Ngan Wan Sing, Winston and Tan Whei Mien, Joy
- "Company" : PEC Ltd.
- "Companies Act" : The Companies Act 1967 of Singapore as amended or modified from time to time

DEFINITIONS

“Controlling Interest”	:	The interest of the Controlling Shareholder
“Controlling Shareholder”	:	A person who: <ul style="list-style-type: none">(a) holds directly or indirectly 15.0% or more of the nominal amount of all voting shares in the company. The SGX-ST may determine that a person who satisfies this paragraph is not a Controlling Shareholder; or(b) in fact exercises control over a company
“Director(s)”	:	A director of the Company for the time being
“EGM”	:	The extraordinary general meeting of the Company, notice of which is set out on pages 39 to 42 of this Circular
“EK Award”	:	The proposed grant of an award of up to 164,794 Shares to Edna Ko, terms of which are set out in paragraph 2.1 of the Letter to Shareholders
“FY”	:	The financial year ending 30 June
“Group”	:	The Company and its subsidiaries
“Latest Practicable Date”	:	21 September 2022, being the latest practicable date prior to the printing of this Circular
“Letter to Shareholders”	:	The letter from the Directors to the Shareholders as set out on pages 4 to 22 of this Circular
“Listing Manual”	:	The listing manual of the SGX-ST, as amended or modified from time to time
“Month”	:	Calendar month
“Notice of EGM”	:	The notice of the EGM as set out on pages 39 to 42 of this Circular
“Participant”	:	A person who holds an Award
“Plan” or “PEC Performance Share Plan”	:	The PEC Performance Share Plan, as amended or modified from time to time
“Proposed Resolutions”	:	The proposed resolutions to be adopted at the EGM, being: <ul style="list-style-type: none">(a) the proposed grant of an award of up to 164,794 Shares to Edna Ko;(b) the proposed grant of an award of up to 164,794 Shares to Robert Dompeling;(c) the proposed extension of the PEC Performance Share Plan;(d) the proposed participation by Edna Ko in the Plan; and(e) the proposed participation by Robert Dompeling in the Plan
“RD Award”	:	The proposed grant of an award of up to 164,794 Shares to Robert Dompeling, terms of which are set out in paragraph 3.1 of the Letter to Shareholders
“Rules of the Plan”	:	The existing rules of the Plan as set out in Appendix A to the 2013 Circular

DEFINITIONS

“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Shares”	:	Issued shares in the capital of the Company
“Shareholders”	:	Persons who are registered as holders of the Shares, or where CDP is the registered holder, the term “Shareholders” shall, in relation to such Shares and where the context admits, mean the Depositors whose securities accounts are credited with Shares
“Substantial Shareholder”	:	Shall have the same meaning in relation to the Company as ascribed to the term in the Companies Act
“S\$”	:	Singapore dollars, the lawful currency of the Republic of Singapore
“%”	:	Per centum

Names used in Circular

Names in National Registration Identity Card

Edna Ko	:	Edna Ko Poh Thim
Mark Ko	:	Mark Ko Teong Hoon

The terms “Depositor”, “Depository Agent” and “Depository Register” shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act 2001 of Singapore or any statutory modification thereof, as the case may be.

Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. Words importing persons include corporations.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or the Listing Manual or any statutory or regulatory modification thereof and not otherwise defined in this Circular shall have the meaning ascribed to it under the Companies Act or the Listing Manual or any statutory or regulatory modification, unless the context otherwise requires.

Any reference to a time and date in this Circular shall be a reference to Singapore time and date unless otherwise stated. All discrepancies in the tables included in this Circular between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

Cautionary Note on Forward-Looking Statements

All statements other than statements of historical facts included in this Circular are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as “expect”, “anticipate”, “believe”, “estimate”, “intend”, “project”, “plan”, “strategy”, “forecast” and similar expressions or future or conditional verbs such as “if”, “will”, “would”, “should”, “could”, “may” and “might”. These statements reflect the Company’s current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders should not place undue reliance on such forward-looking statements, and the Company undertakes any obligation to update publicly or revise any forward-looking statements, subject to compliance with all applicable laws and regulations and/or the rules of the SGX-ST and/or any other regulatory or supervisory body or agency.

LETTER TO SHAREHOLDERS



PEC LTD.

(Company Registration No. 198200079M)
(Incorporated in the Republic of Singapore on 8 January 1982)

Directors:

Edna Ko (*Executive Chairman*)
Robert Dompeling (*Group Chief Executive Officer*)
Wong Peng (*Non-Executive and Non-Independent Director cum Advisor*)
David Wong Cheong Fook (*Lead Independent Director*)
Tan Whei Mien, Joy (*Independent Director*)
Pek Hak Bin (*Independent Director*)
Ngan Wan Sing, Winston (*Independent Director*)

Registered Office:

14 International
Business Park
Singapore 609922

12 October 2022

To: The Shareholders of PEC Ltd.

Dear Sir/Madam

1. INTRODUCTION

- 1.1 On 25 October 2013, at the 2013 EGM, the Plan was approved by Shareholders and adopted by the Company. The purpose of the implementation of the Plan was to serve the Company's objectives in rewarding, retaining and motivating employees. Details of the Plan can be found in the 2013 Circular. The Plan was adopted for an initial duration of ten (10) years provided that it can be continued beyond that period with the approval of Shareholders by ordinary resolution in general meeting and of any relevant authorities which may be required. The initial duration of the Plan is due to expire on 24 October 2023. At the 2013 EGM, the Shareholders had also approved, under two (2) separate resolutions, the participation of each of Edna Ko and Robert Dompeling in the Plan.
- 1.2 On 27 October 2021, at the 2021 EGM, the Shareholders had approved (a) the grant of an award of up to 190,512 Shares to Edna Ko; and (b) the grant of an award of up to 190,152 Shares to Robert Dompeling, details of which can be found in the 2021 Circular.
- 1.3 The Company intends to:
- (a) extend the duration of the Plan for a further period of ten (10) years from 25 October 2023 to 24 October 2033 (both dates inclusive);
 - (b) extend participation in the Plan (as proposed to be extended and altered) to Edna Ko and Robert Dompeling; and
 - (c) grant an award of Shares under the Plan in FY2023 to all eligible Participants (including Edna Ko and Robert Dompeling).

LETTER TO SHAREHOLDERS

- 1.4 Pursuant to the Listing Manual and the Rules of the Plan:
- (a) the extension of the PEC Performance Share Plan;
 - (b) the participation by Edna Ko, a Controlling Shareholder of the Company, in the Plan;
 - (c) the participation by Robert Dompeling, the spouse of Edna Ko and accordingly, an Associate of a Controlling Shareholder of the Company, in the Plan; and
 - (d) the grant of an award of Shares under the Plan to Edna Ko and Robert Dompeling,
- are subject to the approval by Independent Shareholders.
- 1.5 This Circular sets out information relating to, and the reasons for:
- (a) the proposed grant of the EK Award to Edna Ko;
 - (b) the proposed grant of the RD Award to Robert Dompeling;
 - (c) the proposed extension of the PEC Performance Share Plan;
 - (d) the proposed participation by Edna Ko in the Plan; and
 - (e) the proposed participation by Robert Dompeling in the Plan,
- (collectively, the “**Proposed Resolutions**”).
- 1.6 As at the Latest Practicable Date, the Committee administering the Plan comprises Edna Ko, Robert Dompeling, Wong Peng, David Wong Cheong Fook, Pek Hak Bin, Ngan Wan Sing Winston and Tan Whei Mien, Joy. However, Edna Ko and Robert Dompeling have abstained from participating in the Committee’s deliberations for the Proposed Resolutions.
- 1.7 The SGX-ST assumes no responsibility whatsoever for the correctness and/or accuracy of any of the statements made, opinions expressed or reports contained in this Circular.
- 1.8 Bird & Bird ATMD LLP is the legal adviser to the Company in relation to the Proposed Resolutions.

2. THE PROPOSED GRANT OF AWARD OF UP TO 164,794 SHARES TO A CONTROLLING SHAREHOLDER UNDER THE PEC PERFORMANCE SHARE PLAN

2.1 EK Award

The Company proposes to grant the EK Award to Edna Ko, subject to the approval by independent Shareholders for the grant of the EK Award, on the following terms:

- (a) Number of Shares: Up to 164,794 Shares⁽¹⁾
- (b) Release and vesting of the Award⁽²⁾:
 - 40.0% in 2023⁽³⁾
 - 30.0% in 2024⁽⁴⁾
 - 30.0% in 2025⁽⁵⁾

Notes:

⁽¹⁾ The aggregate number of Shares to be finally awarded to Edna Ko will be based on the achievement of certain predetermined performance conditions as determined by the Committee or otherwise in accordance with Rule 7.4 of the Rules of the Plan.

⁽²⁾ The Award Shares will be released to Edna Ko after the vesting period if certain predetermined performance conditions as determined by the Committee are achieved or otherwise in accordance with Rule 9.1 of the Rules of the Plan which provides, inter alia, that part of the Award Shares may be released where the Committee in its discretion has determined that there has been partial satisfaction of the performance conditions and that the Committee shall have the right to amend the performance conditions if it decides that a changed performance target would be a fairer measure of performance.

⁽³⁾ Within three (3) months after the issuance of the Group’s audited financial statements for FY2023.

⁽⁴⁾ Within three (3) months after the issuance of the Group’s audited financial statements for FY2024.

⁽⁵⁾ Within three (3) months after the issuance of the Group’s audited financial statements for FY2025.

LETTER TO SHAREHOLDERS

The aggregate number of Shares under the EK Award has been determined after taking into account, among others, Edna Ko's rank, job performance, leadership and management capabilities, contribution to the success and development of the Group and the extent of effort and resourcefulness required to achieve the performance conditions within the performance period.

The Award Shares will be released to Edna Ko after the vesting period if certain predetermined performance conditions as determined by the Committee are achieved or otherwise in accordance with the Rules of the Plan.

Awards granted under the Plan are principally performance-based with performance conditions to be set over a performance period. Performance conditions set are intended to be based on medium-term corporate objectives covering market competitiveness, quality of returns, business growth and productivity growth. Such performance conditions will be set according to the specific roles of each Participant, and may differ from Participant to Participant. Nonetheless, all eligible Participants (including Edna Ko) will be treated equally and all deserving and eligible participants are equally entitled to take part in and benefit from what the Directors believe is a fair and equitable system of remuneration. The performance conditions are stretched targets aimed at sustaining long-term growth. These targets will be tied in with the Company's corporate key performance indicators.

The performance conditions for Edna Ko will be based on, among others:

- (a) the Group's net profits for FY2023; and
- (b) various qualitative non-financial performance conditions.

As soon as reasonably practicable after the end of the relevant performance period, the Committee will review the performance conditions and determine at its discretion whether they have been satisfied and, if so, the extent to which they have been satisfied, and provided that Edna Ko has continued to be in the employment of the Group from the award date up to the end of the relevant performance period, will release to Edna Ko all or part (as determined by the Committee at its discretion in the case where the Committee has determined that there has been partial satisfaction of the performance conditions) of the Award Shares in accordance with the release schedule specified in respect of the EK Award. In the event that the performance conditions are satisfied, Edna Ko will be receiving Award Shares which represent the same number of months of payout as other eligible Participants.

In accordance with the Listing Manual and the Rules of the Plan, the proposed grant of the EK Award to Edna Ko is subject to the approval of independent Shareholders at the EGM.

2.2 Rationale for the grant of the EK Award to Edna Ko

Edna Ko is the Executive Chairman and a Controlling Shareholder of the Company. She is in charge of the overall management of the Group and is responsible for the Group's overall business strategy and development. As at the Latest Practicable Date, Edna Ko has a direct interest in 35,505,844 Shares representing approximately 13.95% of the total number of issued Shares (excluding treasury shares) and is deemed to have an interest in 85,750,000 Shares held by Tian San Company (Pte) Limited (in which she holds 36.71% of its issued shares), representing approximately 33.69% of the total number of issued Shares (excluding treasury shares).

The proposed grant of the EK Award is consistent with the Company's objectives to motivate its key employees to achieve and maintain a high level of performance and contribution which is vital to the success of the Company. Although Edna Ko already has a Controlling Interest in the Company, the grant of the EK Award to her will ensure that she is equally entitled, with the other employees who are not Controlling Shareholders, to take part in and benefit from this system of remuneration, thereby enhancing her long term commitment to the Company. Furthermore, as the EK Award may not be released until after the vesting period and the achievement of certain predetermined performance conditions as determined by the Committee or otherwise in accordance with the Rules of the Plan, the rewards to be reaped from the grant of the EK Award would not be immediate. The value of the EK Award would be best realised only when the results and prospects of the Group's long term performance and growth translate directly into higher share price and higher shareholders' wealth.

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Edna Ko has more than 40 years of experience in the industry and more than 38 years of service with the Group. Edna Ko and Robert Dompeling, together with the key executives of the Company, have helped expand the business of the Group. Under the leadership and guidance of the Board led by Edna Ko and Robert Dompeling, despite the COVID-19 pandemic, competitive operating environment and challenging market conditions, the Group was able to remain profitable.

In view of the above reasons, the Company proposes to grant to Edna Ko the EK Award of up to 164,794 Shares, subject to the approval by independent Shareholders for the grant of the EK Award.

The aggregate number of Award Shares to be finally awarded to Edna Ko will be based on the achievement of certain predetermined performance conditions as determined by the Committee or otherwise in accordance with the Rules of the Plan. The total number of Shares which may be delivered pursuant to Awards granted under the Plan, when added to the number of Shares issued or issuable in respect of such other Shares issued and/or issuable under such other share-based incentive schemes of the Company, shall not exceed 15.0% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) on the day preceding the relevant award date, which limit is equivalent to 38,174,073 Shares as at the Latest Practicable Date. Additionally, under the Rules of the Plan, (a) the aggregate number of Shares available to eligible Controlling Shareholders and their Associates shall not exceed 25.0% of the Shares available under the Plan, and (b) the aggregate number of Shares available to each Controlling Shareholder or his Associate shall not exceed 10.0% of the Shares available under the Plan. As at the Latest Practicable Date, the total number of issued Shares (excluding treasury shares and subsidiary holdings) was 254,493,826. The maximum number of Shares which may be granted under the EK Award represents approximately 0.06% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) and approximately 0.43% of the maximum number of Shares available under the Plan, based on 254,493,826 issued Shares as at the Latest Practicable Date (excluding the 164,794 Shares which are the subject of the EK Award).

The aggregate number of Award Shares to be awarded under the EK Award and the RD Award, when added to the number of Shares issued or issuable in respect of such other Shares issued and/or issuable under other share-based incentive schemes of the Company, shall not exceed 15.0% of the total number of issued Shares (excluding treasury shares) under all share plans and shall not exceed 25.0% of the Shares available under the Plan. In view of the foregoing, the Company believes that the EK Award is fair and not excessive.

- 2.3 As at the Latest Practicable Date, Awards in respect of an aggregate of up to 33,931,836 Shares (including the Awards granted to Edna Ko and Robert Dompeling) have been granted under the Plan. As at the Latest Practicable Date, Awards in respect of up to 31,110,889 Shares have been granted to Participants who are employees and who are not Controlling Shareholders or their Associates, of which 3,180,782 Shares have been released. The aggregate number of shares to be finally awarded to the Participants will be based on the achievement of certain pre-determined performance conditions as determined by the Committee administering the Plan or otherwise in accordance with the rules of the Plan.

Based on 254,493,826 Shares in issue as at the Latest Practicable Date, up to 38,174,073 Shares may be delivered pursuant to Awards granted under the Plan (being 15.0% of the total number of issued Shares (excluding treasury shares and subsidiary holdings, taking into account all share plans) of the Company. Under the rules of the Plan, (a) the aggregate number of Shares available to eligible Controlling Shareholders and their Associates shall not exceed 25.0% of the Shares available under the Plan, and (b) the aggregate number of Shares available to each Controlling Shareholder or his Associate shall not exceed 10.0% of the Shares available under the Plan. Accordingly, Awards in respect of an aggregate of up to 9,543,518 Shares may be granted to eligible Controlling Shareholders and their Associates. Since the adoption of the Plan, save for the Awards granted to Edna Ko and Robert Dompeling, no Awards have been granted to Participants who are Controlling Shareholders or their Associates.

LETTER TO SHAREHOLDERS

The details of the Awards that have been granted under the Plan to Participants who are Directors, Controlling Shareholders or their Associates are as follows:

Name	Award Date	Aggregate number of Shares under Awards granted	Aggregate number of Shares released upon vesting
Edna Ko	15 February 2016	Up to 282,812 ⁽¹⁾	The first tranche of the Award in respect of 62,338 Shares, the second tranche of the Award in respect of 46,753 Shares and the third tranche of the Award in respect of 46,753 Shares have been released on 15 February 2017, 14 February 2018 and 15 February 2019 respectively.
Robert Dompeling	15 February 2016	Up to 282,812 ⁽¹⁾	The first tranche of the Award in respect of 62,338 Shares, the second tranche of the Award in respect of 46,753 Shares, and the third tranche of the Award in respect of 46,753 Shares have been released on 15 February 2017, 14 February 2018 and 15 February 2019 respectively.
Wong Peng	15 February 2016	Up to 282,812 ⁽¹⁾	The first tranche of the Award in respect of 57,662 Shares, the second tranche of the Award in respect of 43,247 Shares, and the third tranche of the Award in respect of 43,247 Shares have been released on 15 February 2017, 14 February 2018 and 15 February 2019 respectively.
Edna Ko	1 December 2016	Up to 199,177 ⁽¹⁾	Forfeited.
Robert Dompeling	1 December 2016	Up to 199,177 ⁽¹⁾	Forfeited.
Wong Peng	1 December 2016	Up to 199,177 ⁽¹⁾	Forfeited.
Edna Ko	1 December 2017	Up to 154,222 ⁽¹⁾	Forfeited.
Robert Dompeling	1 December 2017	Up to 154,222 ⁽¹⁾	Forfeited.
Edna Ko	3 December 2018	Up to 174,604 ⁽¹⁾	Forfeited.
Robert Dompeling	3 December 2018	Up to 174,604 ⁽¹⁾	Forfeited.
Edna Ko	2 December 2019	Up to 168,152 ⁽¹⁾	Forfeited.
Robert Dompeling	2 December 2019	Up to 168,152 ⁽¹⁾	Forfeited.
Edna Ko	1 December 2021	Up to 190,512 ⁽¹⁾	The award has not been released.
Robert Dompeling	1 December 2021	Up to 190,512 ⁽¹⁾	The award has not been released.

Note:

⁽¹⁾ The aggregate number of shares to be finally awarded to the Participants will be based on the achievement of certain pre-determined performance conditions as determined by the Committee administering the Plan or otherwise in accordance with the Rules of the Plan.

LETTER TO SHAREHOLDERS

Under her service agreement, Edna Ko is entitled to a performance bonus based on the Group's consolidated profit before tax and other extraordinary items. In FY2022, Edna Ko received between S\$1,750,000 to S\$2,000,000 as remuneration for her services to the Group. The remuneration included fixed salary, the aforesaid performance bonus and benefits in kind. The grant of the EK Award will be in addition to Edna Ko's remuneration as set out in her service agreement with the Company and will also be based on a different set of performance conditions as determined by the Committee.

3. THE PROPOSED GRANT OF AWARD OF UP TO 164,794 SHARES TO AN ASSOCIATE OF A CONTROLLING SHAREHOLDER UNDER THE PEC PERFORMANCE SHARE PLAN

3.1 RD Award

The Company proposes to grant the RD Award to Robert Dompeling, subject to the approval by independent Shareholders for the grant of the RD Award, on the following terms:

- | | | |
|-----|---|--|
| (a) | Number of Shares: | Up to 164,794 Shares ⁽¹⁾ |
| (b) | Release and vesting of the Award ⁽²⁾ : | 40.0% in 2023 ⁽³⁾
30.0% in 2024 ⁽⁴⁾
30.0% in 2025 ⁽⁵⁾ |

Notes:

⁽¹⁾ The aggregate number of Shares to be finally awarded to Robert Dompeling will be based on the achievement of certain predetermined performance conditions as determined by the Committee or otherwise in accordance with Rule 7.4 of the Rules of the Plan.

⁽²⁾ The Award Shares will be released to Robert Dompeling after the vesting period if certain predetermined performance conditions as determined by the Committee are achieved or otherwise in accordance with Rule 9.1 of the Rules of the Plan which provides, inter alia, that part of the Award Shares may be released where the Committee in its discretion has determined that there has been partial satisfaction of the performance conditions and that the Committee shall have the right to amend the performance conditions if it decides that a changed performance target would be a fairer measure of performance.

⁽³⁾ Within three (3) months after the issuance of the Group's audited financial statements for FY2023.

⁽⁴⁾ Within three (3) months after the issuance of the Group's audited financial statements for FY2024.

⁽⁵⁾ Within three (3) months after the issuance of the Group's audited financial statements for FY2025.

The aggregate number of Shares under the RD Award has been determined after taking into account, among others, Robert Dompeling's rank, job performance, leadership and management capabilities, contribution to the success and development of the Group and the extent of effort and resourcefulness required to achieve the performance conditions within the performance period.

The Award Shares will be released to Robert Dompeling after the vesting period if certain predetermined performance conditions as determined by the Committee are achieved or otherwise in accordance with the Rules of the Plan.

Awards granted under the Plan are principally performance-based with performance conditions to be set over a performance period. Performance conditions set are intended to be based on medium-term corporate objectives covering market competitiveness, quality of returns, business growth and productivity growth. Such performance conditions will be set according to the specific roles of each Participant, and may differ from Participant to Participant. Nonetheless, all eligible Participants (including Robert Dompeling) will be treated equally and all deserving and eligible Participants are equally entitled to take part in and benefit from what the Directors believe is a fair and equitable system of remuneration. The performance conditions are stretched targets aimed at sustaining long-term growth. These targets will be tied in with the Company's corporate key performance indicators.

The performance conditions for Robert Dompeling will be based on, among others:

- (a) the Group's net profits for FY2023; and
- (b) various qualitative non-financial performance conditions.

LETTER TO SHAREHOLDERS

As soon as reasonably practicable after the end of the relevant performance period, the Committee will review the performance conditions and determine at its discretion whether they have been satisfied and, if so, the extent to which they have been satisfied, and provided that Robert Dompeling has continued to be in the employment of the Group from the award date up to the end of the relevant performance period, will release to Robert Dompeling all or part (as determined by the Committee at its discretion in the case where the Committee has determined that there has been partial satisfaction of the performance conditions) of the Award Shares in accordance with the release schedule specified in respect of the RD Award. In the event that the performance conditions are satisfied, Robert Dompeling will be receiving Award Shares which represent the same number of months of payout as other eligible Participants.

In accordance with the Listing Manual and the Rules of the Plan, the proposed grant of the RD Award to Robert Dompeling is subject to the approval of independent Shareholders at the EGM.

3.2 Rationale for the grant of the RD Award to Robert Dompeling

Robert Dompeling is the Group Chief Executive Officer of the Company. He is also the spouse of Edna Ko, the Executive Chairman and a Controlling Shareholder of the Company. As such, he is an Associate of Edna Ko. As at the Latest Practicable Date, Robert Dompeling has a direct interest in 1,725,844 Shares representing approximately 0.68% of the total number of issued Shares (excluding treasury shares).

The proposed grant of the RD Award is consistent with the Company's objectives to motivate its key employees to achieve and maintain a high level of performance and contribution which is vital to the success of the Company. Although Robert Dompeling already has a shareholding interest in the Company, the grant of the RD Award to him will ensure that he is equally entitled, with the other employees, to take part in and benefit from this system of remuneration, thereby enhancing his long term commitment to the Company. Furthermore, as the RD Award may not be released until after the vesting period and the achievement of certain predetermined performance conditions as determined by the Committee or otherwise in accordance with the Rules of the Plan, the rewards to be reaped from the grant of the RD Award would not be immediate. The value of the RD Award would be best realised only when the results and prospects of the Group's long term performance and growth translate directly into higher share price and higher shareholders' wealth.

Robert Dompeling's responsibilities include managing the Group's operational, commercial and financial divisions, as well as shaping its business development and expansion. He has more than 37 years of experience in the industry and more than 15 years of service with the Group. Robert Dompeling brought with him his expertise in oil and chemical terminal services and his network of clients in the industry when he joined the Group in 2007, allowing the Group to broaden its services into the oil and chemical terminal industry. Additionally, Robert Dompeling and Edna Ko, together with the key executives of the Company, have helped expand the business of the Group. Under the leadership and guidance of the Board led by Edna Ko and Robert Dompeling, despite the COVID-19 pandemic, competitive operating environment and challenging market conditions, the Group was able to remain profitable.

In view of the above reasons, the Company proposes to grant to Robert Dompeling the RD Award of up to 164,794 Shares, subject to the approval by independent Shareholders for the grant of the RD Award.

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The aggregate number of Award Shares to be finally awarded to Robert Dompeling will be based on the achievement of certain predetermined performance conditions as determined by the Committee or otherwise in accordance with the Rules of the Plan. The total number of Shares which may be delivered pursuant to Awards granted under the Plan, when added to the number of Shares issued or issuable in respect of such other Shares issued and/or issuable under such other share-based incentive schemes of the Company, shall not exceed 15.0% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) on the day preceding the relevant award date, which limit is equivalent to 38,174,073 Shares as at the Latest Practicable Date. Additionally, under the Rules of the Plan, (a) the aggregate number of Shares available to eligible Controlling Shareholders and their Associates shall not exceed 25.0% of the Shares available under the Plan, and (b) the aggregate number of Shares available to each Controlling Shareholder or his Associate shall not exceed 10.0% of the Shares available under the Plan. As at the Latest Practicable Date, the total number of issued Shares (excluding treasury shares and subsidiary holdings) was 254,493,826. The maximum number of Shares which may be granted under the RD Award represents approximately 0.06% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) and approximately 0.43% of the maximum number of Shares available under the Plan, based on 254,493,826 issued Shares as at the Latest Practicable Date (excluding the 164,794 Shares which are the subject of the RD Award).

The aggregate number of Award Shares to be awarded under the EK Award and the RD Award, when added to the number of Shares issued or issuable in respect of such other Shares issued and/or issuable under other share-based incentive schemes of the Company, shall not exceed 15.0% of the total number of issued Shares (excluding treasury shares) under all share plans and shall not exceed 25.0% of the Shares available under the Plan. In view of the foregoing, the Company believes that the RD Award is fair and not excessive.

- 3.3 As at the Latest Practicable Date, Awards in respect of an aggregate of up to 33,931,836 Shares (including the Awards granted to Edna Ko and Robert Dompeling) have been granted under the Plan. As at the Latest Practicable Date, Awards in respect of up to 31,110,889 Shares have been granted to Participants who are employees and who are not Controlling Shareholders or their Associates, of which 3,180,782 Shares have been released. The aggregate number of shares to be finally awarded to the Participants will be based on the achievement of certain pre-determined performance conditions as determined by the Committee administering the Plan or otherwise in accordance with the Rules of the Plan.

Based on 254,493,826 Shares in issue as at the Latest Practicable Date, up to 38,174,073 Shares may be delivered pursuant to Awards granted under the Plan (being 15.0% of the total number of issued Shares (excluding treasury shares and subsidiary holdings, taking into account all share plans) of the Company). Under the Rules of the Plan, (a) the aggregate number of Shares available to eligible Controlling Shareholders and their Associates shall not exceed 25.0% of the Shares available under the Plan, and (b) the aggregate number of Shares available to each Controlling Shareholder or his Associate shall not exceed 10.0% of the Shares available under the Plan. Accordingly, Awards in respect of an aggregate of up to 9,543,518 Shares may be granted to eligible Controlling Shareholders and their Associates. Since the adoption of the Plan, save for the Awards granted to Edna Ko and Robert Dompeling, no Awards have been granted to Participants who are Controlling Shareholders or their Associates.

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The details of the Awards that have been granted under the Plan to Participants who are Directors, Controlling Shareholders or their Associates are as follows:

Name	Award Date	Aggregate number of Shares under Awards granted	Aggregate number of Shares released upon vesting
Edna Ko	15 February 2016	Up to 282,812 ⁽¹⁾	The first tranche of the Award in respect of 62,338 Shares, the second tranche of the Award in respect of 46,753 Shares and the third tranche of the Award in respect of 46,753 Shares have been released on 15 February 2017, 14 February 2018 and 15 February 2019 respectively.
Robert Dompeling	15 February 2016	Up to 282,812 ⁽¹⁾	The first tranche of the Award in respect of 62,338 Shares, the second tranche of the Award in respect of 46,753 Shares, and the third tranche of the Award in respect of 46,753 Shares have been released on 15 February 2017, 14 February 2018 and 15 February 2019 respectively.
Wong Peng	15 February 2016	Up to 282,812 ⁽¹⁾	The first tranche of the Award in respect of 57,662 Shares, the second tranche of the Award in respect of 43,247 Shares, and the third tranche of the Award in respect of 43,247 Shares have been released on 15 February 2017, 14 February 2018 and 15 February 2019 respectively.
Edna Ko	1 December 2016	Up to 199,177 ⁽¹⁾	Forfeited.
Robert Dompeling	1 December 2016	Up to 199,177 ⁽¹⁾	Forfeited.
Wong Peng	1 December 2016	Up to 199,177 ⁽¹⁾	Forfeited.
Edna Ko	1 December 2017	Up to 154,222 ⁽¹⁾	Forfeited.
Robert Dompeling	1 December 2017	Up to 154,222 ⁽¹⁾	Forfeited.
Edna Ko	3 December 2018	Up to 174,604 ⁽¹⁾	Forfeited.
Robert Dompeling	3 December 2018	Up to 174,604 ⁽¹⁾	Forfeited.
Edna Ko	2 December 2019	Up to 168,152 ⁽¹⁾	Forfeited.
Robert Dompeling	2 December 2019	Up to 168,152 ⁽¹⁾	Forfeited.
Edna Ko	1 December 2021	Up to 190,512 ⁽¹⁾	The award has not been released.
Robert Dompeling	1 December 2021	Up to 190,512 ⁽¹⁾	The award has not been released.

Note:

⁽¹⁾ The aggregate number of shares to be finally awarded to the Participants will be based on the achievement of certain pre-determined performance conditions as determined by the Committee administering the Plan or otherwise in accordance with the Rules of the Plan.

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Under his service agreement, Robert Dompeling is entitled to a performance bonus based on the Group's consolidated profit before tax and other extraordinary items. In FY2022, Robert Dompeling received between S\$1,750,000 to S\$2,000,000 as remuneration for his services to the Group. The remuneration included fixed salary, the aforesaid performance bonus and benefits in kind. The grant of the RD Award will be in addition to Robert Dompeling's remuneration as set out in his service agreement with the Company and will also be based on a different set of performance conditions as determined by the Committee.

4. THE PROPOSED EXTENSION OF THE PEC PERFORMANCE SHARE PLAN

4.1 Rationale

The Plan, under which Awards are granted to Participants by which they may receive fully-paid Shares, free of charge, provided any prescribed performance condition(s) are met and/or upon expiry of any prescribed vesting period(s), is an integral part of the Company's compensation programme. The Plan strengthens the Company's competitiveness in attracting and retaining suitable talent and helps to achieve the following positive objectives:

- (a) to align individual performance to the Company's performance and promote employee retention;
- (b) to create in Participants of the Plan a sense of ownership in the Company;
- (c) to promote long term thinking and align the interests of the executives with Shareholders' interests; and
- (d) to meet the Group's total rewards objective to "build share ownership and 'partnership' culture".

As the Plan remains a key part of the Group's compensation arrangements, the Directors propose that the duration of the Plan be extended for a further period of ten (10) years up to (and including) 24 October 2033. The Committee has approved the proposed extension.

4.2 Eligibility for Participation

There will be no change to the eligibility for participation in the Plan following the extension of its duration to 24 October 2033. The following persons shall be eligible to participate in the Plan subject to the absolute sole discretion of the Committee:

- (a) full-time employees who are confirmed in their employment with the Company or any subsidiary as at 30 June of the financial year prior to the award date and have been with the Company or its subsidiary for at least 12 Months or such shorter period as the Committee may determine on or prior to the award date; and
- (b) Executive Directors,

provided always that any of the aforesaid persons:

- (i) have attained the age of 21 years on or before the award date; and
- (ii) are not undischarged bankrupts.

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Controlling Shareholders and their Associates within the above categories are eligible to participate in the Plan. Participation in the Plan by Controlling Shareholders or their Associates must be approved by Independent Shareholders. A separate resolution shall be passed for each such Participant and to approve the number of Shares to be awarded to that Participant and the terms of such Award.

There shall be no restriction on the eligibility of any Participant to participate in any other share option or share incentive schemes implemented or to be implemented by the Company or another company within the Group. As at the Latest Practicable Date, the Company does not have any other share-based incentive scheme in force.

4.3 Maximum Limit

There will be no change to the maximum limit of new Shares which may be issued under the Plan following the extension of its duration to 24 October 2033. The aggregate number of Shares which may be delivered pursuant to Awards granted under the Plan, when added to the number of Shares issued and issuable in respect of such other Shares issued and/or issuable under such other share-based incentive schemes of the Company, shall not exceed 15.0% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) on the day preceding the relevant award date.

Additionally, (a) the aggregate number of Shares available to eligible Controlling Shareholders and their Associates shall not exceed 25.0% of the Shares available under the Plan, and (b) the aggregate number of Shares available to each Controlling Shareholder or his Associate shall not exceed 10.0% of the Shares available under the Plan.

4.4 Proposed Alterations

Save for the following updates, the Rules of the Plan (as approved by Shareholders at the 2013 EGM) will continue to apply following the extension of its duration to 24 October 2033:

- (i) The respective references in Rule 2, Rule 9.2.2 and Rule 9.5.1 to the "memorandum" and "articles of association" of the Company are proposed to be replaced with references to the "constitution" of the Company, following the merging of the "memorandum and articles of association" of a company into one document called the "constitution" pursuant to the relevant provisions of the Companies (Amendment) Act 2014 which took effect on 3 January 2016;
- (ii) Rule 4.1 currently provides that the aggregate number of Shares which may be issued pursuant to vesting of the Awards on any date, when added to the number of Shares issued and issuable in respect of such other Shares issued and/or issuable under such other share-based incentive schemes of the Company, shall not exceed 15.0% of the total number of issued Shares on the day preceding that date. In line with the amendments to Rule 845(1) of the Listing Manual which took effect on 31 March 2017, Rule 4.1 is proposed to be altered to specifically exclude subsidiary holdings (in addition to treasury shares), from the total number of issued Shares, when calculating the size limit of the Plan; and
- (iii) Rule 11 which relates to adjustments to Awards is proposed to be altered to replace the reference to "capitalisation of profits or reserves" as an adjustment event with a reference to "bonus" in line with the amendments to Rule 850(1) of the Listing Manual which took effect on 7 February 2020.

The foregoing updates referred to in paragraphs 4.4(i) to (iii) above are to update the Rules of the Plan to be in line with the amendments to the Companies Act and the Listing Manual and not for the advantage of Participants of the Plan.

The rules of the Plan (as proposed to be extended and altered) are set out in the Appendix of this Letter, with the proposed alterations blacklined for ease of reference.

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4.5 Particulars of Awards

As at the Latest Practicable Date, Awards in respect of 33,931,836 Shares have been granted under the Plan to approximately 105 Participants since its adoption on 25 October 2013, of which as at the Latest Practicable Date:

- (a) 557,763 new Shares have been issued to Participants pursuant to Awards;
- (b) 3,078,863 existing Shares have been transferred to Participants pursuant to Awards;
- (c) 5,405,405 Shares are comprised in outstanding Awards; and
- (d) 20,734,223 Shares are comprised in Awards which have lapsed pursuant to the Plan.

Awards vest upon satisfaction of the performance and/or time-based conditions (if any) prescribed on the date of grant, and subject to the Rules of the Plan. Save as disclosed in this Letter and as provided in the Rules of the Plan and save for the prescribed performance and/or time-based conditions, the Awards outstanding as at the Latest Practicable Date are not subject to any material conditions.

In determining (i) whether to issue new Shares or to procure existing Shares for delivery to Participants upon Vesting of their Awards and (ii) also the timing of such procurement, the Company will take into account factors such as (but not limited to) the number of Shares to be delivered, the prevailing market price of the Shares and the cost to the Company of either issuing new Shares or purchasing existing Shares.

The details of the Awards that have been granted under the Plan to Participants who are Directors, Controlling Shareholders or their Associates are set out in paragraphs 2.3 and 3.3 of this Letter.

As at the Latest Practicable Date:

- (i) 155,844 Shares have been delivered to Edna Ko pursuant to Awards which were granted to her in her capacity as an employee of the Group under the Plan;
- (ii) 155,844 Shares have been delivered to Robert Dompeling pursuant to Awards which were granted to him in his capacity as an employee of the Group under the Plan; and
- (iii) 144,156 Shares have been delivered to Wong Peng pursuant to Awards which were granted to him in his capacity as an employee of the Group under the Plan.

4.6 Approval In-principle

The SGX-ST had on 26 September 2013 granted in-principle approval for the listing and quotation of the new Shares to be issued pursuant to the Plan subject to, inter alia, compliance with the SGX-ST's listing requirements and guidelines and Shareholders' approval being obtained for the Plan. The SGX-ST's in-principle approval is not to be taken as an indication of the merits of the Plan (as proposed to be extended and altered), the new Shares, the Company and/or its subsidiaries.

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5. THE PROPOSED PARTICIPATION OF A CONTROLLING SHAREHOLDER AND AN ASSOCIATE OF A CONTROLLING SHAREHOLDER IN THE PEC PERFORMANCE SHARE PLAN

The employees of the Company and its subsidiaries who are also Controlling Shareholders or who are Associates of Controlling Shareholders, should be remunerated for their contribution to the Group on the same basis as other employees.

One of the objectives of the Plan is to motivate key executives (including directors and employees) to optimise their performance standards and efficiency and to reward them for their significant contributions with participation in the equity of the Company. The Company believes that the Plan may be more effective than cash bonuses in motivating employees to work towards pre-determined targets and/or to put in their best efforts whilst at the same time allowing the Company flexibility in structuring incentives and remuneration packages. To this end, the Company believes that key executives, including Controlling Shareholders and their Associates should be treated equally as the Controlling Shareholders and their Associates are important to the development and success of the Company. As such, regardless of whether they are Controlling Shareholders or Associates of Controlling Shareholders, the Company's view is that all deserving and eligible Participants should be equally entitled to take part and benefit from the Company's fair and equitable system of remuneration.

The terms of the Plan do not differentiate the Controlling Shareholders and their Associates from other key executives in determining the eligibility of such persons to be granted Awards. They do not unduly favour Controlling Shareholders and their Associates. Likewise, Controlling Shareholders and their Associates should not be unduly discriminated against solely for the reason that they are Controlling Shareholders or Associates of Controlling Shareholders. In addition, to deny participation by the Controlling Shareholders and their Associates may serve to demotivate them and undermine the objectives of the Plan.

The continued participation of employees who are Controlling Shareholders or Associates of Controlling Shareholders in the Plan will provide the Company with an additional tool to craft a more balanced and innovative remuneration package that will link their total remuneration to the performance of the Group as the vesting of Awards are contingent upon achievement of the performance conditions within the performance period. The grant of Awards to Controlling Shareholders or their Associates who are our employees will incentivise them to better their performance as the Awards can only be realised when their performance meets the minimum prescribed targets.

The Directors, save for Edna Ko and Robert Dompeling (who have abstained from making a recommendation on this matter) are of the view that the participation in the Plan by the Controlling Shareholders and their Associates is in the best interests of the Company as such Controlling Shareholders and their Associates are able to set the direction of the Company, define objectives and influence the decisions made by the Company and are therefore in a position to contribute to the growth and prosperity of the Group.

Currently, it is proposed that the Plan continue to be extended to (i) Edna Ko, the Executive Chairman and Controlling Shareholder of the Company and (ii) Robert Dompeling, the Group Chief Executive Officer and Associate of Edna Ko, the Controlling Shareholder of the Company.

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5.1 Rationale for participation of Edna Ko

Edna Ko is the Executive Chairman and Controlling Shareholder of the Company. She is in charge of the overall management of the Group and is responsible for the Group's overall business strategy and development. Edna Ko has more than 40 years of experience in the industry. Edna Ko and Robert Dompeling, together with the key executives of the Company, helped expand the business of the Group to become, the Directors believe, one of the leading engineering, procurement, construction, project management and integrated maintenance services providers in Singapore and the region. Further, under the leadership and guidance of the Board of Directors led by Edna Ko and Robert Dompeling, the Group's revenue increased from S\$379.38 million in FY2021 to S\$427.98 million in FY2022 despite the competitive operating environment and the economic challenges associated with the COVID-19 pandemic. Edna Ko and Robert Dompeling were also instrumental in spearheading the Group's drive to achieve numerous awards such as 14 Workplace Safety and Health (WSH) awards from the WSH Council in 2022. The Directors believe that Edna Ko has made and will continue to make invaluable contributions to the Group. The Directors also believe that the leadership of Edna Ko will be critical as the Group embarks on its next phase of growth. For these reasons, the Directors consider her experience in and contribution towards the growth of the Company to be invaluable.

As at the Latest Practicable Date, Edna Ko holds directly 35,505,844 Shares representing approximately 13.95% of the total number of issued Shares and is deemed to have an interest in 85,750,000 Shares held by Tian San Company (Pte) Limited (in which she holds 36.71% of its issued shares), representing approximately 33.69% of the total number of issued Shares. The participation of Edna Ko in the Plan will form part of the remuneration package for her. The Directors are of the view that the remuneration package of Edna Ko is fair given her contributions to the Group. The continued extension of the Plan to Edna Ko is consistent with the Company's objectives to motivate its key employees (which includes Edna Ko) to achieve and maintain a high level of performance and contribution which is vital to the success of the Company. Furthermore, the Plan will spur her on to further optimise her performance standards and efficiency and to reward her for her significant contributions to the Group. Although Edna Ko already has a Controlling Interest in the Company, the extension of the Plan to her will ensure that she is equally entitled, with the other employees who are not Controlling Shareholders, to take part in and benefit from this system of remuneration, thereby enhancing her long term commitment to the Company. For the above reasons, the Directors believe that Edna deserves, and should be allowed to continue to participate in the Plan.

5.2 Rationale for participation of Robert Dompeling

Robert Dompeling is the Group Chief Executive Officer of the Company. He is also the spouse of Edna Ko, the Chairman and Controlling Shareholder of the Company. As such, he is an Associate of Edna Ko within the definition of "associates" under the Listing Manual. His responsibilities include managing the Group's operational, commercial and financial divisions, as well as shaping its business development and expansion. Robert Dompeling has more than 37 years of experience in the industry. Robert Dompeling brought with him his expertise in oil and chemical terminal services and his network of clients in the industry when he joined the Group in 2007, allowing the Group to broaden its services into the oil and chemical terminal industry. Additionally, Robert Dompeling and Edna Ko, together with the key executives of the Company, helped expand the business of the Group to become, the Directors believe, one of the leading engineering, procurement, construction, project management and integrated maintenance services providers in Singapore and the region. Further, under the leadership and guidance of the Board of Directors led by Robert Dompeling and Edna Ko, the Group's revenue increased from S\$379.38 million in FY2021 to S\$427.98 million in FY2022 despite the competitive operating environment and the economic challenges associated with the COVID-19 pandemic. Robert Dompeling and Edna Ko were also instrumental in spearheading the Group's drive to achieve numerous awards such as 14 Workplace Safety and Health (WSH) awards from the WSH Council in 2022. The Directors believe that Robert Dompeling has made and will continue to make invaluable contributions to the Group.

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As at the Latest Practicable Date, Robert Dompeling holds directly 1,725,844 Shares representing approximately 0.68% of the total number of issued Shares. The participation of Robert Dompeling in the Plan will form part of the remuneration package for him. The Directors are of the view that the remuneration package of Robert Dompeling is fair given his contributions to the Group. The extension of the Plan to Robert Dompeling is consistent with the Company's objectives to motivate its key employees to achieve and maintain a high level of performance and contribution which is vital to the success of the Company. Furthermore, the Plan will spur him on to further optimise his performance standards and efficiency and to reward him for his significant contributions to the Group. Although Robert Dompeling already has a shareholding interest in the Company, the extension of the Plan to him will ensure that he is equally entitled, with the other employees, to take part in and benefit from this system of remuneration, thereby enhancing his long term commitment to the Company. For the above reasons, the Directors believe that Robert Dompeling deserves, and should be allowed to participate in the Plan.

6. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed, none of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the Shares of the Company as at the Latest Practicable Date:

	Number of Shares			
	Direct Interest	% ⁽¹⁾	Deemed Interest	% ⁽¹⁾
Directors				
Edna Ko ⁽²⁾	35,505,844	13.95	85,750,000	33.69
Robert Dompeling	1,725,844	0.68	–	–
Wong Peng	4,594,056	1.81	–	–
David Wong Cheong Fook	78,000	0.03	–	–
Tan Whei Mien, Joy	–	–	–	–
Pek Hak Bin	–	–	–	–
Ngan Wan Sing, Winston	–	–	–	–

	Number of Shares			
	Direct Interest	% ⁽¹⁾	Deemed Interest	% ⁽¹⁾
Substantial Shareholders (other than Directors)				
Tian San Company (Pte) Limited	85,750,000	33.69	–	–
Mark Ko	23,624,475	9.28	–	–
Yeo Seng Chong ⁽³⁾	2,275,000	0.89	11,178,900	4.39

Notes:

⁽¹⁾ The percentage is calculated based on the total issued and paid-up share capital of 254,493,826 Shares (excluding treasury shares) as at the Latest Practicable Date.

⁽²⁾ Edna Ko is deemed to have an interest in 85,750,000 Shares held by Tian San Company (Pte) Limited, in which she holds 36.71% of its issued shares, by virtue of Section 7 of the Companies Act.

⁽³⁾ Yeo Seng Chong is deemed to have interests in the shares held by (i) his spouse, (ii) Yeoman Capital Management Pte Ltd ("YMCPL") and (iii) YMCPL's clients in its role as investment manager, by virtue of Section 4 of the SFA.

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7. DIRECTORS' RECOMMENDATIONS

7.1 Proposed Grant of Award of up to 164,794 Shares to a Controlling Shareholder under the PEC Performance Share Plan

The Committee had been tasked to review the proposed grant of the EK Award comprising of up to 164,794 shares to Edna Ko under the Plan. The Committee is of the opinion that the proposed grant of the EK Award comprising of up to 164,794 shares is in the interests of the Company.

Save for Edna Ko and Robert Dompeling who have abstained from making any recommendation in respect of the proposed grant of the EK Award comprising of up to 164,794 shares, the Directors are of the view that the proposed grant of the EK Award comprising of up to 164,794 shares is in the interests of the Company and accordingly recommend that Shareholders vote in favour of Ordinary Resolution 1 as set out in the Notice of EGM.

7.2 Proposed Grant of Award of up to 164,794 Shares to an Associate of a Controlling Shareholder under the PEC Performance Share Plan

The Committee had been tasked to review the proposed grant of the RD Award comprising of up to 164,794 shares to Robert Dompeling under the Plan. The Committee is of the opinion that the proposed grant of the RD Award comprising of up to 164,794 shares is in the interests of the Company.

Save for Edna Ko and Robert Dompeling who have abstained from making any recommendation in respect of the proposed grant of the RD Award comprising of up to 164,794 shares, the Directors are of the view that the proposed grant of the RD Award comprising of up to 164,794 shares is in the interests of the Company and accordingly recommend that Shareholders vote in favour of Ordinary Resolution 2 as set out in the Notice of EGM.

7.3 Proposed Extension of the PEC Performance Share Plan

The Committee had been tasked to review the proposed extension of the Plan. The Committee is of the opinion that the proposed extension of the Plan is in the interests of the Company.

Save for Edna Ko and Robert Dompeling who have abstained from making any recommendation in respect of the proposed extension of the Plan, the Directors are of the view that the proposed extension of the Plan is in the interests of the Company and accordingly recommend that Shareholders vote in favour of Ordinary Resolution 3 as set out in the Notice of EGM.

7.4 Proposed Participation by Edna Ko in the Plan

The Committee had been tasked to review the proposed participation by Edna Ko in the Plan. The Committee is of the opinion that the proposed participation by Edna Ko in the Plan is in the interests of the Company.

Save for Edna Ko and Robert Dompeling who have abstained from making any recommendation in respect of the proposed participation by Edna Ko in the Plan, the Directors are of the view that the proposed participation by Edna Ko in the Plan is in the interests of the Company and accordingly recommend that Shareholders vote in favour of Ordinary Resolution 4 as set out in the Notice of EGM.

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7.5 Proposed Participation by Robert Dompeling in the Plan

The Committee had been tasked to review the proposed participation by Robert Dompeling in the Plan. The Committee is of the opinion that the proposed participation by Robert Dompeling in the Plan is in the interests of the Company.

Save for Edna Ko and Robert Dompeling who have abstained from making any recommendation in respect of the proposed participation by Robert Dompeling in the Plan, the Directors are of the view that the proposed participation by Robert Dompeling in the Plan is in the interests of the Company and accordingly recommend that Shareholders vote in favour of Ordinary Resolution 5 as set out in the Notice of EGM.

8. EXTRAORDINARY GENERAL MEETING

8.1 Date and Time of EGM

The EGM, notice of which is set out on pages 39 to 42 of this Circular, is being convened to be held at 14 International Business Park, Singapore 609922 on 27 October 2022 at 4 p.m. (or as soon as practicable immediately following the conclusion or adjournment of the AGM to be held at 3 p.m. on the same day and at the same place).

8.2 No Despatch of Printed Copies of Circular

No printed copies of the Circular in respect of the EGM will be despatched to Shareholders.

A copy of this Circular, together with the Notice of EGM and the Proxy Forms have been uploaded on SGXNet and the Company's corporate website at the URL http://www.peceng.com/html/investor_shareholders.php. A Shareholder will need an Internet browser and a PDF reader to view these documents.

Shareholders are advised to read this Circular carefully in order to decide whether they should vote in favour of or against the ordinary resolutions to be tabled at the EGM.

9. ABSTENTION FROM VOTING

Pursuant to Rule 859 of the Listing Manual, Shareholders who are eligible to participate in the Plan must abstain from voting on any resolution relating to the Plan.

Accordingly, Edna Ko and Robert Dompeling will abstain from voting in respect of Ordinary Resolutions 1, 2, 3, 4 and 5 and will also decline to accept any appointment as proxy to vote at and attend the forthcoming EGM in respect of Ordinary Resolutions 1, 2, 3, 4 and 5 unless the Shareholder concerned has given specific instructions as to the manner in which his votes are to be cast.

As Mark Ko and Tian San Company (Pte) Limited are Associates of Edna Ko, they are not considered independent Shareholders for the purposes of Rule 853 of the Listing Manual. Accordingly, Mark Ko and Tian San Company (Pte) Limited will abstain from voting in respect of Ordinary Resolutions 1, 2, 3, 4 and 5. Additionally, Mark Ko will decline to accept any appointment as proxy to vote at and attend the forthcoming EGM in respect of Ordinary Resolutions 1, 2, 3, 4 and 5 unless the Shareholder concerned has given specific instructions as to the manner in which his votes are to be cast.

In addition, all Shareholders that are eligible to participate in the Plan will abstain from voting in respect of Ordinary Resolutions 1, 2, 3, 4 and 5 and will also decline to accept any appointment as proxy to vote at and attend the forthcoming EGM in respect of Ordinary Resolutions 1, 2, 3, 4 and 5 unless the Shareholder concerned has given specific instructions as to the manner in which his votes are to be cast.

LETTER TO SHAREHOLDERS

10. ACTION TO BE TAKEN BY SHAREHOLDERS

10.1 Appointment of Proxy

A Shareholder who is unable to attend the EGM and wishes to appoint a proxy to attend and vote on his behalf should complete, sign and return the Proxy Form (attached to this Circular) in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the registered office of the Company at 14 International Business Park Singapore 609922 not less than 48 hours before the time fixed for the EGM. The completion and return of the Proxy Form by a Shareholder does not preclude him from attending and voting at the EGM in person in place of the proxy if he so wishes.

10.2 Submission of questions in advance

Shareholders may submit questions related to the resolutions to be tabled for approval at the EGM in the following manner:

- (i) All questions must be submitted no later than 4 p.m. Singapore time on 19 October 2022 via one of the following means:
 - (1) by post, be lodged at the office of the Company's Share Registrar, In.Corp Corporate Services Pte. Ltd. at 30 Cecil Street, #19-08 Prudential Tower, Singapore 049712; or
 - (2) by email to shareregistry@incorp.asia.
- (ii) If the questions are deposited in physical copy at the office of the Company's Share Registrar or sent via email, and in either case not accompanied by the completed and executed proxy form, the following details must be included with the submitted questions: (1) the full name of the shareholder; and (2) his/her/its identification/ registration number for verification purposes, failing which the submission will be treated as invalid.
- (iii) Shareholders (whether individual or corporate) appointing a proxy or proxies must give specific instructions as to his manner of voting, or abstentions from voting, in the Proxy Form, failing which the appointment will be treated as invalid.
- (iv) The Proxy Form must be submitted to the Company in the following manner:
 - (1) by depositing a physical copy at the office of the Company's Share Registrar at 30 Cecil Street, #19-08 Prudential Tower, Singapore 049712; or
 - (2) by sending a scanned PDF copy by email to shareregistry@incorp.asia.

in each case, no later than 4 p.m. on 25 October 2022, and failing which, the Proxy Form will not be treated as valid.

Shareholders should note that the Company may make further changes to its EGM arrangements as the COVID-19 situation evolves. Shareholders are advised to keep abreast of any such changes as may be announced by the Company from time to time on SGXNet or on the Company's website at the URL http://www.peceng.com/html/investor_shareholders.php.

10.3 Depositor Not Member

A Depositor will not be regarded as a member of the Company entitled to attend the EGM and to speak and vote thereat unless he is shown to have Shares entered against his name in the Depository Register as certified by CDP to the Company at least 72 hours before the EGM.

LETTER TO SHAREHOLDERS

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 14 International Business Park, Singapore 609922 during normal business hours from the date hereof up to and including the date of the EGM:

- (a) the 2013 Circular;
- (b) the 2021 Circular;
- (c) the constitution of the Company;
- (d) the Annual Report of the Company for FY2022; and
- (e) the Rules of the Plan.

12. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Resolutions, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

Yours faithfully,

For and on behalf of the Board of
PEC LTD.

Edna Ko
Executive Chairman

APPENDIX

RULES OF THE PEC PERFORMANCE SHARE PLAN

1. NAME OF THE PLAN

This performance share plan shall be called the PEC Performance Share Plan.

2. DEFINITIONS

In this Plan, except where the context otherwise requires, the following words and expressions shall have the following meanings:

Articles of Association	:	The articles of association of the Company for the time being in force as originally framed, or as amended from time to time
Associate	:	(a) in relation to any Director, chief executive officer, substantial shareholder or Controlling Shareholder (being an individual) means: <ul style="list-style-type: none">(i) his immediate family;(ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and(iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more
		(b) in relation to a substantial shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
Award	:	A contingent award of fully paid Shares granted under the Plan
Award Date	:	The date on which an Award is granted to a Participant pursuant to Rule 7
Award Letter	:	A letter in such form as the Committee shall approve confirming an Award granted to a Participant by the Committee
Award Shares	:	Shares over which are the subject of any Award
Board	:	The board of Directors for the time being of the Company
CDP	:	The Central Depository (Pte) Limited
CDP Depository Agent	:	A corporation authorised by CDP to maintain sub-accounts
Committee	:	A committee constituted in accordance with Rule 14, comprising Directors duly authorised and appointed by the Board of Directors to administer the Plan.
Company	:	PEC Ltd.

APPENDIX

Companies Act	:	Companies Act <u>1967</u> of Singapore (Cap. 50)
Constitution	:	<u>The Constitution of the Company, as amended from time to time.</u>
Control	:	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company
Controlling interest	:	The interest of the Controlling Shareholder
Controlling Shareholder	:	A person who: (a) holds directly or indirectly 15% or more of the nominal amount of all voting shares in the company. The SGX-ST may determine that a person who satisfies this paragraph is not a controlling shareholder; or (b) in fact exercises control over a company
Director	:	A person holding the office of a director for the time being of the Company
EGM	:	The extraordinary general meeting of the Company to be held at Shenton Room, Basement 1, M Hotel, 81 Anson Road, Singapore 079908 on 25 October 2013 at 2:00 p.m.
Executive Director	:	A director of the Company and/or its subsidiaries, as the case may be, who performs an executive function
Group	:	The Company and its subsidiaries (as they may exist from time to time)
Listing Manual	:	The listing manual of the SGX-ST
Market Day	:	A day on which the SGX-ST is open for trading in securities
Memorandum	:	The memorandum of association of the Company for the time being in force as originally framed, or as amended from time to time
Participant	:	A person who holds an Award.
Performance Condition	:	In relation to an Award, the performance target and/or service conditions specified on the Award Date in the Award Letter in relation to that Award
Performance Period	:	The performance period during which the Performance Conditions are to be satisfied
Plan	:	The PEC Performance Share Plan
Record Date	:	The date fixed by the Company for the purposes of determining entitlements to dividends, allotments or other distributions to or rights of holders of Shares.
Release	:	In relation to an Award, the release at the end of the Vesting Period relating to that Award of all or some of the Shares to which that Award relates in accordance with Rule 9 and, to the extent that any Shares which are the subject of the Award are not released pursuant to Rule 9, the Award in relation to those Shares shall lapse, and "Released" shall be construed accordingly

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Release Date	:	The date on which Shares are Released to the Participant in accordance with Rule 9
Released Schedule	:	In relation to an Award, a schedule in such form as the Committee shall approve, setting out the extent to which Shares which are the subject of that Award shall be Released on the Performance Conditions being satisfied (whether fully or partially) or exceeded or not being satisfied as the case may be, at the end of the Performance Period
Retention Period	:	Such retention period as may be determined by the Committee and notified to the Participant at the grant of the relevant Award to that Participant
Rules of the Plan	:	The rules of the Plan set out in Appendix A to this Circular and "Rule" refers to a rule under the Rules of the Plan
SGX-ST	:	Singapore Exchange Securities Trading Limited
Shares	:	Issued shares of the Company
Shareholders	:	Persons who are registered as holders of the Shares, or where CDP is the registered holder, the term Shareholders shall, in relation to such Shares and where the context admits, mean the Depositors whose securities accounts are credited with Shares
Vest	:	The entitlement to all or some of the Shares which are the subject of an Award and Vesting and Vested shall be construed accordingly
Vesting Date	:	The date (as determined by the Committee and notified to the relevant Participant) on which Shares have Vested pursuant to Rule 8
Vesting Period	:	The period (as determined by the Committee) in which all or some of the Shares which are the subject of an Award shall Vest in the relevant Participant
S\$, \$ and cents	:	Singapore dollars and cents, respectively
% or per cent	:	Per centum or percentage

The term **subsidiary** shall have the meaning ascribed to it in Section 5 of the Companies Act.

The terms **Depositor**, **Depository Agent** and **Depository Register** shall have the meanings ascribed to them respectively in Section 130A of the Companies Act.

Words importing the singular shall, where applicable, include the plural and vice versa.

Words importing the masculine gender shall, where applicable, include the feminine and neuter genders.

References to persons shall include corporations.

Headings are inserted for convenience only and shall be ignored in construing the Rules of the Plan.

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Any reference in the Rules of the Plan to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or any statutory modification hereof and not otherwise defined in this Circular shall have the same meaning assigned to it under the Companies Act or any statutory modification thereof, as the case may be.

Any reference to a time of day in the Rules of the Plan is made by reference to Singapore time unless otherwise stated.

Any discrepancies in the figures included in this Rules of the Plan between the amounts listed and totals thereof and/or the respective percentages are due to rounding.

3. OBJECTIVES

The main objectives of the Plan are as follows:

- (i) To align individual performance to the Company's performance and promote employee retention;
- (ii) To create in Participants a sense of ownership in the Company;
- (iii) To promote long term thinking and align the interests of the employees with Shareholders' interest; and
- (iv) To meet the Group's total rewards objective to "build share ownership and 'partnership' culture.

4. SIZE OF THE PLAN

- 4.1 The aggregate number of Shares to be delivered pursuant to the Vesting of the Awards on any date, when added to the number of Shares issued and issuable in respect of such other Shares issued and/or issuable under such other share-based incentive schemes of the Company, shall not exceed fifteen per cent (15%) of the total issued share capital of the Company (excluding treasury shares and subsidiary holdings) on the day preceding the relevant Award Date.
- 4.2 The aggregate number of Shares available to eligible Controlling Shareholders and their Associates under the Plan shall not exceed twenty five per cent (25%) of the Shares available under the Plan. In addition, the number of Shares available to each Controlling Shareholder or his Associate shall not exceed ten per cent (10%) of the Shares available under the Plan.
- 4.3 The number of existing shares purchased from the market or from ordinary Shares held in treasury which may be delivered pursuant to Awards granted under the proposed Plan will not be subject to any limit, as such methods will not involve the issuance of any new Shares.
- 4.4 Shares which are the subject of Awards which have lapsed for any reason whatsoever may be the subject of further Awards granted by the Committee under the Plan.
- 4.5 If however, due to a reduction of the Company's capital or a buy-back of its shares, the Shares Released under the Awards exceed fifteen per cent (15%) of the Company's total issued share capital, excluding treasury shares and subsidiary holdings, this will not invalidate any such Release.

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5. DURATION OF THE PLAN

- 5.1 The Plan shall continue in force at the discretion of the Committee, subject to a maximum period of ten (10) years commencing on the date the Plan is adopted by the Company in general meeting, provided always that the Plan may continue beyond the above stipulated period with the approval of Shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.
- 5.2 The Company may terminate the Plan at any time by an ordinary resolution in general meeting and in such event no additional Awards shall be granted by the Company hereunder.
- 5.3 Notwithstanding Rule 5.1 or Rule 5.2 above, if for any reason whatsoever, the Plan is terminated or discontinued, the same shall be without prejudice to the rights accrued to any Participant who has been granted Awards, whether such Awards have been Vested (whether fully or partially) or not.

6. ELIGIBILITY

- 6.1 The following persons shall be eligible to participate in the Plan subject to the absolute sole discretion of the Committee:

6.1.1 full-time employees who are confirmed in their employment with the Company or any subsidiary as at 30 June of the financial year prior to the Award Date and have been with the Company or its subsidiary for at least twelve (12) months or such shorter period as the Committee may determine on or prior to the Award Date;

6.1.2 Executive Directors,

provided always that any of the aforesaid persons:

- (i) have attained the age of twenty-one (21) years on or before the Award Date; and
- (ii) are not undischarged bankrupts.

Controlling Shareholders and their Associates within the above categories are eligible to participate in the Plan. Participation in the Plan by Controlling Shareholders or their Associates must be approved by independent Shareholders. A separate resolution shall be passed for each such Participant and to approve the number of Shares to be awarded to that Participant and the terms of such Award. There shall be no restriction on the eligibility of any Participant to participate in any other share option or share incentive schemes implemented or to be implemented by the Company or another company within the Group.

- 6.2 Subject to the Companies Act and requirements of the SGX-ST or any other stock exchange on which the Shares may be listed or quoted and the Rules of the Plan, the terms of eligibility for participation in the Plan may be amended from time to time at the absolute sole discretion of the Committee.

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7. GRANT OF AWARDS

- 7.1 Subject to Rules 4 and 5, the Committee may grant Award(s) at any time during the period when the Plan is in force, provided that no Participant who is a member of the Committee shall participate in any deliberation or decision in respect of Awards granted or to be granted to him.
- 7.2 In relation to an Award, the Committee shall decide in its absolute discretion:
- 7.2.1 the Participant;
 - 7.2.2 the Award Date;
 - 7.2.3 the number of Shares which are the subject of an Award;
 - 7.2.4 the Performance Period;
 - 7.2.5 the Performance Conditions;
 - 7.2.6 the extent to which Shares which are the subject of that Award shall be Released on the Performance Conditions being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the Performance Period;
 - 7.2.7 the Vesting Period(s) (if any);
 - 7.2.8 the Release Schedule (if any) setting out the extent to which Shares, which are the subject of that Award, shall be Released at the end of each prescribed Vesting Period; and
 - 7.2.9 any other condition which the Committee may determine in relation to that Award.
- 7.3 The selection of a Participant and the number of Shares which are the subject of each Award to be granted to a Participant in accordance with the Plan shall be determined at the absolute discretion of the Committee, which shall take into account criteria such as the rank, job performance, seniority, creativity, innovativeness, entrepreneurship, potential for future development, length of service, contribution to the success and development of the Group and if applicable, the extent of effort and resourcefulness required to achieve the Performance Conditions within the Performance Period.
- 7.4 The Committee may amend or waive the Performance Period, the Performance Conditions and/or the Release Schedule in respect of any Award:
- 7.4.1 subject to Rule 12, in the event of a take-over offer being made for the Shares or if Shareholders or under the Companies Act, the court sanctions a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies or in the event of a proposal to liquidate or sell all or substantially all of the assets of the Company; or

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7.4.2 if any event occurs or circumstances arise which causes the Committee to conclude that:

- (i) a changed Performance Condition would be a fairer measure of performance and would be no less difficult to satisfy; or
- (ii) the Performance Condition should be waived,

and the Committee shall as soon as practicable, notify the Participants of such change or waiver.

7.5 The Committee shall issue an Award Letter confirming the Award and specifying the following:

7.5.1 the Performance Conditions for the Participant;

7.5.2 the Performance Period;

7.5.3 the Vesting Period(s);

7.5.4 the Release Schedule; and

7.5.5 any other condition which the Committee may determine in relation to that Award,

to each Participant as soon as is reasonably practicable after the granting of an Award.

7.6 Participants are not required to pay for the grant of the Awards.

8. VESTING OF AWARDS

8.1 Provided that:

8.1.1 the prescribed Performance Conditions have been satisfied within the Performance Period;

8.1.2 the Participant has continued to be in employment with the Company or its subsidiary, as the case may be, from the date of the Award up to the end of the prescribed Vesting Period; and

8.1.3 the Award is still subsisting,

upon the expiry of the prescribed Performance Period, the Committee will Vest the Award in the Participant, subject to the terms of the Award.

8.2 Notwithstanding that a Participant may have satisfied his prescribed Performance Conditions, all Awards granted shall immediately lapse without any claim whatsoever against the Company:

8.2.1 in the event of misconduct on the part of a Participant as determined by the Committee in its discretion; or

8.2.2 the Participant ceasing to be in the employment of the Company or its subsidiaries for any reason whatsoever (other than specified in Rule 8.3.3 below).

For the purposes of Rule 8.2.2, the Participant shall be deemed to have ceased to be so employed as at the date the notice of termination of employment is tendered by or is given to him, unless such notice shall be withdrawn prior to its effective date.

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For the avoidance of doubt, no Award shall lapse pursuant to Rule 8.2 in the event of a transfer of employment of a Participant between companies within the Group.

8.3 Notwithstanding that a Participant may have satisfied his prescribed Performance Conditions, the Committee may, in its absolute discretion, preserve all or any part of any Award and decide either to Vest all or some of the Shares which are the subject of the Award or to preserve all or part of any Award until the end of the relevant Performance Period:

8.3.1 upon the death of the Participant (in which case the Award Shares shall in such circumstances be given to the personal representatives of the Participant);

8.3.2 upon the bankruptcy of the Participant or the happening of any other event which results in his being deprived of the legal and/or beneficial ownership of such Award;

8.3.3 upon the Participant ceasing to be in the employment of the Group for any reason whatsoever except by reason of:

(i) ill health, injury or disability (in each case, evidenced to the satisfaction of the Committee);

(ii) redundancy;

(iii) retirement at or after the legal retirement age;

(iv) retirement before the legal age with the consent of the Committee;

(v) the company by which he is employed or to which he is seconded, ceasing to be a company within the Group or the undertaking or part of the undertaking of such company being transferred otherwise than to another company within the Group;

(vi) transfer of employment of a Participant between companies within the Group; or

(vii) any other reason approved in writing by the Committee; or

8.3.4 any other event approved by the Committee.

In exercising its discretion, the Committee will take into account all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that Participant and the extent to which the Performance Conditions, if any, have been satisfied.

8.4 Notwithstanding that a Participant may have satisfied his prescribed Performance Conditions, in the event of a take-over, winding-up, reconstruction or amalgamation of the Company or an order being made or a resolution passed for the winding-up of the Company, the Committee will consider, whether or not to Vest any Award, and will take into account all circumstances on a case-by-case basis, including but not limited to the proportion of the Performance Period which has elapsed and the extent to which the Performance Conditions have been satisfied and any legal or regulatory requirements, provided that any Awards not Vested prior to commencement of the winding up of the Company (whether voluntary or by order of court) shall, upon commencement of such winding up be null and void. Subject to the foregoing, where Awards are Vested, the Committee will, as soon as practicable after the Awards have been Vested, procure the allotment to each Participant of the number of Shares so determined.

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9. RELEASE OF AWARDS

9.1 Review of Performance Conditions

9.1.1 As soon as reasonably practicable after the end of each Performance Period, the Committee shall review the Performance Conditions specified in respect of each Award and determine at its discretion whether they have been satisfied and, if so, the extent to which it has been satisfied, and provided that the relevant Participant has continued to be an employee of the Group from the Award Date up to the end of the Vesting Period and subject to Rule 8, shall Release to that Participant all or part (as determined by the Committee at its discretion in the case where the Committee has determined that there has been partial satisfaction of the Performance Conditions) of the Shares to which his Award relates in accordance with the specified in respect of his Award on the Release Date. If not, the Awards shall lapse and be of no value.

9.1.2 If the Committee determines in its sole discretion that the Performance Conditions have not been satisfied or (subject to Rule 8) if the relevant Participant has not continued to be an employee of the Group from the Award Date up to the end of the relevant Performance Period, that Award shall lapse and be of no value.

9.1.3 The Committee shall have the discretion to determine whether the Performance Conditions have been satisfied (whether fully or partially) or exceeded and in making any such determination, the Committee shall have the right to make reference to the audited results of the Company or the Group, to take into account such factors as the Committee may determine to be relevant, including changes in accounting methods, taxes and extraordinary events, and further the right to amend the Performance Conditions if the Committee decides that a changed performance target would be a fairer measure of performance.

9.2 Subject to:

9.2.1 such consents or other actions required by any competent authority under any regulation or enactments for the time being in force as may be necessary (including any approvals required from the SGX-ST); and

9.2.2 compliance with the Rules of the Plan and the ~~Memorandum and Articles of Association~~ Constitution of the Company,

Shares which are the subject of a Vested Award shall be Released to a Participant on the Release Date, which shall be a Market Day falling as soon as practicable after the review by the Committee referred to in Rule 9.1 and, on the Release Date, the Committee will procure the allotment to each Participant of the number of Shares so determined and within five (5) Market Days from the date of such allotment, dispatch the relevant share certificates to the CDP for the credit of the securities account of that Participant, or as the case may be, its CDP Depository Agent, by ordinary post or such other mode of delivery as the Committee may deem fit.

9.3 Where new Shares are allotted upon the Release of an Award, the Company shall, as soon as practicable after such allotment, apply to the SGX-ST or such other stock exchange on which the Shares are quoted or listed for permission to deal in and for quotation of such Shares.

9.4 Shares which are allotted on the Release of an Award to a Participant shall be issued in the name of CDP to the credit of the securities account of that Participant maintained with CDP or the Participant's securities sub-account maintained with a CDP Depository Agent, in each case, as designated by that Participant, or if such securities account is not available, issued in the Participant's name.

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- 9.5 New Shares allotted and issued, on the Release of an Award, shall:
- 9.5.1 be subject to all the provisions of the ~~Memorandum and Articles of Association~~ Constitution of the Company; and
 - 9.5.2 rank in full for all entitlements, including dividends, rights, allotments or other distributions declared or recommended in respect of the then existing Shares, the Record Date for which is on or after the relevant Release Date, and shall in all other respects rank *pari passu* with other existing Shares then in issue.
- 9.6 Shares which are allotted and issued to a Participant pursuant to the Release of an Award shall not be transferred, charged, assigned, pledged or otherwise disposed of, in whole or in part, during the Retention Period, except to the extent set out in the Award Letter or with the prior approval of the Committee. The Company may take steps that it considers necessary or appropriate to enforce or give effect to this disposal restriction including specifying in the Award Letter the conditions which are to be attached to an Award for the purpose of enforcing this disposal restriction.

10. NON-TRANSFERABILITY OF AWARD

An Award is personal to the Participant to whom it is granted and shall not be transferred (other than to a Participant's personal representative on the death of that Participant), charged, assigned, pledged or otherwise disposed of or encumbered, in whole or in part, except with the prior approval of the Committee and if a Participant shall do, suffer or permit any such act or thing as a result of which he would or might be deprived of any such rights under an Award, that Award shall immediately lapse. However (subject to Rule 9.6) the Shares granted to a Participant pursuant to a grant of the Award may be transferred, charged, assigned, pledged or otherwise disposed of, in whole or in part.

11. ADJUSTMENTS

11. If a variation in the issued ordinary share capital of the Company (whether by way of a ~~capitalization of profits~~ bonus or reserves or rights issue, reduction, subdivision, consolidation, distribution or otherwise) shall take place:
- 11.1.1 the class and/or number of Shares which are the subject of an Award to the extent not yet Vested; and/or
 - 11.1.2 the class and/or number of Shares in respect of which future Awards may be granted under the Plan,
- shall be adjusted by the Committee to give each Participant the same proportion of the equity capital of the Company as that to which he was previously entitled and, in doing so, the Committee shall determine at its own discretion the manner in which such adjustment shall be made and any adjustment must be confirmed in writing by the auditors of the Company for the time being or an independent public account as appointed by the Company (acting as experts and not as arbitrators) to be in their opinion, fair and reasonable.
- 11.2 The following (whether singly or in combination) shall not be regarded as events requiring adjustments unless the Committee considers an adjustment to be appropriate:
- 11.2.1 the issue of securities as consideration for an acquisition of any assets by the Company or in connection with a private placement of securities; or

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- 11.2.2 any increase in the number of issued Shares as a consequence of the exercise of options or other convertibles issued from time to time by the Company entitling holders thereof to acquire new Shares in the capital of the Company (including the issue and allotment of Shares pursuant to the Release of Awards from time to time under the Plan or any other share-based incentive schemes implemented by the Company); and
- 11.2.3 any reduction in the number of issued Shares as a result of the cancellation of issued Shares purchased by the Company by way of market purchase(s) of such Shares undertaken by the Company on the SGX-ST during the period while a share purchase mandate granted by Shareholders (or any renewal thereof) is in force.
- 11.3 Notwithstanding Rule 11.1 no such adjustment shall be made if as a result, the Participant receives a benefit that a Shareholder does not receive.
- 11.4 Upon any adjustment made, the Company shall notify the Participant (or his duly appointed personal representatives where applicable) in writing and deliver to him (or his duly appointed personal representatives where applicable) a statement setting forth the class and/or number of Shares thereafter to be issued pursuant to the grant of an Award. Any adjustment shall take effect upon such written notification being given.

12. TAKE-OVER AND WINDING-UP OF THE COMPANY

- 12.1 Notwithstanding Rule 8 but subject to Rule 12.5, in the event of a take-over being made for the Shares, a Participant's rights under the Awards shall not be affected if he has met the Performance Conditions which falls within the period commencing on the date on which such offer is made or, if such offer is conditional, the date on which such offer becomes or is declared unconditional, as the case may be, and ending on the earlier of:
- 12.1.1 the expiry of six (6) months thereafter, unless prior to the expiry of such six-month period, at the recommendation of the offeror and with the approvals of the Committee and the SGX-ST, such expiry date is extended to a later date (in either case, being a date falling not later than the last date on which the Performance Conditions are to be fulfilled); or
- 12.1.2 the date of expiry of the Performance Period,
- provided that if during such period, the offeror becomes entitled or bound to exercise rights of compulsory acquisition of the Shares under the provisions of the Companies Act and, being entitled to do so, gives notice to the Participants that it intends to exercise such rights on a specified date, the Participant shall be obliged to fulfil such Performance Conditions until the expiry of such specified date or the expiry date of the Performance Period, whichever is earlier, before an Award can be Vested.
- 12.2 If under any applicable laws, the court sanctions a compromise or arrangement proposed for the purposes of, or in connection with, a plan for the reconstruction of the Company or its amalgamation with another company or companies, each Participant shall be entitled, notwithstanding Rule 8 but subject to Rule 12.5, to any Awards so determined by the Committee to be Vested in him during the period commencing on the date upon which the compromise or arrangement is sanctioned by the court and ending either on the expiry of sixty (60) days thereafter or the date upon which the compromise or arrangement becomes effective, whichever is later.
- 12.3 If an order is made for the winding-up of the Company on the basis of its insolvency, all Awards, notwithstanding that they may have been so Vested shall be deemed or become null and void.

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- 12.4 In the event notice is given by the Company to its members to convene a general meeting for the purposes of considering and, if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as or soon after it dispatches such notice to each member of the Company give notice thereof to all Participants (together with a notice of the existence of the provision of this Rule 12.4) and thereupon the Awards shall so Vest in the Participant for so long as, in the absolute determination by the Committee, the Participant has met the Performance Conditions prior to the date that the members' voluntary winding-up shall be deemed to have been commenced or effective in law.
- 12.5 If in connection with the making of a general offer referred to in Rule 12.1 or the Plan referred to in Rule 12.2 or the winding-up referred to in Rule 12.4, arrangements are made (which are confirmed in writing by the auditors of the Company for the time being or an independent public accountant as appointed by the Company, acting only as experts and not as arbitrators, to be fair and reasonable) for the compensation of Participants, whether by the payment of cash or the grant of other options or otherwise, no Vesting and/or Release shall be made in such circumstances.

13. MODIFICATIONS TO THE PLAN

- 13.1 The Rules of the Plan may be modified or amended by resolution of the Committee from time to time subject to any necessary approvals of the SGX-ST (and any other stock exchange on which the Shares may be listed or quoted) and such other regulatory authorities as may be necessary except that:
- 13.1.1 any proposed modification or amendment, which would be to the advantage of the Participants under the Plan (as confirmed by the auditors of the Company for the time being or an independent public accountant as appointed by the Company, acting as experts and not as arbitrators) shall be subject to the prior approval of the Company in general meeting;
- 13.1.2 no modification or amendment shall be made which would adversely affect the rights attached to Awards granted prior to such modification or alteration except with the prior consent in writing of such number of Participants under the Plan who, if the Shares comprised in the Awards granted to them Vested, would thereby become entitled to not less than three-quarters in number of all Shares which would be available under the Plan; and
- 13.1.3 no modification or amendment shall be made without due compliance with the Listing Manual and such other regulatory authorities as may be necessary.
- 13.2 Notwithstanding anything to the contrary contained in Rule 13.1, the Committee may at any time by resolution (and without any other formality save for the prior approval of the SGX-ST when necessary) modify or amend the Rules of the Plan in any way to the extent necessary to cause the Plan to comply with any statutory provision or the provision or the regulations of any regulatory or other relevant authority or body (including the SGX-ST).
- 13.3 The opinion of the Committee as to whether any modification or alteration would adversely affect the rights attached to any Award shall be final, binding and conclusive.
- 13.4 Written notice of any modifications or amendments made in accordance with this Rule 13 shall be given to all Participants. Modifications or waivers of Performance Conditions are not modifications to the Plan for the purposes of the provisions of this Rule 13.

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14. ADMINISTRATION OF THE PLAN

- 14.1 The Plan shall be administered by the Committee which will comprise Directors as may be nominated by the Board. The Committee shall administer the Plan in its absolute sole discretion with such powers and duties as are conferred on it by the Board from time to time provided that no member of the Committee shall participate in any deliberation or decision in respect of Award granted or to be granted to him.
- 14.2 The Committee shall have the power, from time to time, to make and vary such rules and regulations or impose terms and conditions necessary, desirable or expedient for the implementation and administration of the Plan as it may think fit.
- 14.3 Any decision of the Committee made pursuant to any provision of the Plan (other than a matter to be certified or confirmed by the auditors of the Company for the time being or an independent public accountant as appointed by the Company, acting as experts and not as arbitrators), shall be final and binding (including any decisions pertaining to disputes as to interpretation of the Plan or any regulation, rule or procedure thereunder or as to any rights under the Plan).

15. NO COMPENSATION

The Plan shall not afford to any Participant any additional right to compensation or damages in consequence of his employment or appointment with the Company being terminated for any reason whatsoever.

16. TERMS OF EMPLOYMENT UNAFFECTED

- 16.1 The Plan or any Award shall not form part of any contract of employment between the Company or any of its subsidiaries and any Participant and the rights and obligations of any individual under the terms of the office or employment with such company shall not be affected by his participation in the Plan or any right which he may have to participate in it or any Award which he may hold and the Plan or any Award shall afford such an individual no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason whatsoever.
- 16.2 The Plan shall not confer on any person any legal or equitable rights (other than those constituting the Awards themselves) against the Company and/or any of its subsidiaries directly or indirectly or give rise to any cause of action at law or in equity against the Company and/or any of its subsidiaries.

17. DISCLOSURES IN ANNUAL REPORT

- 17.1 The Company shall disclose the following in its annual report to Shareholders in compliance with the Listing Manual for so long as the Plan continues in operation:
- 17.1.1 the names of the members of the Committee administering the Plan;
- 17.1.2 in respect of the following Participants of the Plan:
- (i) Directors of the Company; and
 - (ii) Participants who are Controlling Shareholders and their Associates; and

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- (iii) Participants (other than those in paragraph (i) and (ii) above) who have received Shares pursuant to the Vesting and Release of the Awards granted under the Plan which, in aggregate, represent five per cent (5%) or more of the aggregate of the aggregate number of Shares under the Plan,

the following information:

- (a) the name of the Participant;
- (b) the following particulars relating to Shares which are Released under the Plan:
- (1) the number of new Shares issued to such Participant during the financial year under review, as well as the aggregate number of Shares issued to such Participant since the commencement of the Plan; and
 - (2) the number of existing Shares transferred to such Participant during the financial year under review, as well as the aggregate number of existing Shares transferred to such Participant since the commencement of the Plan;

- (iv) in relation to the Plan, the following particulars:

- (a) the aggregate number of Shares comprised in the Awards granted, since commencement of the Plan to the end of the financial year under review;
- (b) the aggregate number of Shares comprised in the Awards which have Vested under the Plan during the financial year under review and in respect thereof, the proportion of:
- (1) new Shares issued; and
 - (2) existing Shares transferred and, where existing Shares were purchased for delivery, the range of prices at which such Shares have been purchased,
- pursuant to the Awards granted under the Plan; and
- (c) the aggregate number of Shares comprised in the Awards granted under each of the Plan which have not been Released, as at the end of the financial year under review.

- (v) Such other information as may be required by the Listing Manual or the Companies Act.

If any of the above is not applicable, an appropriate negative statement shall be included therein.

18. NOTICES AND COMMUNICATIONS

18.1 All notices and communications to be given by a Participant to the Company shall be made or sent to the registered office of the Company or such other address(es) as may be notified by the Company to the Participant in writing.

18.2 Any notices or documents required to be given to a Participant or any correspondence to be made between the Company and the Participant shall be given or made by the Committee (or such person(s) as it may from time to time direct) on behalf of the Company and shall be delivered to him by hand or sent to him at his home address according to the records of the Company or at the last known address of the Participant.

APPENDIX

- 18.3 Any notice sent by post, whether by airmail or not, shall be deemed to have been served on the day following that on which the envelope or wrapper containing the same is posted, and in proving such service by post it shall be sufficient to prove that the letter or wrapper containing the same was properly addressed and put into the post office as a prepaid letter or wrapper.

19. COSTS AND EXPENSES

- 19.1 Each Participant shall be responsible for all fees of CDP relating to or in connection with the issue and allotment of any Shares pursuant to the Vesting of any Award in CDP's name, the deposit of share certificate(s) with CDP, the Participant's securities account with CDP, or the Participant's securities sub-account with a CDP Depository Agent or CPF investment account with a CPF agent bank.
- 19.2 Save for the above, the taxes referred to in Rule 20 and such other costs and expenses expressly provided in the Plan to be payable by the Participants, all other fees, costs and expenses incurred by the Company in relation to the Plan including but not limited to the fees, costs and expenses relating to the allotment and issue, or transfer, of Shares pursuant to the Release of any Award, shall be borne by the Company.

20. TAXES

All taxes (including income tax, if applicable) arising from the grant, vest and/or disposal of Shares pursuant to the Awards granted to any Participant under the Plan shall be borne by that Participant.

21. DISCLAIMER OF LIABILITY

Notwithstanding any provisions contained herein, the Directors, the Committee and the Company shall not be held liable under any circumstances to any Participant or any person whomsoever for any costs, losses, expenses and damages whatsoever and howsoever arising in connection with the Plan or the administration thereof including but not limited to the Company's delay in issuing the Shares and/or in procuring listing of and quotation for the Shares on the SGX-ST (and any other stock exchange on which the Shares may be listed or quoted).

22. DISPUTES

Any disputes or differences of any nature arising hereunder (including the interpretation or administration of the Plan) shall be referred to the Committee whose decision shall be final and binding in all respects.

23. ISSUE CONTRARY TO LAW

Every Award shall be subject to the condition that no Shares shall be Vested pursuant to an Award under the Plan if such Vesting would be contrary to any law or enactment, or any rules or regulations of any legislative or non-legislative governing body for the time being in force in Singapore or any other relevant country having jurisdiction in relation to the issue of Shares hereto.

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24. ABSTENTION FROM VOTING

Shareholders who are eligible to participate in the Plan shall abstain from voting on any resolution(s) relating to the Plan.

25. GOVERNING LAW

The Plan shall be governed by, and construed in accordance with the laws of the Republic of Singapore. The participants (by accepting Awards in accordance with the Plan) and the Company irrevocably submit to the exclusive jurisdiction of the courts of the Republic of Singapore.

NOTICE OF EXTRAORDINARY GENERAL MEETING



PEC LTD.

(Company Registration No. 198200079M)

(Incorporated in the Republic of Singapore on 8 January 1982)

Unless otherwise defined, all capitalised terms used herein shall bear the same meaning as used in the circular dated 12 October 2022 issued by PEC Ltd. (the "Circular").

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of PEC Ltd. ("**Company**") will be held at 14 International Business Park, Singapore 609922 on 27 October 2022 at 4 p.m. (or as soon as practicable immediately following the conclusion or adjournment of the AGM to be held at 3 p.m. on the same day and at the same place) for the purpose of considering and, if thought fit, passing with or without modifications, the following Ordinary Resolutions:

RESOLUTION 1: ORDINARY RESOLUTION

TO APPROVE THE PROPOSED GRANT OF AWARD OF UP TO 164,794 SHARES TO A CONTROLLING SHAREHOLDER UNDER THE PEC PERFORMANCE SHARE PLAN

That:

- (a) the proposed grant of the EK Award comprising up to 164,794 Shares to Edna Ko (who is regarded as a Controlling Shareholder) by the Committee administering the PEC Performance Share Plan, be and is hereby approved; and
- (b) the Directors of the Company be and are hereby authorised to allot and issue Shares, or transfer existing Shares procured by the Company, upon the release of the EK Award.

RESOLUTION 2: ORDINARY RESOLUTION

TO APPROVE THE PROPOSED GRANT OF AWARD OF UP TO 164,794 SHARES TO AN ASSOCIATE OF A CONTROLLING SHAREHOLDER UNDER THE PEC PERFORMANCE SHARE PLAN

That:

- (a) the proposed grant of the RD Award comprising up to 164,794 Shares to Robert Dompeling (who is regarded as an Associate of a Controlling Shareholder) by the Committee administering the PEC Performance Share Plan, be and is hereby approved; and
- (b) the Directors of the Company be and are hereby authorised to allot and issue Shares, or transfer existing Shares procured by the Company, upon the release of the RD Award.

NOTICE OF EXTRAORDINARY GENERAL MEETING

RESOLUTION 3: ORDINARY RESOLUTION

TO APPROVE THE PROPOSED EXTENSION OF THE PLAN

That:

- (a) pursuant to Rule 5.1 of the Rules of PEC Performance Share Plan ("**Plan**"), the extension of the duration of the Plan for a further period of 10 years from 25 October 2023 up to 24 October 2033 (both dates inclusive) be and is hereby approved; and
- (b) the Rules of Plan (as proposed to be extended and altered) as set out in the Appendix to the Company's Letter to Shareholders dated 12 October 2022 (the "**Letter**"), incorporating the alterations to the Rules of Plan as described in the Letter, be and are hereby approved and adopted in substitution for, and to the exclusion of, the existing Rules of the Plan.

RESOLUTION 4: ORDINARY RESOLUTION

TO APPROVE THE PROPOSED PARTICIPATION BY EDNA KO IN THE PLAN

That subject to and contingent upon Ordinary Resolution 3 being passed, approval be and is hereby given for the participation of Edna Ko (who is regarded as a Controlling Shareholder) in the Plan.

RESOLUTION 5: ORDINARY RESOLUTION

TO APPROVE THE PROPOSED PARTICIPATION BY ROBERT DOMPELING IN THE PLAN

That, subject to and contingent upon Ordinary Resolution 3 being passed, approval be and is hereby given for the participation of Robert Dompeling (who is regarded as an Associate of a Controlling Shareholder) in the Plan.

By Order of the Board

Abdul Jabbar Bin Karam Din
Joint Company Secretary

12 October 2022
Singapore

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTES:

- (1) CPF or 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 at least seven (7) working days prior to the date of the EGM.
- (2) The instrument appointing a proxy or proxies must be deposited at the office of the Company's Share Registrar at 30 Cecil Street, #19-08 Prudential Tower, Singapore 049712 or submitted via email to shareregistry@incorp.asia, in each case, not less than 48 hours before the time for holding the EGM and at any adjournment thereof and in default the instrument of proxy shall not be treated as valid.

A member who wishes to submit an instrument of proxy 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.

- (3) The Letter to Shareholders dated 12 October 2022 in relation to the proposed grant of award to a controlling shareholder and an associate of a controlling shareholder under the PEC Performance Share Plan may be accessed at the Company's website at the URL http://www.peceng.com/html/investor_shareholders.php, and on the SGX website at the URL <https://www2.sgx.com/securities/company-announcements>

Submission of questions prior to the EGM

- (4) Members may submit questions related to the resolutions to be tabled for approval at the EGM or the Company's businesses and operations. The Company will endeavour to address questions which are substantial and relevant.
- (5) The questions must be submitted no later than 4p.m. on 19 October 2022 via one of the following means:
 - (a) by post, be lodged at the office of the Company's Share Registrar, In.Corp Corporate Services Pte. Ltd. at 30 Cecil Street, #19-08 Prudential Tower, Singapore 049712; or
 - (b) by email to shareregistry@incorp.asia.
- (6) If the questions are deposited in physical copy at the office of the Company's Share Registrar or sent via email, and in either case not accompanied by the completed and executed proxy form, the following details must be included with the submitted questions: (1) the full name of the shareholder; and (2) his/her/its identification/registration number for verification purposes, failing which the submission will be treated as invalid.

Voting by proxy

- (7) The Proxy Form must be submitted through any one of the following means:
 - (a) by depositing a physical copy at the office of the Company's Share Registrar at 30 Cecil Street, #19-08 Prudential Tower, Singapore 049712; or
 - (b) by sending a scanned PDF copy by email to shareregistry@incorp.asia

in each case, no later than 4 p.m. on 25 October 2022, and failing which, the Proxy Form will not be treated as valid.

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (8) The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its officer or attorney duly authorised. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
- (9) A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.
- (10) A depositor shall not be regarded as a member of the Company entitled to attend and vote at the EGM unless his/her name appears on the Depository Register not less than 72 hours before the time appointed for holding the EGM.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM 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 EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (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.

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PEC LTD.

(Company Registration No. 198200079M)
(Incorporated in the Republic of Singapore)

PROXY FORM

FOR EXTRAORDINARY GENERAL MEETING
(Please see notes overleaf before completing this Form)

IMPORTANT:

CPF/SRS Investors

- For investors who have used their CPF monies to buy PEC Ltd.'s shares, this Report is forwarded to them at the request of the CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
- This Proxy Form is not valid for use by CPF/SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
- CPF/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 at least seven (7) working days prior to the date of the EGM.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy and/or representative, the Shareholder accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 12 October 2022.

I/We, _____ (Name) _____ (NRIC/ Passport Number/ Company Regn. No.)

of _____ (Address)

being a member/members of PEC Ltd. (the "Company"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him/her, the Chairman of the Meeting as my/our proxy/proxies to attend and vote for me/us on my/our behalf at the Extraordinary General Meeting (the "Meeting") of the Company to be held at 14 International Business Park, Singapore 609922 on 27 October 2022 at 4 p.m. (or as soon as practicable immediately following the conclusion or adjournment of the AGM to be held at 3 p.m. on the same day and at the same place) and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion.

	For*	Against*	Abstain*
Ordinary Resolution 1 To approve the proposed grant of the EK Award to Edna Ko			
Ordinary Resolution 2 To approve the proposed grant of the RD Award to Robert Dompeling			
Ordinary Resolution 3 To approve the proposed extension of the Plan			
Ordinary Resolution 4 To approve the proposed participation by Edna Ko in the Plan			
Ordinary Resolution 5 To approve the proposed participation by Robert Dompeling in the Plan			

* Please indicate your vote "For" or "Against" or to "Abstain". If you wish to use all your votes "For" or "Against" or to "Abstain", please indicate with an "X" within the box provided. Otherwise, please indicate the number of votes.

Dated this _____ day of _____ 2022

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

Signature of Shareholder(s)
or, Common Seal of Corporate Shareholder

NOTES:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. A member of the Company (other than a Relevant Intermediary*), entitled to attend and vote at a meeting of the Company is entitled to appoint up to two proxies to attend and vote in his stead. A proxy need not be a member of the Company.
3. The instrument appointing a proxy or proxies must be deposited at the office of the Company's Share Registrar, at 30 Cecil Street, #19-08 Prudential Tower, Singapore 049712 or submitted via email to shareregistry@incorp.asia, in each case, not less than 48 hours before the time for holding the EGM and at any adjournment thereof and in default the instrument of proxy shall not be treated as valid.

A member who wishes to submit an instrument of proxy 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.

4. Where a member (other than a Relevant Intermediary*) appoints two proxies, the appointments shall be invalid unless he specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy.
5. A Relevant Intermediary* may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number or class of shares shall be specified).
6. Subject to note 9, completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the Meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.
7. The instrument appointing a proxy or proxies must be executed under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised or in such manner as appropriate under applicable laws. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore. The Company shall be entitled to treat an original certificate under the seal of the corporation as conclusive evidence of the appointment or revocation of appointment of a representative.

* A "Relevant Intermediary" is:

- (a) a banking corporation licensed under the Banking Act 1970, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

GENERAL:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy or proxies, the member accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting dated 12 October 2022.