

CIRCULAR DATED 31 MARCH 2016

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your shares in the capital of Swiber Holdings Limited (the “**Company**”) held through The Central Depository (Pte) Limited (“**CDP**”), you need not forward this Circular to the purchaser or transferee as arrangements will be made by CDP for a separate Circular to be sent to the purchaser or transferee. If you have sold or transferred all your shares in the capital of the Company represented by physical share certificate(s), you should immediately forward this Circular, the notice of annual general meeting 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 transferee.

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

SGX-ST has approved in-principle the listing and quotation of new ordinary shares of the Company (the “**New Shares**”) arising from the exercise of share options granted pursuant to the 2016 Swiber ESOS (as defined in the Circular) and/or the vesting of awards from the 2016 Swiber PSP (as defined in the Circular). The approval from SGX-ST is not an indication of the merits of the 2016 Swiber ESOS, the 2016 Swiber PSP, the New Shares, the Company and/or its subsidiaries.



SWIBER HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 200414721N)

CIRCULAR TO SHAREHOLDERS

in relation to

- (1) THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE;**
- (2) THE PROPOSED ADOPTION OF THE 2016 SWIBER EMPLOYEE SHARE OPTION SCHEME;**
- (3) THE PROPOSED ADOPTION OF THE 2016 SWIBER PERFORMANCE SHARE PLAN;**
- (4) THE PROPOSED GRANT OF AUTHORITY TO GRANT OPTIONS AT UP TO A 20.0% DISCOUNT UNDER THE 2016 SWIBER EMPLOYEE SHARE OPTION SCHEME;**
- (5) THE PROPOSED PARTICIPATION OF EMPLOYEES AND DIRECTORS OF ASSOCIATED COMPANIES IN EACH OF THE 2016 SWIBER EMPLOYEE SHARE OPTION SCHEME AND 2016 SWIBER PERFORMANCE SHARE PLAN; AND**
- (6) THE PROPOSED PARTICIPATION OF CONTROLLING SHAREHOLDERS AND THEIR ASSOCIATES IN EACH OF THE 2016 SWIBER EMPLOYEE SHARE OPTION SCHEME AND 2016 SWIBER PERFORMANCE SHARE PLAN.**

Important dates and times

Last date and time for lodgment of proxy form : 13 April 2016 at 10.00 a.m.
Date and time of annual general meeting : 15 April 2016 at 10.00 a.m.
Place of annual general meeting : 12 International Business Park
#03-02 Swiber@IBP
Singapore 609920

TABLE OF CONTENTS

DEFINITIONS	1
LETTER TO SHAREHOLDERS	
1. INTRODUCTION.....	5
2. THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE	6
3. THE PROPOSED ADOPTION OF THE 2016 SWIBER ESOS AND 2016 SWIBER PSP	20
4. THE AUTHORITY TO GRANT OPTIONS AT UP TO A 20.0% DISCOUNT UNDER THE 2016 SWIBER ESOS	32
5. THE PROPOSED PARTICIPATION OF EMPLOYEES AND DIRECTORS OF ASSOCIATED COMPANIES IN EACH OF THE 2016 SWIBER ESOS AND 2016 SWIBER PSP	33
6. THE PROPOSED PARTICIPATION OF CONTROLLING SHAREHOLDERS AND THEIR ASSOCIATES IN EACH OF THE 2016 SWIBER ESOS AND 2016 SWIBER PSP	33
7. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS	35
8. ANNUAL GENERAL MEETING	35
9. DIRECTORS' RECOMMENDATION AND ABSENTION FROM VOTING.....	36
10. DIRECTORS' RESPONSIBILITY STATEMENT	36
11. DOCUMENTS FOR INSPECTION	36
APPENDIX A – RULES OF THE 2016 SWIBER ESOS	A-1
APPENDIX B – RULES OF THE 2016 SWIBER PSP	B-1

DEFINITIONS

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

“2015 Annual Report”	The annual report of the Company for FY2015
“2016 Swiber ESOS”	An employee share option scheme proposed for implementation by the Company at the upcoming AGM under which confirmed directors and employees of a Group Company or an Associated Company (including executive, non-executive and independent directors) may be granted Options
“2016 Swiber PSP”	A performance share plan proposed for implementation by the Company at the upcoming AGM under which confirmed directors and employees of a Group Company or an Associated Company (including executive, non-executive and independent directors) may be granted Awards
“ACRA”	Accounting and Corporate Regulatory Authority
“AGM”	The annual general meeting of the Company
“Associates”	In relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being any 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/or his immediate family together (directly or indirectly) have an interest of 30% or more
“Associated Company”	A company in which at least 20.0% but not more than 50.0% of its shares are held by the Company and of which the Company has control over
“Average Closing Price”	Has the meaning given to it in paragraph 2.3(d) of this Circular
“Award”	A contingent award of new fully-paid Shares which may be issued free of charge under the 2016 Swiber PSP
“Auditors”	The auditors of the Company for the time being
“Board”	The board of directors of the Company
“CDP”	The Central Depository (Pte) Limited
“Committee”	The remuneration committee of the Company which will be responsible for the administration of the proposed 2016 Swiber ESOS and 2016 Swiber PSP
“Companies Act”	The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time
“Company”	Swiber Holdings Limited
“Constitution”	The constitution of the Company

DEFINITIONS

“control”	The capacity to dominate decision making, directly or indirectly, in relation to the financial and operating policies of the Company
“Controlling Shareholder”	A person who: (a) holds directly or indirectly 15.0% or more of the total number of issued Shares (excluding Treasury Shares) (unless the SGX-ST determines otherwise); or (b) in fact exercises control over the Company
“date of the making of offer”	Has the meaning given to it in paragraph 2.3(d) of this Circular
“Directors”	The directors of the Company
“Discounted Option”	Has the meaning given to it in paragraph 3.3(e) of this Circular
“EPS”	Earnings per share
“Existing ESOS”	The employee share option scheme that the Company had in place as at the Latest Practicable Date
“Existing ESOS Option”	A share option to subscribe for Shares granted pursuant to the Existing ESOS
“Existing PSP”	The performance share plan that the Company had in place as at the Latest Practicable Date
“Existing PSP Award”	A contingent award of new fully-paid Shares which may be issued free of charge under the Existing PSP
“Existing Schemes”	The Existing ESOS and the Existing PSP collectively
“FY”	Financial year ended or ending 31 December (as the case may be)
“Grantee”	A person to whom an offer to grant Options is made
“Group”	The Company and its Subsidiaries
“Group Company”	A company within the Group
“Latest Practicable Date”	21 March 2016, being the latest practicable date prior to the printing of this Circular
“Listing Rules”	The listing rules of the SGX-ST as set out in the Listing Manual of the SGX-ST, as amended and modified from time to time
“Market Day”	A day on which the SGX-ST is open for trading in securities
“Market Price”	A price equal to the average of the last dealt prices for the Shares determined by reference to the daily Official List published by SGX-ST for a period of five consecutive Market Days immediately prior to the relevant date of grant of an Option provided always that in the case of a Market Day on which Shares were not traded on SGX-ST, the last dealt price for the Shares on such Market Day shall be deemed to be the last dealt price of the Shares on the immediately preceding Market Day on which the Shares were traded, rounded up to the nearest whole cent in the event of fractional prices
“Market Price Option”	Has the meaning given to it in paragraph 3.3(e) of this Circular

DEFINITIONS

“Market Purchase”	Has the meaning given to it in paragraph 2.3(c)(i) of this Circular
“Maximum Price”	Has the meaning given to it in paragraph 2.3(d) of this Circular
“New Shares”	New Shares which may be allotted and issued from time to time pursuant to the exercise of the Option(s) granted under the 2016 Swiber ESOS and/or pursuant to the vesting of Awards granted under the 2016 Swiber PSP (as the case may be)
“Notice of AGM”	Has the meaning given to it in paragraph 1 of this Circular
“NTA”	Net tangible assets
“Option”	A share option to subscribe for Shares granted pursuant to the 2016 Swiber ESOS
“Off-Market Purchase”	Has the meaning given to it in paragraph 2.3(c)(ii) of this Circular
“Participants”	Participants of the 2016 Swiber ESOS and/or the 2016 Swiber PSP (as the case may be)
“Relevant Period”	The period commencing from the date the resolution relating to the Share Buyback Mandate was passed and expiring on the date the next AGM is or is required by law to be held, whichever is the earlier
“SFA”	The Securities and Futures Act, Chapter 289 of Singapore, as amended or modified from time to time
“SGX-ST”	Singapore Exchange Securities Trading Limited
“Shareholders”	Registered holders for the time being of the Shares (other than the CDP), or in the case of depositors, depositors who have Shares entered against their name in the Depository Register
“Shares”	Ordinary shares in the share capital of the Company
“Share Buyback”	Buyback of Shares by the Company pursuant to the Share Buyback Mandate
“Share Buyback Mandate”	A general mandate given by Shareholders to authorise the Directors to purchase, on behalf of the Company, Shares in accordance with the terms set out in this Circular as well as the rules and regulations set forth in the Companies Act and the Listing Rules
“Subsidiary”	A company which is for the time being a subsidiary of the Company as defined by section 5 of the Companies Act
“Substantial Shareholder”	A person including a corporation who has an interest in not less than five per cent of the total issued voting Shares
“Treasury Shares”	Has the meaning ascribed to it in section 4 of the Companies Act
“Take-over Code”	The Singapore Code on Take-overs and Mergers, as amended or modified from time to time
“US\$” and “cents”	United States dollars and cents, respectively
“%” or “per cent.”	Percentage or per centum

DEFINITIONS

The terms **depositor** and **Depository Register** shall have the meanings ascribed to them respectively in section 130A of the Companies Act.

The term **controlling shareholder** shall have the meaning ascribed to it in the Listing Rules.

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. References to persons shall 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. Unless otherwise defined in this Circular or the context otherwise requires, any word defined under the Companies Act or any statutory modification thereof and used in this Circular shall have the meaning assigned to it under the Companies Act or any statutory modification thereof, as the case may be.

Any reference to a time of a day in this Circular shall be a reference to Singapore time unless otherwise stated.

Any discrepancies in tables included herein between the amounts in the columns of the tables 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 that precede them.

LETTER TO SHAREHOLDERS

SWIBER HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 200414721N)

Board of Directors:

Raymond Kim Goh, *Executive Chairman*
Francis Wong Chin Sing, *Executive Director and
Group Chief Executive Officer*
Yeo Chee Neng, *Executive Director and Deputy
Group Chief Executive Officer*
Jean Pers, *Executive Director*
Nitish Gupta, *Executive Director*
Tay Gim Sin Leonard, *Executive Director and
Group Chief Financial Officer*
Yeo Jeu Nam, *Lead Independent Non-Executive Director*
Oon Thian Seng, *Independent Non-Executive Director*
Chia Fook Eng, *Independent Non-Executive Director*

Registered office:

12 International Business Park
#01-05 Swiber@IBP
Singapore 609920

31 March 2016

To: The shareholders of Swiber Holdings Limited

Dear Sir / Madam

- (1) **THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE;**
- (2) **THE PROPOSED ADOPTION OF THE 2016 SWIBER ESOS;**
- (3) **THE PROPOSED ADOPTION OF THE 2016 SWIBER PSP;**
- (4) **THE PROPOSED GRANT OF AUTHORITY TO GRANT OPTIONS AT UP TO A 20.0% DISCOUNT UNDER THE 2016 SWIBER ESOS;**
- (5) **THE PROPOSED PARTICIPATION OF EMPLOYEES AND DIRECTORS OF ASSOCIATED COMPANIES IN THE 2016 SWIBER ESOS AND 2016 SWIBER PSP; AND**
- (6) **THE PROPOSED PARTICIPATION OF CONTROLLING SHAREHOLDERS AND THEIR ASSOCIATES IN THE 2016 SWIBER ESOS AND 2016 SWIBER PSP.**

1. INTRODUCTION

We refer to the notice of AGM dated 31 March 2016 (the **Notice of AGM**) convening the upcoming AGM to be held on 15 April 2016 and the proposed ordinary resolutions therein relating to the above.

The purpose of this Circular is to provide Shareholders with information relating to the proposed renewal of the Share Buyback Mandate and proposed adoptions of the 2016 Swiber ESOS and 2016 Swiber PSP, details of which are set out below, and to seek their approval in relation thereto at the upcoming AGM.

SGX-ST assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Circular.

LETTER TO SHAREHOLDERS

2. THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE

2.1 The Share Buyback Mandate

Sections 76B, 76C, 76DA and 76E of the Companies Act allow a listed company to purchase its own shares. At the Company's extraordinary general meeting held on 30 April 2008, the Shareholders had approved a mandate to enable the Company to purchase or acquire its issued Shares at anytime during the duration, and on the terms, of such Share Buyback Mandate. The Share Buyback Mandate was last renewed at the previous AGM held on 20 April 2015 and will, unless renewed again, expire on the date of the upcoming AGM to be held on 15 April 2016.

Accordingly, Shareholders' approval is being sought for the renewal of the Share Buyback Mandate at the upcoming AGM in accordance with the terms set out below.

2.2 Rationale

The renewal of the Share Buyback Mandate authorising the Company to purchase or acquire its Shares would give the Company the flexibility to undertake share purchases or acquisitions up to the ten per cent limit described in paragraph 2.3(a) below during the period when the Share Buyback Mandate is in force.

The rationale for the Company to undertake the purchase or acquisition of Shares is as follows:

- (a) in managing the business of the Group, the management will strive to increase Shareholders' value by improving, *inter alia*, the return on equity of the Company. In addition to growth and expansion of the business, share purchases may be considered as one of the ways through which the return on equity of the Company may be enhanced;
- (b) the Share Buyback Mandate will provide the Company with greater flexibility in managing its capital and maximising returns to its Shareholders. To the extent that the Company has capital and surplus funds which are in excess of its financial needs, taking into account its growth and expansion plans, the Share Buyback Mandate will facilitate the return of excess cash and surplus funds to Shareholders in an expedient, effective and cost-efficient manner;
- (c) share buyback programmes help to buffer short-term share price volatility; and
- (d) Shares which are purchased by the Company pursuant to the Share Buyback Mandate and held in treasury may be transferred for the purposes of employee share schemes implemented by the Company. The use of Treasury Shares in lieu of issuing new Shares would mitigate the dilution impact on existing Shareholders.

While the Share Buyback Mandate would authorise a purchase or acquisition of Shares up to the said ten per cent limit during the duration referred to in paragraph 2.3(b) below, Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Buyback Mandate may not be carried out to the full ten per cent limit as authorised or at all and the purchases or acquisitions of Shares pursuant to the Share Buyback Mandate would be made only as and when the Directors consider it to be in the best interests of the Company and/or Shareholders and in circumstances which they believe will not result in any material adverse effect to the financial position of the Company or the Group, or result in the Company being delisted from the SGX-ST. The Directors will use their best efforts to ensure that after a purchase or acquisition of Shares pursuant to the Share Buyback Mandate, the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or adversely affect the orderly trading and listing status of the Shares on the SGX-ST.

LETTER TO SHAREHOLDERS

2.3 Authority and limits on the Share Buyback Mandate

The authority and limitations placed on purchases or acquisitions of Shares by the Company under the proposed Share Buyback Mandate are summarised below:

(a) Maximum number of Shares

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company. The total number of Shares which may be purchased or acquired pursuant to the Share Buyback Mandate is limited to that number of Shares representing not more than ten per cent of the total number of issued Shares (ascertained as at the date of the last AGM or (if different) at the date of the general meeting at which the renewal of the Share Buyback Mandate is approved, whichever is higher, unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act at any time during the Relevant Period, in which event the total number of issued Shares shall be taken to be the total number of issued Shares as altered). Any shares which are held as Treasury Shares will be disregarded for purposes of computing the ten per cent limit.

For illustrative purposes only, on the basis of 460,376,986 Shares in issue as at the Latest Practicable Date (excluding Treasury Shares) and assuming no further Shares are issued on or prior to the upcoming AGM, not more than 46,037,698 Shares (representing ten per cent of the total number of Shares as at that date, excluding Treasury Shares) may be purchased or acquired by the Company pursuant to the proposed Share Buyback Mandate during the duration referred to in paragraph 2.3(b) below.

(b) Duration of authority

Subject to the other sections in this Circular, purchases or acquisitions of Shares pursuant to the proposed Share Buyback Mandate may be made, at any time and from time to time, on and from the date of the upcoming AGM at which the renewal of the Share Buyback Mandate is to be approved, up to:

- (i) the date on which the following AGM is held or is required by law to be held, whichever is earlier; or
- (ii) the date on which the purchases or acquisitions of Shares by the Company pursuant to the proposed Share Buyback Mandate are carried out to the full extent mandated; or
- (iii) the date on which the authority conferred by the Share Buyback Mandate is revoked or varied (in accordance with the Companies Act) by the Shareholders in a general meeting,

whichever is the earliest.

The authority conferred on the Directors by the Share Buyback Mandate to purchase Shares may be renewed at the following AGM or at an extraordinary general meeting to be convened immediately after the conclusion or adjournment of the following AGM. When seeking the approval of the Shareholders for the renewal of the Share Buyback Mandate, the Company is required to disclose details of any purchases or acquisitions of Shares made by the Company in the previous 12 months, including the total number of Shares purchased or acquired, the purchase price per Share, or the highest and lowest prices paid for such purchases or acquisitions of Shares, where relevant, and the total consideration paid for such purchases or acquisitions.

LETTER TO SHAREHOLDERS

(c) Manner of purchases or acquisitions of Shares

Purchases or acquisitions of Shares may be made by way of:

- (i) on-market purchase(s) (**Market Purchase**) transacted on the SGX-ST through the ready market, through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or
- (ii) off-market purchase(s) (**Off-Market Purchase**) effected pursuant to an equal access scheme in accordance with section 76C of the Companies Act.

The Directors may impose such terms and conditions which are not inconsistent with the Share Buyback Mandate, the Listing Rules and the Companies Act, as they consider fit in the interests of the Company in connection with or in relation to any purchase or acquisition of Shares by the Company.

An Off-Market Purchase must additionally satisfy all the following conditions:

- (i) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares against the total number of issued Shares;
- (ii) all of the abovementioned persons shall be given a reasonable opportunity to accept the offers made to them; and
- (iii) the terms of all the offers shall be the same, except that there shall be disregarded, where applicable: (1) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements or different amounts remaining unpaid; and (2) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

Pursuant to the Listing Rules, if the Company wishes to make an Off-Market Purchase in accordance with an equal access scheme, it shall issue an offer document to all Shareholders containing at least the following information:

- (i) the terms and conditions of the offer;
- (ii) the period and procedures for acceptances;
- (iii) the reasons for the proposed purchase or acquisition of Shares;
- (iv) the consequences, if any, of the purchases or acquisitions of Shares by the Company that will arise under the Take-over Code or other applicable take-over rules;
- (v) whether the purchases or acquisitions of Shares, if made, would have any effect on the listing of the Shares on the SGX-ST;
- (vi) details of any purchases or acquisitions of Shares made by the Company in the previous 12 months (whether by way of Market Purchases or Off-Market Purchases), giving the total number of Shares purchased or acquired, the purchase price per Share or the highest and lowest prices paid for the purchases or acquisitions of Shares, where relevant, and the total consideration paid for the purchases or acquisitions; and
- (vii) whether the Shares purchased or acquired by the Company will be cancelled or kept as Treasury Shares.

LETTER TO SHAREHOLDERS

(d) Purchase price

The purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) to be paid for a Share will be determined by the Directors or a committee of Directors that may be constituted for the purposes of effecting purchases or acquisitions of Shares by the Company under the Share Buyback Mandate. However, the purchase price to be paid for the Shares pursuant to the purchases or acquisitions of the Shares must not exceed:

- (i) in the case of a Market Purchase, 105% of the Average Closing Price; and
- (ii) in the case of an Off-Market Purchase pursuant to an equal access scheme in accordance with section 76C of the Companies Act, 120% of the Average Closing Price,

(the **Maximum Price**) in either case, excluding the related expenses of the purchase or acquisition.

For the purposes of this Circular:

Average Closing Price means the average of the closing market prices of the Shares for the last five Market Days on which transactions in the Shares were recorded on the SGX-ST immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted in accordance with the Listing Rules for any corporate action which occurs after the relevant five-Market Days period; and

date of the making of the offer means the date on which the Company announces its intention to make an offer for the Off-Market Purchase, stating therein the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

2.4 **Status of purchased Shares.** A Share purchased or acquired by the Company is deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Share will expire on such cancellation) unless such Share is held by the Company as a Treasury Share. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which are not held as Treasury Shares. At the time of each purchase or acquisition of Shares by the Company, the Directors will decide whether the Shares purchased or acquired will be cancelled or kept as Treasury Shares, or partly cancelled and partly kept as Treasury Shares, depending on the needs of the Company at that time.

2.5 **Treasury shares.** Under the Companies Act, Shares purchased or acquired by the Company may be held or dealt with as Treasury Shares. Some of the provisions on Treasury Shares under the Companies Act are summarised below:

(a) Maximum holdings

The number of shares of the Company held as Treasury Shares cannot at any time exceed ten per cent of the total number of issued Shares.

(b) Voting and other rights

The Company cannot exercise any right in respect of Treasury Shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the Treasury Shares shall be treated as having no voting rights.

LETTER TO SHAREHOLDERS

In addition, no dividend may be paid and no other distribution of the Company's assets may be made to the Company in respect of Treasury Shares. However, the allotment of Shares as fully-paid bonus shares in respect of Treasury Shares is allowed. Also, a subdivision or consolidation of any Treasury Share into Treasury Shares of a smaller amount is allowed so long as the total value of the Treasury Shares after the subdivision or consolidation is the same as before.

(c) Disposal and cancellation

Where shares of the Company are held as Treasury Shares, the Company may at any time but subject always to the Take-over Code:

- (i) sell the Treasury Shares for cash;
- (ii) transfer the Treasury Shares for the purposes of or pursuant to an employees' share scheme;
- (iii) transfer the Treasury Shares as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (iv) cancel the Treasury Shares; or
- (v) sell, transfer or otherwise use the Treasury Shares for such other purposes as may be prescribed by the Minister of Finance.

The Directors will consider and decide whether to purchase or acquire Shares to satisfy share options and/or awards issued under the Company's employees' share schemes (if any).

Under the Listing Rules, an immediate announcement must be made of any sale, transfer, cancellation and/or use of Treasury Shares (in each case, the **usage**). Such announcement must include details such as the date of the usage, the purpose of the usage, the number of Treasury Shares comprised in the usage, the number of Treasury Shares before and after the usage, the percentage of the number of Treasury Shares comprised in the usage against the total number of issued shares (of the same class as the Treasury Shares) which are listed on the SGX-ST before and after the usage and the value of the Treasury Shares.

2.6 Reporting requirements. Within 30 days of the passing of a Shareholders' resolution to approve the renewal of the Share Buyback Mandate, the Company shall lodge a copy of such resolution with ACRA.

The Company shall notify ACRA within 30 days of a purchase or acquisition of Shares by the Company on the SGX-ST or otherwise. Such notification shall include the date of the purchase or acquisition, the total number of Shares purchased or acquired by the Company, the number of Shares cancelled, the number of Shares held as Treasury Shares, the Company's total number of issued Shares before and after the purchase or acquisition of Shares, the amount of consideration paid by the Company for the purchase or acquisition, whether the Shares were purchased or acquired out of profits or the capital of the Company and such other particulars as may be required in the prescribed form.

The Listing Rules specify that a listed company shall notify the SGX-ST of all purchases or acquisitions of its Shares not later than 9.00 a.m.:

- (a) in the case of a Market Purchase, on the Market Day following the day on which the Market Purchase was made; and
- (b) in the case of an Off-Market Purchase, on the second Market Day after the close of acceptances of the offer for the Off-Market Purchase.

LETTER TO SHAREHOLDERS

The notification of such purchases or acquisition of Shares to the SGX-ST shall be in such form and shall include such details that the SGX-ST may prescribe. The Company shall make arrangements with its stockbrokers to ensure that they provide the Company in a timely fashion with the necessary information which will enable the Company to make such notifications to the SGX-ST.

- 2.7 **Source of funds.** The Company may only apply funds for the purchase or acquisition of the Shares as provided in the Constitution and in accordance with the applicable laws in Singapore. The Company may not purchase or acquire its Shares for a consideration other than in cash or, in the case of a Market Purchase, for settlement otherwise than in accordance with the trading rules of the SGX-ST.

The Companies Act permits the Company to purchase or acquire its own Shares out of capital, as well as from its distributable profits, so long as the Company is solvent (as defined in section 76F(4) of the Companies Act). Apart from using its internal sources of funds, the Company may obtain or incur borrowings to finance its purchase or acquisition of Shares.

- 2.8 **Financial effects.** It is not possible for the Company to realistically calculate or quantify the impact of purchases or acquisitions of Shares that may be made pursuant to the Share Buyback Mandate on the NTA and EPS of the Company as the resultant effect would depend on, *inter alia*, the aggregate number of Shares purchased or acquired, whether the purchase or acquisition is made out of capital or profits, the purchase prices paid for such Shares, the amount (if any) borrowed by the Company to fund the purchases or acquisitions and whether the Shares purchased or acquired are cancelled or held as Treasury Shares.

The Company's total number of issued Shares will be diminished by the total number of the Shares purchased or acquired by the Company and which are cancelled. The NTA value of the Group will be reduced by the aggregate purchase price paid by the Company for the Shares purchased or acquired.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) will correspondingly reduce the amount available for the distribution of cash dividends by the Company. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced.

The Directors do not propose to exercise the Share Buyback Mandate to such an extent that it would have a material adverse effect on the working capital requirements of the Group. The purchase or acquisition of the Shares will only be effected after considering relevant factors such as the working capital requirements, availability of financial resources, the expansion and investment plans of the Group and the prevailing market conditions. The proposed Share Buyback Mandate will be exercised with a view towards enhancing the EPS and/or the NTA value per Share.

For illustrative purposes only, the financial effects of the Share Buyback Mandate on the Group and the Company as shown in the following tables are based on the audited financial statements of the Group and the Company for FY2015 and on the assumptions set out below:

- (a) Based on 460,376,986 Shares in issue as at the Latest Practicable Date (excluding Treasury Shares) and assuming that (i) the Share Buyback Mandate had been effective from 1 January 2015 and (ii) no further Shares are issued on or prior to the upcoming AGM, the Company had purchased 46,037,698 Shares (representing ten per cent of the total number of issued Shares as at the Latest Practicable Date) on 31 December 2015.

LETTER TO SHAREHOLDERS

- (b) In the case of Market Purchases by the Company and assuming that the Company purchases or acquires 46,037,698 Shares at the Maximum Price of US\$0.16 for one Share (being the price equivalent to 105% of the Average Closing Price of the Shares for the five consecutive Market Days on which transactions in the Shares were recorded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase of the 46,037,698 Shares (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) is approximately US\$7.37 million.
- (c) In the case of Off-Market Purchases by the Company and assuming that the Company purchases 46,037,698 Shares at the Maximum Price of US\$0.18 for one Share (being the price equivalent to 120% of the Average Closing Price of the Shares for the five consecutive Market Days on which transactions in the Shares were recorded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase of the 46,037,698 Shares (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) is approximately US\$8.29 million.
- (d) The purchase or acquisition of Shares by the Company is financed by internal sources of funds available as at 31 December 2015 and external borrowings.

LETTER TO SHAREHOLDERS

(1) Purchases made entirely out of capital and held as Treasury Shares

(A) Market Purchases

	Group Before Share Buyback	Group After Share Buyback	Company Before Share Buyback	Company After Share Buyback
	US\$'000	US\$'000	US\$'000	US\$'000
As at 31 December 2015				
Share Capital	241,333	241,333	241,333	241,333
Treasury Shares	–	(7,366)	–	(7,366)
Other Reserves	(13,317)	(13,317)	(2,332)	(2,332)
Retained Earnings	257,365	257,365	206,735	206,735
Shareholders' Funds	485,381	478,015	445,736	438,370
Net Tangible Assets	575,136	567,770	445,736	438,370
Non-Controlling Interest	90,064	90,064	–	–
Current Assets	962,956	955,590	860,535	853,169
Current Liabilities	842,397	842,397	504,836	504,836
Total Borrowings	1,016,802	1,016,802	395,430	395,430
Net (Loss) Attributable to Owner of Parent	(27,375)	(27,375)	(2,000)	(2,000)
Number of Issued Shares ('000)	459,469	413,432	459,469	413,432
Weighted Average Number of Shares ('000)	453,215	407,177	453,215	407,177
Number of Treasury Shares ('000)	–	46,038	–	46,038
Financial ratios				
NTA per Share ⁽¹⁾ (cents)	125.17	137.33	97.01	106.03
Gearing Ratio ⁽²⁾ (times)	2.09	2.13	0.89	0.90
Current Ratio ⁽³⁾ (times)	1.14	1.13	1.70	1.69
EPS ⁽⁴⁾ (cents)	(6.04)	(6.72)	(0.44)	(0.49)

Notes:

- (1) NTA per Share is based on 459,469,486 Shares.
- (2) Gearing ratio equals total borrowings divided by Shareholders' funds.
- (3) Current ratio equals current assets divided by current liabilities.
- (4) EPS is based on the weighted average number of approximately 453,214,511 Shares.

LETTER TO SHAREHOLDERS

(B) *Off-Market Purchases*

	Group Before Share Buyback	Group After Share Buyback	Company Before Share Buyback	Company After Share Buyback
	US\$'000	US\$'000	US\$'000	US\$'000
As at 31 December 2015				
Share Capital	241,333	241,333	241,333	241,333
Treasury Shares	–	(8,287)	–	(8,287)
Other Reserves	(13,317)	(13,317)	(2,332)	(2,332)
Retained Earnings	257,365	257,365	206,735	206,735
Shareholders' Funds	485,381	477,094	445,736	437,449
Net Tangible Assets	575,136	566,849	445,736	437,449
Non-Controlling Interest	90,064	90,064	–	–
Current Assets	962,956	954,669	860,535	852,248
Current Liabilities	842,397	842,397	504,836	504,836
Total Borrowings	1,016,802	1,016,802	395,430	395,430
Net (Loss) Attributable to Owner of Parent	(27,375)	(27,375)	(2,000)	(2,000)
Number of Issued Shares ('000)	459,469	413,432	459,469	413,432
Weighted Average Number of Shares ('000)	453,215	407,177	453,215	407,177
Number of Treasury Shares ('000)	–	46,038	–	46,038
Financial ratios				
NTA per Share ⁽¹⁾ (cents)	125.17	137.11	97.01	105.81
Gearing Ratio ⁽²⁾ (times)	2.09	2.13	0.89	0.90
Current Ratio ⁽³⁾ (times)	1.14	1.13	1.70	1.69
EPS ⁽⁴⁾ (cents)	(6.04)	(6.72)	(0.44)	(0.49)

Notes:

- (1) NTA per Share is based on 459,469,486 Shares.
- (2) Gearing ratio equals total borrowings divided by Shareholders' funds.
- (3) Current ratio equals current assets divided by current liabilities.
- (4) EPS is based on the weighted average number of approximately 453,214,511 Shares.

LETTER TO SHAREHOLDERS

(2) Purchases made entirely out of capital and cancelled

(A) Market Purchases

	Group Before Share Buyback	Group After Share Buyback	Company Before Share Buyback	Company After Share Buyback
	US\$'000	US\$'000	US\$'000	US\$'000
As at 31 December 2015				
Share Capital	241,333	233,967	241,333	233,967
Treasury Shares	–	–	–	–
Other Reserves	(13,317)	(13,317)	(2,332)	(2,332)
Retained Earnings	257,365	257,365	206,735	206,735
Shareholders' Funds	485,381	478,015	445,736	438,370
Net Tangible Assets	575,136	567,770	445,736	438,370
Non-Controlling Interest	90,064	90,064	–	–
Current Assets	962,956	955,590	860,535	853,169
Current Liabilities	842,397	842,397	504,836	504,836
Total Borrowings	1,016,802	1,016,802	395,430	395,430
Net (Loss) Attributable to Owner of Parent	(27,375)	(27,375)	(2,000)	(2,000)
Number of Issued Shares ('000)	459,469	413,432	459,469	413,432
Weighted Average Number of Shares ('000)	453,215	407,177	453,215	407,177
Number of Treasury Shares ('000)	–	–	–	–
Financial ratios				
NTA per Share ⁽¹⁾ (cents)	125.17	137.33	97.01	106.03
Gearing Ratio ⁽²⁾ (times)	2.09	2.13	0.89	0.90
Current Ratio ⁽³⁾ (times)	1.14	1.13	1.70	1.69
EPS ⁽⁴⁾ (cents)	(6.04)	(6.72)	(0.44)	(0.49)

Notes:

- (1) NTA per Share is based on 459,469,486 Shares.
- (2) Gearing ratio equals total borrowings divided by Shareholders' funds.
- (3) Current ratio equals current assets divided by current liabilities.
- (4) EPS is based on the weighted average number of approximately 453,214,511 Shares.

LETTER TO SHAREHOLDERS

(B) Off-Market Purchases

	Group Before Share Buyback	Group After Share Buyback	Company Before Share Buyback	Company After Share Buyback
	US\$'000	US\$'000	US\$'000	US\$'000
As at 31 December 2015				
Share Capital	241,333	233,046	241,333	233,046
Treasury Shares	–	–	–	–
Other Reserves	(13,317)	(13,317)	(2,332)	(2,332)
Retained Earnings	257,365	257,365	206,735	206,735
Shareholders' Funds	485,381	477,094	445,736	437,449
Net Tangible Assets	575,136	566,849	445,736	437,449
Non-Controlling Interest	90,064	90,064	–	–
Current Assets	962,956	954,669	860,535	852,248
Current Liabilities	842,397	842,397	504,836	504,836
Total Borrowings	1,016,802	1,016,802	395,430	395,430
Net (Loss) Attributable to Owner of Parent	(27,375)	(27,375)	(2,000)	(2,000)
Number of Issued Shares ('000)	459,469	413,432	459,469	413,432
Weighted Average Number of Shares ('000)	453,215	407,177	453,215	407,177
Number of Treasury Shares ('000)	–	–	–	–
Financial ratios				
NTA per Share ⁽¹⁾ (cents)	125.17	137.11	97.01	105.81
Gearing Ratio ⁽²⁾ (times)	2.09	2.13	0.89	0.90
Current Ratio ⁽³⁾ (times)	1.14	1.13	1.70	1.69
EPS ⁽⁴⁾ (cents)	(6.04)	(6.72)	(0.44)	(0.49)

Notes:

- (1) NTA per Share is based on 459,469,486 Shares.
- (2) Gearing ratio equals total borrowings divided by Shareholders' funds.
- (3) Current ratio equals current assets divided by current liabilities.
- (4) EPS is based on the weighted average number of approximately 453,214,511 Shares.

Shareholders should note that the financial effects set out above are purely for illustrative purposes only. Although the proposed Share Buyback Mandate would authorise the Company to purchase or acquire up to ten per cent of the total number of issued Shares (excluding Treasury Shares), the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire ten per cent of the total number of issued Shares. In addition, the Company may cancel all or part of the Shares purchased or hold all or part of the Shares purchased as Treasury Shares.

LETTER TO SHAREHOLDERS

Shareholders who are in doubt as to their respective tax positions or any tax implications arising from the Share Buyback Mandate or who may be subject to tax in a jurisdiction other than Singapore should consult their own professional advisers.

2.9 Take-over Code implications

Appendix 2 of the Take-over Code contains the Share Buyback Guidance Note applicable as at the Latest Practicable Date. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below.

(a) Obligation to make a take-over offer

If, as a result of any purchase or acquisition by the Company of the Shares, the proportionate interest in the voting capital of the Company of a Shareholder and persons acting in concert with him increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code. Consequently, a Shareholder or a group of Shareholders acting in concert with a Director could obtain or consolidate effective control of the Company and become obliged to make an offer under Rule 14 of the Take-over Code.

(b) Persons acting in concert

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company to obtain or consolidate effective control of the company.

Unless the contrary is established, the Take-over Code presumes, *inter alia*, the following individuals and companies to be persons acting in concert:

- (i) a company with its parent company, subsidiaries, fellow subsidiaries, any associated companies of the foregoing companies, any company whose associated companies include any of the foregoing companies, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing companies for the purchase of voting rights;
- (ii) a company with any of its directors, together with their close relatives, related trusts and any companies controlled by any of the directors, their close relatives and related trusts;
- (iii) a company with any of its pension funds and employee share schemes;
- (iv) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;
- (v) a financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of the adviser and the persons controlling, controlled by or under the same control as the adviser and all the funds which the adviser manages on a discretionary basis, where the shareholdings of the adviser and any of those funds in the client total ten per cent or more of the client's equity share capital;
- (vi) directors of a company, together with their close relatives, related trusts and companies controlled by any of them, which is subject to an offer or where the directors have reason to believe a bona fide offer for their company may be imminent;
- (vii) partners; and

LETTER TO SHAREHOLDERS

- (viii) an individual with his close relatives, related trusts, any person who is accustomed to act according to his instructions, companies controlled by any of the foregoing persons and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing persons and/or entities for the purchase of voting rights.

For this purpose, ownership or control of at least 20.0% but not more than 50.0% of the voting rights of a company will be regarded as the test for associated company status.

The circumstances under which Shareholders, including Directors and persons acting in concert with them respectively, will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code after a purchase or acquisition of Shares by the Company are set out in Appendix 2 of the Take-over Code.

(c) Effect of Rule 14 and Appendix 2 of the Take-over Code

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring Shares:

- (i) the voting rights of such Directors and their concert parties would increase to 30.0% or more; or
- (ii) in the event that such Directors and their concert parties hold between 30.0% and 50.0% of the Company's voting rights, the voting rights of such Directors and their concert parties would increase by more than one per cent in any period of six months. In calculating the percentages of voting rights of such Directors and their concert parties, Treasury Shares shall be excluded.

Under Appendix 2 of the Take-over Code, a Shareholder who is not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares:

- (i) the voting rights of such Shareholder would increase to 30.0% or more; or
- (ii) in the event such Shareholder holds between 30.0% and 50.0% of the Company's voting rights, the voting rights of such Shareholder would increase by more than one per cent in any period of six months.

Such Shareholder need not abstain from voting in respect of the ordinary resolution authorising the Share Buyback Mandate.

Based on the interests of the Directors and Substantial Shareholders as recorded in the Company's Register of Directors' Shareholdings and Register of Substantial Shareholders respectively as at the Latest Practicable Date, the Share Buyback Mandate, even if fully utilised, would not trigger the provisions of the Take-over Code requiring any of the Directors or Substantial Shareholders or parties acting in concert with them to incur an obligation to make a take-over offer under Rule 14 of the Take-over Code.

Shareholders who are in doubt as to their obligations, if any, to make a mandatory take-over offer under the Take-over Code as a result of any purchase or acquisition of Shares by the Company should consult the Securities Industry Council of Singapore and/or their professional advisers at the earliest opportunity.

LETTER TO SHAREHOLDERS

2.10 Listing Rules

Under the Listing Rules, a listed company may purchase shares by way of Market Purchases at a price per share which is not more than five per cent above the Average Closing Price, being the average of the closing market prices of the shares over the last five Market Days on which transactions in the shares were recorded on the SGX-ST, before the day on which the purchases were made (which is deemed to be adjusted for any corporate action that occurs after such five-Market Day period). The Maximum Price for a Share in relation to a Market Purchase by the Company, referred to in paragraph 2.3(d) above, conforms to this restriction.

While the Listing Rules do not expressly prohibit purchase of shares by a listed company during any particular time or times, the listed company would be considered an “insider” in relation to any proposed purchase or acquisition of its issued shares. In this regard, the Company will not purchase any Shares pursuant to the Share Buyback Mandate after a price-sensitive development has occurred or has been the subject of consideration and/or a decision of the Board until such time as the price-sensitive information has been publicly announced. In particular, in line with the best practices guides on securities dealings issued by the SGX-ST, the Company will not purchase or acquire any Shares through Market Purchases during the period of:

- (a) one month immediately preceding the announcement of the Company’s annual results; and
- (b) two weeks immediately preceding the announcement of the Company’s results for each of the first three quarters of its financial year.

The Company is required under Rule 723 of the Listing Rules to ensure that at least ten per cent of its Shares (excluding Treasury Shares) are in the hands of the public. The “public”, as defined under the Listing Rules, are persons other than the directors, chief executive officer, substantial shareholders or controlling shareholders of the Company or its Subsidiaries, as well as the associates of such persons.

Based on the Company’s Register of Directors’ Shareholdings and the Register of Substantial Shareholders as at the Latest Practicable Date, approximately 317,160,327 Shares, representing 68.89% of the issued Shares (excluding Treasury Shares), are in the hands of the public. Assuming that the Company purchases its Shares through Market Purchases from the public up to the full ten per cent limit pursuant to the Share Buyback Mandate, the number of Shares in the hands of the public would be reduced to approximately 271,122,628 Shares, representing approximately 65.43% of the total number of issued Shares (excluding Treasury Shares). Accordingly, the Company is of the view that there is a sufficient number of issued Shares held in the hands of the public which would permit the Company to undertake purchases or acquisitions of its issued Shares up to the full ten per cent limit pursuant to the proposed Share Buyback Mandate without affecting the listing status of the Shares on the SGX-ST, and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity.

In undertaking any purchases or acquisitions of Shares through Market Purchases, the Directors will use their best efforts to ensure that, notwithstanding such purchases, a sufficient float in the hands of the public will be maintained so that the purchases or acquisitions of Shares will not adversely affect the listing status of the Shares on the SGX-ST, cause market illiquidity or adversely affect the orderly trading of the Shares.

2.11 Previous Share purchases

In the 12 months immediately preceding the Latest Practicable Date, the Company had not purchased or acquired any Shares.

LETTER TO SHAREHOLDERS

3. THE PROPOSED ADOPTION OF THE 2016 SWIBER ESOS AND 2016 SWIBER PSP

3.1 Listing of New Shares

SGX-ST has on 25 February 2016 granted in-principle approval for the listing of and quotation for the New Shares to be allotted and issued pursuant to the 2016 Swiber ESOS and the 2016 Swiber PSP, subject to separate independent Shareholders' approval being obtained for each of the 2016 Swiber ESOS and 2016 Swiber PSP, and the Company's compliance with SGX-ST's listing requirements and guidelines.

Such in-principle approval, and the admission to, and quotation of the New Shares on the Official List of SGX-ST is not to be taken as an indication of the merits of the 2016 Swiber ESOS, the 2016 Swiber PSP, the New Shares, the Company and/or its Subsidiaries.

3.2 The 2016 Swiber ESOS and 2016 Swiber PSP

The Directors propose to adopt the 2016 Swiber ESOS to enable the Company to provide an opportunity for employees and directors of the Group and/or Associated Companies to participate in the equity of the Company so as to motivate them to greater dedication, loyalty and higher standards of performance, and to give recognition to those who have contributed significantly to the growth and performance of the Company and/or the Group.

It is important for the Company to attract, retain and incentivise employees and directors whose contributions are essential to the long term growth, well-being and prosperity of the Group and to give recognition to the past contributions and services of outstanding employees and directors. At the same time, it will give such employees and directors an opportunity to have a direct interest in the Company, which will in turn help to attain the following objectives:

- (a) to motivate Participants to optimise their performance standards and efficiency and to maintain a high level of contribution to the Group;
- (b) to retain and give recognition to Participants whose contributions are essential to the long-term growth and profitability of the Group;
- (c) to instil loyalty to, and reinforce a stronger identification by Participants with the long-term prosperity of, the Group;
- (d) to attract potential employees with relevant skills to contribute to the Group and to create value for the Shareholders; and
- (e) to align the interests of Participants with the interests of the Shareholders.

The Directors also propose to adopt the 2016 Swiber PSP to increase the Company's flexibility and effectiveness in its efforts to attain the above objectives. The Directors believe that the 2016 Swiber PSP will supplement the 2016 Swiber ESOS, provide the Company with a more comprehensive set of remuneration tools and further strengthen its competitiveness in attracting and retaining talent.

Unlike the 2016 Swiber ESOS under which Participants are required to pay the exercise price of the Options before receiving the underlying Shares, the 2016 Swiber PSP does not require such a payment thereby allowing the Company to provide an incentive for Participants to achieve certain specific performance conditions by awarding fully paid Shares free of charge to Participants after the relevant conditions have been met, or as a means for rewarding excellent past performance and past contributions to the Group. In addition, the assessment criteria for granting Options under the 2016 Swiber ESOS are more general, for example, based on the Participant's length

LETTER TO SHAREHOLDERS

of service and the overall performance of the Company, and do not relate to specific performance conditions imposed by the Committee. In contrast, in granting Awards under the 2016 Swiber PSP, the Committee may choose to make the vesting of the Awards conditional upon the satisfaction of specific performance conditions or time-based service conditions, or a combination of both.

The following is a summary of the principal rules of each of the 2016 Swiber ESOS and the 2016 Swiber PSP. The full set of rules for the 2016 Swiber ESOS and the 2016 Swiber PSP are set out in Appendix A and Appendix B respectively to this Circular.

3.3 Summary of key terms of the 2016 Swiber ESOS

(a) Eligibility

Employees and directors (including executive, non-executive and independent directors) of Group Companies whose employment have been confirmed and who have attained the age of 21 years, provided that such persons are not undischarged bankrupts and have not entered into compositions with their respective creditors at the relevant time, may be eligible to participate in the 2016 Swiber ESOS at the absolute discretion of the Committee.

Controlling Shareholders and their Associates are also eligible to participate in the 2016 Swiber ESOS provided that they meet the aforesaid eligibility criteria and that all conditions for their participation in the 2016 Swiber ESOS as may be required by the Listing Rules from time to time, including but not limited to obtaining the necessary approvals of independent Shareholders for such participation as listed in paragraph 6 below, are satisfied.

Directors and employees of an Associated Company may also be eligible to participate in the 2016 Swiber ESOS at the discretion of the Committee, where the Committee considers that such persons have the ability to contribute significantly to the overall performance and prosperity of the Group. The Company believes that extending the 2016 Swiber ESOS to include such persons is an appropriate and efficient means of further aligning their interests with those of the Shareholders and would serve to incentivise their further and continued contribution to the Group.

There shall be no restriction on the eligibility of any Participant in the 2016 Swiber ESOS to participate in the 2016 Swiber PSP or any other share incentive schemes or share schemes implemented or to be implemented by the Company or any other Group Company.

(b) Options

An Option granted under the 2016 Swiber ESOS represents the right to subscribe for and/or to purchase Shares at an exercise price to be determined by the Committee as described under paragraph 3.3(e) below. The selection of the Grantees of the 2016 Swiber ESOS and the number of Shares which are the subject of the relevant Options to be offered to such Grantees in accordance with the rules of the 2016 Swiber ESOS shall be determined at the absolute discretion of the Committee (subject to the limitations described in paragraphs 3.3(a) and (d)), which will be exercised judiciously taking into account criteria such as the Grantee's rank, responsibilities, performance, years of service and potential for future development, and the performance of the Group.

A letter of offer to grant Options will be sent to each Grantee in or substantially in the form set out in the rules of the 2016 Swiber ESOS, which will include the applicable conditions such as the number of Shares comprised in the Options and the relevant exercise price. Such offer must be accepted by the Grantee no later than 5.00 p.m. on the 30th day from the date of offer to grant such Options by completing, signing and returning the relevant acceptance form set out in the rules of the 2016 Swiber ESOS accompanied by payment of S\$1.00 as consideration. Any offer which is not accepted in accordance with the rules of the 2016 Swiber ESOS shall, upon the expiry of the 30-day period, automatically lapse and become null, void and of no effect.

LETTER TO SHAREHOLDERS

(c) Date of grant

Subject to paragraphs 3.3(a) and (d) of this Circular, the Committee may offer to grant Options at any time during the period when the 2016 Swiber ESOS is in force except that no offer to grant Options shall be made during the period of two weeks or one month immediately preceding the date of announcement of the Company's interim or final results respectively. In addition, in the event that an announcement on any matter of an exceptional nature involving unpublished price sensitive information is made by the Company, offers to grant Options may only be made on or after the second Market Day following the release of such announcement.

(d) Size and duration of the 2016 Swiber ESOS

The aggregate number of Shares over which the Committee may grant Options on any date under the 2016 Swiber ESOS, when added to the number of Shares issued or issuable in respect of:

- (i) all other Options granted under the 2016 Swiber ESOS, and
- (ii) all options or awards granted under any other share option schemes or share schemes implemented by the Company and for the time being in force (if any),

shall not exceed 15.0% of the number of all issued Shares (excluding Treasury Shares) on the day preceding the relevant date of grant.

The aggregate number of Shares available to Controlling Shareholders and their Associates over which Options are granted under the 2016 Swiber ESOS shall not exceed 25.0% of the total Shares available under the 2016 Swiber ESOS, and the aggregate number of Shares available to each Controlling Shareholder or each of his Associates over which Option(s) are granted under the 2016 Swiber ESOS shall not exceed ten per cent of the total Shares available under the 2016 Swiber ESOS.

It should however be noted that this does not indicate that the Committee will definitely grant Options under the 2016 Swiber ESOS up to the abovementioned prescribed limits. The Committee will exercise its discretion in deciding the number and size of Options to be granted to each Participant under the 2016 Swiber ESOS.

The Committee shall monitor the grant of Options carefully to ensure that the size of the 2016 Swiber ESOS will comply with the rules of the 2016 Swiber ESOS as well as the Listing Rules.

The 2016 Swiber ESOS shall continue to be in force at the discretion of the Committee for a maximum duration of ten years commencing from the date of its adoption by the Company. Subject to compliance with any applicable laws and regulations in Singapore, the 2016 Swiber ESOS may be continued beyond the above stipulated period with the approval of the Shareholders by ordinary resolution at a general meeting and of any relevant authorities which may then be required.

Notwithstanding the expiry or termination of the 2016 Swiber ESOS, any Options granted to Participants prior to such expiry or termination will continue to remain valid, subject to any other applicable rules of the 2016 Swiber ESOS capable of surviving termination.

(e) Exercise price

Under the 2016 Swiber ESOS, the exercise price of Options granted will be determined by the Committee. Subject to any adjustment event contemplated under the rules of the 2016 Swiber ESOS, the Committee may grant Options at an exercise price equal to the Market Price of the Shares (a **Market Price Option**) or subject to the approval of Shareholders in a separate resolution, at a discount to such Market Price of up to 20.0% (a **Discounted Option**). In the event that SGX-ST prescribes or permits a higher percentage of discount, the Company will seek Shareholders' approval for any increase in such discount under the 2016 Swiber ESOS at a general meeting.

LETTER TO SHAREHOLDERS

In making any determination on whether to grant an Option with an exercise price at a discount to the Market Price of the Shares and the quantum of such discount, the Committee shall be at liberty to take into consideration such criteria as the Committee may, in its absolute discretion, deem appropriate including but not limited to the performance of the Group, the years of service and individual performance of a Grantee, the individual Grantee's effectiveness and contribution to the success and development of the Group and the prevailing market conditions.

The Committee will determine on a case-by-case basis whether a discount will be given and the quantum of the discount, taking into consideration the objective that is desired to be achieved by the Group and the prevailing market conditions. As the actual discount given will depend on the relevant circumstances, the extent of the discount may vary from one case to another, subject to a maximum discount of 20.0% of the Market Price of the Shares, as described above.

(f) Exercise period

A Market Price Option shall only be exercisable after one year from the date of grant of such Option while a Discounted Option shall only be exercisable after two years from the date of grant of such Discounted Option. The date of expiry of the Options shall be determined by the Committee in its sole discretion but shall in any case, not exceed the fifth anniversary of the date of grant of the relevant Option. Options not exercised prior to their expiry date shall immediately lapse and become null and void and the relevant Grantee shall have no claim against the Company.

An Option shall, to the extent unexercised, immediately lapse and become null and void without any claim whatsoever against the Company:

- (i) in the event of misconduct, gross negligence or incompetence on the part of the Participant, as determined by the Committee in its discretion;
- (ii) subject to the rest of this paragraph 3.3(f), where a Participant ceases at any time to be an employee or director of a Group Company or an Associated Company (as the case may be);
- (iii) in the event of bankruptcy of the Participant or the happening of an event which results in him being deprived of the legal or beneficial ownership of the Option; or
- (iv) in the event that the company by which he is employed ceases to be a Group Company or an Associated Company.

Where a Participant ceases at any time to be in the employment of, or a director of, a Group Company or an Associated Company (as the case may be) by reason of ill health, injury, disability, redundancy, retirement (before (with the consent of the Committee), at or after the legal retirement age) or by reason of any other event approved in writing by the Committee, the Participant may at the absolute discretion of the Committee exercise any unexercised Option(s) within the relevant exercise period. Upon the expiry of such exercise period, the Option(s) shall immediately lapse and become null and void.

If a Participant dies and at death holds any unexercised Option(s), the Committee may in its discretion allow such Option(s) to be exercised by a duly appointed legal representative of such Participant within the relevant exercise period and upon the expiry of such period, the Option(s) shall immediately lapse and become null and void.

LETTER TO SHAREHOLDERS

The Committee may, by notification, provide for further restrictions on the period during which Options may be exercised whether by providing a schedule for the vesting of Shares comprised in the relevant Options or otherwise.

Shares which are allotted and issued pursuant to the valid exercise of an Option shall be subject to all the provisions of the Constitution and the Companies Act, and shall rank in full for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Shares, the record date for which is on or after the date of such issue or delivery of the Shares, and shall in all other respects have the same voting rights and rank *pari passu* with other existing Shares then in issue.

The illustrative financial effects of the 2016 Swiber ESOS on the Group are set out in paragraph 3.7 of this Circular.

(g) Take-over and winding-up of Company

Notwithstanding paragraph 3.3(f), in the event:

- (i) of a take-over being made for the Company, a Participant shall be entitled to exercise any Option held by him and as yet unexercised, in respect of such number of Shares comprised in that Option as may be determined by the Committee in its absolute discretion within the relevant exercise period, whereupon any Option then remaining unexercised shall lapse and become null, void and of no effect;
- (ii) the court sanctions a compromise or arrangement proposed for the purposes of the reconstruction of the Company or its amalgamation with another company(ies), each Participant shall be entitled to exercise any Option then held by him, in respect of such number of Shares comprised in that Option as may be determined by the Committee in its absolute discretion within the relevant exercise period, whereupon any Option then remaining unexercised shall lapse and become null, void and of no effect;
- (iii) an order or an effective resolution is passed for the winding-up of the Company on the basis of its insolvency, all Options, to the extent unexercised, shall at the date of such order or resolution lapse and become null, void and of no effect; and
- (iv) a notice is given by the Company to its members to convene a general meeting for the purposes of considering and/or approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as or soon after give notice thereof to all Participants and thereupon, each Participant (or his personal representative) shall be entitled to exercise all or any of his Options within the relevant exercise period, accompanied by a remittance of the total exercise price for such Options.

If arrangements are made for the compensation of Participants in connection with the events listed under (i) to (iv) above, whether by the continuation of their Options or the payment of cash or the grant of other options or otherwise, a Participant holding an Option, as yet not exercised, may not, unless otherwise determined at the discretion of the Committee, be permitted to exercise that Option as provided for above.

3.4 Summary of key terms of the 2016 Swiber PSP

(a) Eligibility

The eligibility of Participants for the 2016 Swiber PSP shall be the same as that for the 2016 Swiber ESOS as mentioned in paragraph 3.3(a) above.

There shall be no restriction on the eligibility of any Participant in the 2016 Swiber PSP to participate in any other share option schemes or share schemes implemented or to be implemented by the Company or any other Group Company.

LETTER TO SHAREHOLDERS

(b) Awards

An Award granted under the 2016 Swiber PSP represents the right to receive fully paid Shares free of charge upon the Participant achieving the prescribed performance conditions (if any) as set out in the relevant Award. The selection of the Participants under the 2016 Swiber PSP and the number of Shares which are the subject of the relevant Award to be granted to a Participant in accordance with the 2016 Swiber PSP shall be determined at the absolute discretion of the Committee.

The Committee may take into account criteria such as the financial performance of the Group, as well as, in the case of an employee or executive director of a Group Company and/or Associated Companies, his rank, job, performance, potential for future development and contribution to the success and development of the Group, and in the case of a non-executive director, his contribution to the success and development of the Group. Performance conditions to the vesting of Awards may be set by the Committee depending on the relevant Participant's particular job scope, responsibilities and circumstances.

An award letter confirming the Award will be sent to each Participant to whom an Award is granted as soon as reasonably practicable after the Award is finalised, specifying, *inter alia*, the following (where applicable):

- (i) the date of grant of such Award;
- (ii) the number of Shares which are the subject of the Award;
- (iii) the prescribed vesting period(s) of the Award;
- (iv) the extent to which Shares which are the subject of that Award shall be released at the end of each prescribed vesting period; and
- (v) in the case of a performance-related Award, the performance period and the performance condition.

When setting performance conditions and performance periods, the Committee shall also take into account both the medium and long-term corporate objectives of the Group such as growth in earnings and return on investment, as well as the individual performance of each Participant such as the Participant's length of service with the Group, achievement of past performance targets, value-add to the Group's performance, and development and overall enhancement to Shareholders' value.

(c) Date of grant

Subject to paragraphs 3.4(a) and (d) of this Circular, the Committee may grant Awards to such persons as the Committee may select in its absolute discretion, at any time during the period when the 2016 Swiber PSP is in force except that no grant of Awards shall be made during the period of two weeks or one month immediately preceding the date of announcement of the Company's interim or final results respectively. In addition, in the event that an announcement on any matter of an exceptional nature involving unpublished price sensitive information is made by the Company, grant of Awards may only be made on or after the second Market Day following the release of such announcement.

(d) Size and duration of the 2016 Swiber PSP

The aggregate number of Shares over which the Committee may grant Awards on any date under the 2016 Swiber PSP, when added to the number of Shares issued or issuable in respect of:

- (i) all other Awards granted under the 2016 Swiber PSP, and

LETTER TO SHAREHOLDERS

- (ii) all options or awards granted under any share option schemes or other share schemes implemented by the Company and for the time being in force (if any),

shall not exceed 15.0% of the number of all issued Shares (excluding Treasury Shares) on the day preceding the relevant date of grant.

Taking into consideration the total number of issued Shares (excluding Treasury Shares) of the Company as at the Latest Practicable Date, as well as the potential number of Participants in the 2016 Swiber ESOS and 2016 Swiber PSP, the Directors believe that the proposed limit of 15.0% is appropriate for the purposes of enabling the 2016 Swiber ESOS and 2016 Swiber PSP to attain their stated objectives and to accommodate a reasonably large pool of potential participants.

The aggregate number of Shares over which the Committee may grant Awards to the Controlling Shareholders and their Associates under the 2016 Swiber PSP shall not exceed 25.0% of the total Shares available under the 2016 Swiber PSP, and the aggregate number of Shares over which Awards may be granted under the 2016 Swiber PSP to each Controlling Shareholder or each of his Associates shall not exceed ten per cent of the total Shares available under the 2016 Swiber PSP.

It should however be noted that this does not indicate that the Committee will definitely grant Awards under the 2016 Swiber PSP up to the abovementioned prescribed limits. The Committee will exercise its discretion in deciding the number of Shares subject to release under the Awards granted to each Participant under the 2016 Swiber PSP. This, in turn, will depend on and be commensurate with the performance of the Participant and his/her value to the Group.

The Committee shall monitor the grant of Awards carefully to ensure that the size of the 2016 Swiber PSP will comply with the rules of the 2016 Swiber PSP as well as the Listing Rules.

The 2016 Swiber PSP shall continue to be in force at the discretion of the Committee for a maximum duration of ten years commencing from the date of its adoption by the Company. Subject to compliance with any applicable laws and regulations in Singapore, the 2016 Swiber PSP may be continued beyond the above stipulated period with the approval of the Shareholders by ordinary resolution at a general meeting and of any relevant authorities which may then be required.

Notwithstanding the expiry or termination of the 2016 Swiber PSP and subject to any other applicable rules of the 2016 Swiber PSP capable of surviving termination, any Awards granted to Participants prior to such expiry or termination will continue to remain valid.

(e) Events prior to vesting date

An Award, to the extent not yet released, shall forthwith become void and cease to have effect (unless the Committee in its absolute discretion determines otherwise) upon the occurrence of the following events:

- (i) a Participant ceasing to be an employee or director of a Group Company or Associated Company for any reason whatsoever;
- (ii) upon the bankruptcy of a Participant or the happening of any event which results in his being deprived of the legal or beneficial ownership of or interest in such Award;
- (iii) upon the death of a Participant;
- (iv) if a Participant commits a breach of any of the terms of the Award; and/or

LETTER TO SHAREHOLDERS

- (v) misconduct, gross negligence or incompetence on the part of a Participant as determined by the Committee in its absolute discretion.

Without prejudice to paragraph 3.4(f) and to the extent of an Award yet to be released, the Committee may consider, in its discretion, whether or not to release such Award on the occurrence of the following events:

- (i) a general offer being made for all or any part of the Shares;
- (ii) a scheme of arrangement or compromise between the Company and its Shareholders being sanctioned by the Court under the Companies Act; or
- (iii) an order for the compulsory winding-up or a resolution for the voluntary winding-up of the Company.

(f) Vesting and release of Awards

In relation to a performance-related Award, as soon as practicable after the end of the relevant performance period, the Committee shall review and in its discretion 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 computational adjustments 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.

The Committee may also waive any such performance conditions if it, in its discretion, concludes that a change in such performance conditions would be a fairer measure of performance and would be no less difficult to satisfy, or that the Participant has achieved a level of performance that the Committee considers satisfactory notwithstanding that the performance conditions may not have been fulfilled.

Subject to prevailing legislation and regulations, guidelines applicable to the Company, the Listing Rules and the rules of the 2016 Swiber PSP, the Committee will procure the allotment or transfer to each Participant of the Shares which are the subject of the release of an Award.

New Shares which are allotted or transferred pursuant to the release of an Award shall be subject to all the provisions of the Constitution and the Companies Act, and shall rank in full for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Shares, the record date for which is on or after the date of such issue or delivery of the Shares, and shall in all other respects have the same voting rights and rank *pari passu* with other existing Shares then in issue.

The illustrative financial effects of the 2016 Swiber PSP on the Group are set out in paragraph 3.7 of this Circular.

3.5 The Committee and administration of the 2016 Swiber ESOS and 2016 Swiber PSP

The remuneration committee of the Company will be designated as the Committee responsible for the administration of the 2016 Swiber ESOS and the 2016 Swiber PSP in accordance with such powers and duties as are conferred on it by the Board.

The Committee shall have the power, from time to time, to make and vary such arrangements, guidelines and/or regulations (not being inconsistent with the rules of the 2016 Swiber ESOS and the 2016 Swiber PSP, as the case may be) for the implementation and administration of the 2016 Swiber ESOS and 2016 Swiber PSP as it thinks fit.

LETTER TO SHAREHOLDERS

Any decision or determination of the Committee made pursuant to any provision of the 2016 Swiber ESOS and/or 2016 Swiber PSP (other than a matter to be certified by the Auditors) shall be final, binding and conclusive (including any decision pertaining to disputes and uncertainty as to the interpretation of, or any rule, regulation or procedure of or as to any right under the 2016 Swiber ESOS and/or 2016 Swiber PSP).

In compliance with the requirements of the Listing Rules, any Participant of the 2016 Swiber PSP or the 2016 Swiber ESOS who is concurrently a member of the Committee shall not be involved in the Committee's deliberations in respect of Awards and/or Options granted or to be granted to him/her.

3.6 Rationale for the participation by non-executive directors in the 2016 Swiber ESOS and the 2016 Swiber PSP and relevant safeguards

While the 2016 Swiber ESOS and the 2016 Swiber PSP cater principally to the employees of the Group Companies, it is recognised that there are other persons who make significant contributions to the Group through their close working relationships with the Group even though they are not employed within the Group. Such persons include the non-executive directors (including independent directors).

The non-executive directors come from different professions and various backgrounds, bringing to the Group much experience in corporate governance and business management, as well as invaluable guidance in relation to strategic issues and development, thus providing the Group with a multi-disciplinary approach in evaluating and considering business issues and opportunities. While not specifically involved in matters relating to the day-to-day running of the Group, the non-executive directors are frequently consulted on various matters in relation to the business of the Group. They are thus highly regarded by the Company for their contributions to the Group.

The Directors are of the view that including the non-executive directors in the 2016 Swiber ESOS and the 2016 Swiber PSP will give them due recognition for their services and contributions to the growth and development of the Group, and further motivate them in their contribution towards the future success of the Group.

However, it should be noted that it may not be appropriate to measure the services and contributions of the non-executive directors in the same way as the employees of the Group, and thus, for the purpose of assessing the contributions of the non-executive directors, the Committee shall employ an assessment framework comprising mainly non-financial performance measurement criteria such as the extent of involvement and responsibilities shouldered by the non-executive director, taking into consideration, inter alia, his performance and contributions to the success and development of the Group, his committee memberships in the Group, as well as his contributions including those of his experience in the areas of overall business strategies, risk management and investment decisions. The Committee may also decide that no Award or Option shall be granted in any financial year or that no Option or Award may be granted at all.

As mentioned in paragraph 3.5 above, as a safeguard against abuse, no member of the Committee shall be involved in the Committee's deliberations in respect of Options and/or Awards granted or to be granted to him.

3.7 Financial effects of the 2016 Swiber PSP and 2016 Swiber ESOS

(a) Cost of Awards/Options

Based on the Singapore Financial Reporting Standard (FRS), no cash outlays would be expended by the Company at the time Options or Awards are granted by the Company (as compared with cash bonuses). However, the Company would recognise an expense in the financial statements based on the fair value of the Options/Awards as at their respective dates of grant.

LETTER TO SHAREHOLDERS

The FRS 102 relating to share-based payment took effect for all listed companies beginning 1 January 2005. The Options/Awards if settled by way of issue of New Shares or the purchase of existing Shares would be accounted for as equity-settled share-based transactions, as described in the following paragraphs.

The fair value of employee services received in exchange for the grant of the Options/Awards would be recognised as a charge to the income statement over the vesting period of an Option/Award and a corresponding credit to the reserve account. The total amount of the charge over the vesting period is generally determined by reference to the fair value of each Option/Award granted at the date of grant. This is normally estimated by applying the option pricing model at the date of grant.

Before the end of the vesting period, and at each accounting year end, the estimate of the number of Options/Awards that are expected to vest by the vesting date is subject to revision, and the impact of the revised estimate will be recognised in the income statement with a corresponding adjustment to the reserve account. After the vesting date, no adjustment to the charge to profit or loss will be made such that the applicable cumulative balance reflects the revised estimate. After the vesting date, no subsequent adjustment to the charge to the income statement is made.

This accounting treatment has been referred to as the “modified grant date method” because the number of Shares included in the determination of the expense relating to employee services is adjusted to reflect the actual number of Shares that eventually vest, but no adjustment is made to changes in the fair value of the Shares since its date of grant. The amount charged to the income statement would be the same whether the Company settles the Options/Awards using Treasury Shares, New Shares or existing Shares.

(b) Share capital

The 2016 Swiber ESOS and the 2016 Swiber PSP will result in an increase in the Company’s issued share capital only when New Shares are issued to Participants pursuant to the exercise of the Options and/or vesting of the Awards. The number of New Shares issued will depend on, *inter alia*, the size of the Options/Awards granted under the 2016 Swiber ESOS and 2016 Swiber PSP respectively. However, there will be no change to the Company’s issued share capital where Options/Awards are not exercised or vested, or when exercised or vested, are satisfied by Treasury Shares.

(c) Net tangible assets

As mentioned in paragraph 3.7(a), the 2016 Swiber ESOS and the 2016 Swiber PSP will result in a charge to the Group and the Company’s profit or loss which is equal to the fair value of the Options/Awards over the period from the date of grant of the Options/Awards to the vesting date. In addition, if New Shares are issued under the 2016 Swiber ESOS and the 2016 Swiber PSP, there would be no effect on the NTA of the Group and the Company. If existing Shares are purchased for delivery to Participants, the NTA of the Group and the Company would decrease by the cost of Shares purchased.

Although the 2016 Swiber ESOS and the 2016 Swiber PSP will result in a charge to profit or loss of the Group and the Company, it should be noted that Options/Awards are granted only on a selective basis and will be granted to Participants whom the Company believes would have contributed or will contribute to its success including financial performance. In particular, the grant of Options/Awards and delivery of Shares to Participants of the 2016 Swiber ESOS and the 2016 Swiber PSP are contingent upon the Participants meeting prescribed performance conditions. Therefore Participants would have contributed to or will contribute to the NTA of the Group and the Company before the Options/Awards are granted and Shares delivered.

LETTER TO SHAREHOLDERS

(d) Earnings per Share

Although the 2016 Swiber ESOS and the 2016 Swiber PSP will have a dilutive impact on the EPS of the Group and the Company, it should again be noted that the delivery of Shares to Participants under the 2016 Swiber ESOS and the 2016 Swiber PSP will generally be contingent upon the Participants meeting prescribed performance conditions. Accordingly, the earnings of the Group and the Company should have grown before Options/Awards are granted and Shares delivered.

Shareholders should note that the financial effects described above are purely for illustration only. Shareholders should also note that the financial effects described above are not to be regarded as advice on the tax position of any person or a full statement regarding the financial or tax implications arising from the 2016 Swiber ESOS and/or the 2016 Swiber PSP. Shareholders who are in doubt as to their respective tax positions or the financial or tax implications should consult their own professional advisers.

3.8 Adjustments

In the event of a capitalisation issue of the Company (whether by way of a capitalisation of profits or reserves, rights issue, capital reduction, subdivision or consolidation of shares or distribution or otherwise), the rules of the 2016 Swiber ESOS provide for a discretionary adjustment by the Committee of the exercise price, class and/or number of Shares comprised in each outstanding Option granted and/or the class and/or number of Shares over which additional Options may be granted, and the 2016 Swiber PSP provides for the adjustment of the class and/or number of Shares under the Awards not yet Vested, and the rights attached thereto, or Awards which may be granted under the 2016 Swiber PSP.

The above adjustments will be made in such a way that a Participant will not receive a benefit that a Shareholder does not receive. Any other adjustments to the 2016 Swiber ESOS and/or the 2016 Swiber PSP which are not on a capitalisation issue of the Company will have to be confirmed by the Auditors (acting only as experts and not arbitrators) to be fair and reasonable.

The issue of securities as consideration for an acquisition of any asset by the Company or a private placement of securities, or the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares by the Company on SGX-ST during the period when a share buyback mandate granted by Shareholders is in force and in accordance with the Listing Rules, will be not regarded as a circumstance requiring adjustment under the rules of the 2016 Swiber ESOS and 2016 Swiber PSP.

3.9 Existing schemes

As at the Latest Practicable Date, the Company had in place the Existing ESOS and the Existing PSP, both implemented on 29 September 2006 (collectively, the **Existing Schemes**). The Existing Schemes both have a duration of ten years commencing on the date of adoption and are due to expire on 28 September 2016. Under the Existing Schemes, confirmed full-time employees of the Group (including executive Directors) and non-executive Directors (including independent Directors) who are not Controlling Shareholders or their Associates may be granted Existing ESOS Options and Existing PSP Awards respectively.

The total number of Shares which may be issued pursuant to the Existing ESOS Options and the Existing PSP Awards granted under the Existing Schemes, and all options and awards granted under any other share scheme implemented by the Company and for the time being in force shall not exceed 15.0% of the total issued Shares (excluding Treasury Shares) from time to time.

The Company proposes to adopt the 2016 Swiber ESOS and 2016 Swiber PSP to replace the Existing ESOS and the Existing PSP respectively. The Existing Schemes will terminate following the adoption of the 2016 Swiber ESOS and 2016 Swiber PSP by Shareholders at the upcoming AGM.

LETTER TO SHAREHOLDERS

As at the Latest Practicable Date, the following Existing ESOS Options had been granted to the Directors under the Existing ESOS:

Directors	Date of grant	No. of underlying Shares comprised in the options	Exercise period	Exercise price per Share (S\$)
Raymond Kim Goh	26 January 2011	2,500,000	26 January 2012 to 25 January 2016	1.94
	19 March 2013	2,500,000	19 March 2014 to 18 March 2018	1.28
Francis Wong Chin Sing	26 January 2011	1,500,000	26 January 2012 to 25 January 2016	1.94
	19 March 2013	1,500,000	19 March 2014 to 18 March 2018	1.28
Yeo Chee Neng	26 January 2011	1,000,000	26 January 2012 to 25 January 2016	1.94
	19 March 2013	1,000,000	19 March 2014 to 18 March 2018	1.28
Jean Pers	26 January 2011	1,000,000	26 January 2012 to 25 January 2016	1.94
	19 March 2013	1,000,000	19 March 2014 to 18 March 2018	1.28
Nitish Gupta	26 January 2011	1,000,000	26 January 2012 to 25 January 2016	1.94
	19 March 2013	1,000,000	19 March 2014 to 18 March 2018	1.28
Yeo Jeu Nam	26 January 2011	200,000	26 January 2012 to 25 January 2016	1.94
	19 March 2013	200,000	19 March 2014 to 18 March 2018	1.28
Oon Thian Seng	26 January 2011	150,000	26 January 2012 to 25 January 2016	1.94
	19 March 2013	150,000	19 March 2014 to 18 March 2018	1.28
Chia Fook Eng	26 January 2011	150,000	26 January 2012 to 25 January 2016	1.94
	19 March 2013	150,000	19 March 2014 to 18 March 2018	1.28
Total		15,000,000		

As at the Latest Practicable Date, none of the Existing ESOS Options granted under the Existing ESOS had been exercised and save as disclosed in this Circular, the Existing ESOS Options were not subject to any material conditions and no other Existing ESOS Options had been granted under the Existing ESOS.

Details of all Existing PSP Awards granted under the Existing PSP as at the Latest Practicable Date are as follows:

Date of grant	No. of Shares comprised in the awards	Vesting date	No. of Shares vested	No. of participants
26 January 2011	1,031,666	26 January 2012	1,031,666	20
	1,031,666	28 January 2013	1,031,666	
	1,031,668	27 January 2014	896,668	
19 March 2013	2,000,000	19 March 2014	2,000,000	34
	2,000,000	19 March 2015	1,860,000	
	1,000,000	21 March 2016	907,500	
Total	8,095,000		7,727,500	

LETTER TO SHAREHOLDERS

Details of Existing PSP Awards granted under the Existing PSP to any Director as at the Latest Practicable Date are as follows:

Director	Date of grant	No. of Shares comprised in the awards	Vesting date	No. of Shares vested
Tay Gim Sin Leonard	19 March 2013	500,000	19 March 2014	200,000
			19 March 2015	200,000
			21 March 2016	100,000

Save as disclosed in this Circular and the prescribed performance-based and/or other conditions attached to the abovementioned outstanding Existing PSP Awards, they were not subject to any material conditions as at the Latest Practicable Date.

4. THE AUTHORITY TO GRANT OPTIONS AT UP TO A 20.0% DISCOUNT UNDER THE 2016 SWIBER ESOS

4.1 The maximum discount

In accordance with Rule 845(5) of the Listing Rules, the offer to grant Options under the 2016 Swiber ESOS at a discount not exceeding 20.0% of the Market Price is subject to the approval of Shareholders at a general meeting in a separate resolution. For avoidance of doubt, such prior approval shall be required to be obtained only once and once obtained shall, unless revoked, authorise the making of offers and grants of Options under the 2016 Swiber ESOS at such discount for the duration of the 2016 Swiber ESOS.

4.2 The rationale for Discounted Options

The ability to offer Discounted Options will allow the Committee greater flexibility in structuring the Options as Discounted Options generally have a greater potential for capital appreciation than Market Price Options, and operate as a form of cashless reward from the Company to the Participant.

The ability to grant Discounted Options also allows the Company to grant Options on a more realistic and economically feasible basis to the Participants especially in circumstances where the market price is unusually high due to buoyant market activity or inflated share price. In circumstances where at the time of making of grants of Options to Participants, the prevailing market price of the Shares is considered unusually high and a general discount is desirable or warranted (the extent of which will be determined by the Committee), the Committee may take into consideration factors such as the historical prices of the Shares as compared with the prevailing market price of the Shares during the exercise price fixing period for the Options, the market comparatives and practices of other industry players and the value of the Options as a component of each Participant's compensation package.

The Committee shall exercise this discretion judiciously. The amount of discount may vary from one offer to another from time to time depending on the circumstances and on a case by-case basis. In determining the quantum of the discount, the Committee may take into consideration such factors as it may in its absolute discretion deem appropriate, including but not limited to (a) the performance of the Company and/or the Group; (b) the individual performance of the Participant; (c) the contribution to the success of the Company and/or the Group by the Participant; and (d) the prevailing market conditions.

The Company believes that the proposed maximum 20.0% discount to Market Price for Discounted Options would be sufficient to allow for flexibility in the 2016 Swiber ESOS and is appropriate for the purposes of enabling the 2016 Swiber ESOS to attain its stated objectives.

LETTER TO SHAREHOLDERS

5. THE PROPOSED PARTICIPATION OF EMPLOYEES AND DIRECTORS OF ASSOCIATED COMPANIES IN EACH OF THE 2016 SWIBER ESOS AND 2016 SWIBER PSP

The Company is of the view that the 2016 Swiber ESOS and 2016 Swiber PSP should cater not only to directors and employees of the Group but also to those of Associated Companies. The Company acknowledges that it is crucial to the stability and growth of the Group that the Company recognises the services, knowledge, expertise, assistance and support provided to the Company by the directors and employees of Associated Companies, and that the Group continues to receive their support and contributions in the development and implementation of business strategies, investments and projects in which the Company and/or the Group has interests in.

The extension of the 2016 Swiber ESOS and 2016 Swiber PSP to employees and directors of Associated Companies gives them an opportunity to share in the success and achievements of the Group and the performance of the Company through participation in the equity of the Company. It is envisaged that by doing so, the Company will also strengthen its working relationships with such employees and directors of Associated Companies by inculcating in them a stronger identification with the Group, and will serve to attract, retain and incentivise such employees and directors of Associated Companies to higher standards of performance which will in turn improve the long-term prosperity of the Group.

For these purposes, the contributions made by the employees and directors of Associated Companies to the Group are proposed to be measured using internal guidelines to be determined by the Committee with parameters which may include, without limitation, the Group's performance as well as the individual Participant's contributions towards the overall profitability of the Group.

6. THE PROPOSED PARTICIPATION OF CONTROLLING SHAREHOLDERS AND THEIR ASSOCIATES IN EACH OF THE 2016 SWIBER ESOS AND 2016 SWIBER PSP

The key objectives of the 2016 Swiber ESOS and 2016 Swiber PSP are to motivate 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 2016 Swiber ESOS and 2016 Swiber PSP may be effective in motivating employees to put in their best efforts whilst at the same time allowing the Company to offer incentives and remuneration packages compatible with multinational companies.

To this end, employees and directors of the Group and/or Associated Companies who are Controlling Shareholders and their Associates shall be treated equally regardless of whether they are Controlling Shareholders or Associates of the same. The Company's view is that all deserving and eligible employees and directors should be similarly entitled to take part and benefit from the Company's fair and equitable system of remuneration.

Although the Controlling Shareholders and their Associates may already have shareholding interests in the Company, the extension of the 2016 Swiber ESOS and 2016 Swiber PSP to include them ensures that they are similarly entitled, with the other eligible employees and directors who are not Controlling Shareholders or their Associates, to take part and benefit from this system of remuneration. The Directors are of the view that the Company should have a fair and equitable system to reward eligible employees and directors who have made and continue to make important contributions to the long-term growth of the Group notwithstanding that they are Controlling Shareholders or their Associates.

LETTER TO SHAREHOLDERS

The terms of the 2016 Swiber ESOS and 2016 Swiber PSP do not differentiate between Controlling Shareholders and their Associates from other employees or directors in determining the eligibility of such persons to be granted Options and/or Awards. They should not unduly favour Controlling Shareholders and their Associates. Likewise, Controlling Shareholders and their Associates should not be excluded from participating in the 2016 Swiber ESOS and 2016 Swiber PSP solely for the reason that they are Controlling Shareholders or their Associates. In addition, to deny participation by the Controlling Shareholders and their Associates may undermine the objectives of the 2016 Swiber ESOS and 2016 Swiber PSP.

As a safeguard against abuse, all members of the Board (and not just members of the Committee) who are not Controlling Shareholders or their Associates will be involved in deliberations in respect of Options and/or Awards to be granted to Controlling Shareholders and/or their Associates and the terms and conditions attached to such Options and/or Awards. The limits on the aggregate number of Shares comprised in Options and/or Awards that may be granted to Controlling Shareholders or their Associates are set out in paragraphs 3.3(d) and 3.4(d) of this Circular respectively.

Furthermore, specific approval of independent Shareholders is required for the grant of Options and/or Awards to Controlling Shareholders and their Associates as well as the actual number of and terms of such Options and/or Awards. In seeking such independent Shareholders' approval, clear justification as to their participation, the number of Options and/or Awards and the terms of such Options and/or Awards to be granted to Controlling Shareholders and their Associates will be provided.

The Company is of the view that there are sufficient safeguards against abuse resulting from the participation of Controlling Shareholders and their Associates in the 2016 Swiber ESOS and 2016 Swiber PSP.

The rationales for the participation of the Controlling Shareholders, Mr. Raymond Kim Goh and Mr. Yeo Chee Neng, in the 2016 Swiber ESOS and 2016 Swiber PSP are set out below:

6.1 **Mr. Raymond Kim Goh**

Mr. Raymond Kim Goh is the founder and Executive Chairman of the Company. He is the key figure in leading the Group's overall business, operations and marketing activities globally and has close to 20 years of experience in the offshore oil and gas industry. Mr. Raymond Kim Goh sets the long-term growth strategy of the Group and spearheads growth initiatives to expand the Group's resources, develop new markets and invest in new vessel designs and technology. He also plays a key role in developing the strategic direction and ensuring the continued growth and expansion of the Group.

6.2 **Mr. Yeo Chee Neng**

Mr. Yeo Chee Neng is the Deputy Group Chief Executive Officer and an executive director of the Company. He has been a Director since the Company's incorporation and was appointed as the Deputy Group Chief Executive Officer in January 2015. Mr. Yeo Chee Neng spearheads the Group's growth initiatives alongside Mr. Francis Wong Chin Sing. He has over 20 years of experience in the offshore oil and gas business and is instrumental in making the appropriate adjustments to supplier choices, timing of purchases and contracting arrangements with customers. He also enjoys close and strategic relationships with leading global suppliers as well as major customers in the offshore construction and oil and gas industries.

The Company will seek specific approval from independent Shareholders in the event that the Company intends at any time in the future to grant any Options and/or Awards to any Controlling Shareholder and/or his Associates.

LETTER TO SHAREHOLDERS

7. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

7.1 Directors' interests

The interests of the Directors in the Shares as recorded in the Company's Register of Directors' Shareholdings as at the Latest Practicable Date are set out below:

Directors	Direct interest		Deemed interest	
	No. of Shares	% of issued Shares ⁽¹⁾	No. of Shares	% of issued Shares ⁽¹⁾
Raymond Kim Goh	3,900,000	0.85	70,034,083 ⁽²⁾	15.21
Francis Wong Chin Sing	166,666	0.04	–	–
Yeo Chee Neng	10,201,500	2.22	70,034,083 ⁽²⁾	15.21
Jean Pers	10,100,000	2.19	–	–
Nitish Gupta	280,000	0.06	–	–
Tay Gim Sin Leonard	400,000	0.09	–	–
Yeo Jeu Nam	22,500	0.005	–	–
Chia Fook Eng	11,250	0.002	–	–
Oon Thian Seng	22,500	0.005	–	–

Notes:

- (1) Computed based on 460,376,986 Shares, being the total number of Shares as at the Latest Practicable Date.
- (2) Mr. Raymond Kim Goh and Mr. Yeo Chee Neng are deemed to be interested in the Shares held by Newshire Capital Limited by virtue of section 4 of the SFA.

Save as disclosed in this Circular, as at the Latest Practicable Date, none of the Directors had any interests in the Shares, or held any outstanding Existing ESOS Options or Existing PSP Awards.

7.2 Substantial Shareholders' interests

The interests of the Substantial Shareholders in the Shares as recorded in the Company's Register of Substantial Shareholders as at the Latest Practicable Date are set out below:

Substantial Shareholders	Direct interest		Deemed interest	
	No. of Shares	% of issued Shares ⁽¹⁾	No. of Shares	% of issued Shares ⁽¹⁾
Newshire Capital Limited	70,034,083	15.21	–	–
Pang Yoke Min	–	–	47,271,010 ⁽²⁾	10.27 ⁽²⁾
Raymond Kim Goh	3,900,000	0.85	70,034,083 ⁽³⁾	15.21
Yeo Chee Neng	10,201,500	2.22	70,034,083 ⁽³⁾	15.21

Notes:

- (1) Computed based on 460,376,986 Shares, being the total number of Shares as at the Latest Practicable Date.
- (2) The Shares are held through nominee accounts.
- (3) Mr. Raymond Kim Goh and Mr. Yeo Chee Neng are deemed to be interested in the Shares held by Newshire Capital Limited by virtue of section 4 of the SFA.

8. ANNUAL GENERAL MEETING

The upcoming AGM, notice of which is set out on pages 128 to 134 of the 2015 Annual Report, will be held on 15 April 2016 at 12 International Business Park, #03-02 Swiber@IBP Singapore 609920 at 10.00 a.m. for the purpose of, *inter alia*, considering and if thought fit, passing with or without modifications, the ordinary resolutions relating to the proposed renewal of the Share Buyback Mandate and proposed adoption of each of the 2016 Swiber ESOS and 2016 Swiber PSP as set out in the Notice of AGM.

LETTER TO SHAREHOLDERS

9. DIRECTORS' RECOMMENDATION AND ABSTENTION FROM VOTING

(a) Share Buyback Mandate

The Directors are of the opinion that the proposed renewal of the Share Buyback Mandate is in the best interests of the Company and recommend that Shareholders vote in favour of Ordinary Resolution 8 relating thereto as set out in the Notice of AGM.

(b) 2016 Swiber ESOS and 2016 Swiber PSP

As all the Directors are eligible to participate in the 2016 Swiber ESOS and 2016 Swiber PSP, they are deemed to be interested in the Company's adoption of each such scheme. Accordingly, all the Directors have abstained from making any recommendations to the Shareholders in respect of, and shall abstain from voting on, Ordinary Resolutions 9 to 15 relating to the proposed adoption of each of the 2016 Swiber ESOS and 2016 Swiber PSP, the grant of authority to grant Options at a discount under the 2016 Swiber ESOS as well as the participation of the Controlling Shareholders, namely Mr. Raymond Kim Goh and Mr. Yeo Chee Neng, in each of the 2016 Swiber ESOS and 2016 Swiber PSP.

In addition, all Shareholders who are eligible to participate in the 2016 Swiber ESOS and/or the 2016 Swiber PSP (as the case may be) shall abstain from voting on the relevant ordinary resolutions relating thereto and shall also decline to accept any appointment as proxy for any Shareholder to vote in respect of each such resolution unless the Shareholder concerned has given instructions in his proxy form as to the manner in which his votes are to be cast in respect of each such resolution.

10. 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 renewal of the Share Buyback Mandate and proposed adoption of each of the 2016 Swiber ESOS and 2016 Swiber PSP, 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 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.

11. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company during normal business hours up to and including the date of the upcoming AGM:

- (a) the Constitution;
- (b) the letter to shareholders dated 2 April 2015 in relation to the existing Share Buyback Mandate; and
- (c) the 2015 Annual Report.

Yours faithfully,
For and on behalf of the Board of Directors of
SWIBER HOLDINGS LIMITED

Raymond Kim Goh
Executive Chairman

APPENDIX A – RULES OF THE 2016 SWIBER ESOS

SWIBER HOLDINGS LIMITED

RULES OF THE 2016 SWIBER EMPLOYEE SHARE OPTION SCHEME

1. NAME OF THE SCHEME

The Scheme shall be called the “2016 Swiber Employee Share Option Scheme”.

2. DEFINITIONS

2.1 In the Scheme, unless the context otherwise requires, the following words and expressions shall have the following meanings:

“Adoption Date”	The date on which the Scheme is adopted by the Company in general meeting
“Aggregate Subscription Cost”	The total amount payable for Shares which may be acquired on the exercise of an Option
“Associates”	In relation to any director, chief executive officer, substantial shareholder or Controlling Shareholder (being any 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/or his immediate family together (directly or indirectly) have an interest of 30% or more
“Associated Companies”	Companies in which at least 20.0% but not more than 50.0% of its shares are held by the Company and of which the Company has control over
“Auditors”	The auditors of the Company for the time being
“Board”	The board of directors of the Company
“CDP”	The Central Depository (Pte) Limited
“Committee”	The remuneration committee of the Company
“Companies Act”	The Companies Act, Chapter 50 of Singapore, as amended, modified or supplemented from time to time
“Company”	Swiber Holdings Limited, a public company incorporated in Singapore with limited liability
“Constitution”	The Constitution of the Company
“control”	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of the Company

APPENDIX A – RULES OF THE 2016 SWIBER ESOS

“Controlling Shareholder”	A person who: (a) holds directly or indirectly 15.0% or more of the total number of issued Shares (excluding Treasury Shares) (unless the SGX-ST determines otherwise); or (b) in fact exercises control over the Company
“CPF”	Central Provident Fund
“Date of Grant”	In relation to an Option, the date on which the Option is granted pursuant to Rule 6
“Director”	A person holding office as a director for the time being of a Group Company and/or an Associated Company, as the case may be
“Employee”	An employee of a Group Company or Associated Company, as the case may be
“Executive Director”	A director for the time being of a Group Company and/or an Associated Company, holding office in an executive capacity in such company
“Exercise Period”	The period for the exercise of an Option, being the period commencing: (a) in the case of a Market Price Option, after the first anniversary of the Date of Grant and expiring on the fifth anniversary of such Date of Grant; and (b) in the case of an Incentive Option, after the second anniversary of the Date of Grant and expiring on the fifth anniversary of such Date of Grant
“Exercise Price”	The price at which a Participant shall subscribe for each Share upon the exercise of an Option which shall be the price as determined in accordance with Rule 7, as may be adjusted in accordance with Rule 12
“Grantee”	The person to whom an offer to grant an Option is made
“Group”	The Company and its Subsidiaries
“Group Company”	A company within the Group
“Incentive Option”	An Option granted with the Exercise Price set at a discount to the Market Price
“Listing Rules”	The listing rules of the SGX-ST as set out in the Listing Manual of the SGX-ST, as amended and modified from time to time
“Market Day”	A day on which the SGX-ST is open for trading in securities
“Market Price”	A price equal to the average of the last dealt prices for the Shares determined by reference to the daily Official List published by SGX-ST for a period of five consecutive Market Days immediately prior to the relevant Date of Grant of an Option provided always that in the case of a Market Day on which Shares were not traded on SGX-ST, the last dealt price

APPENDIX A – RULES OF THE 2016 SWIBER ESOS

- for the Shares on such Market Day shall be deemed to be the last dealt price of the Shares on the immediately preceding Market Day on which the Shares were traded, rounded up to the nearest whole cent in the event of fractional prices
- “Market Price Option” An Option granted with the Exercise Price set at the Market Price
- “Non-executive Director” A Director (other than an Executive Director)
- “Option” The right to subscribe for Shares granted or to be granted to a Grantee pursuant to the Scheme and for the time being subsisting
- “Participant” The holder of an Option
- “Record Date” The date as at the close of business (or such other time as may have been prescribed by the Company) on which Shareholders must be registered in order to participate in the dividends, rights, allotments or other distributions (as the case may be)
- “Rules” Rules of the Scheme
- “Scheme” The 2016 Swiber Employee Share Option Scheme, as may be modified or altered from time to time in accordance with the Rules
- “Securities Account” The securities account maintained by a Depositor with CDP
- “SGX-ST” Singapore Exchange Securities Trading Limited
- “Shares” Ordinary shares in the capital of the Company
- “Shareholders” Registered holders for the time being of the Shares (other than the CDP), or in the case of depositors, depositors who have Shares entered against their name in the Depository Register
- “Subsidiary” A company being a subsidiary for the time being of the Company within the meaning of Section 5 of the Companies Act
- “Treasury Shares” Has the meaning ascribed to it in Section 4 of the Companies Act
- “S\$” Singapore dollar
- “%” or “per cent” Per centum or percentage
- 2.2 The terms “Depositor”, “Depository Agent” and “Depository Register” shall have the meanings ascribed to them respectively by Section 130A of the Companies Act.
- 2.3 Words importing the singular number shall, where applicable, include the plural number and vice versa. Words importing the masculine gender shall, where applicable, include the feminine and neuter gender.
- 2.4 Any reference to a time of a day in the Scheme is a reference to Singapore time.
- 2.5 Any reference to a person shall include corporations.

APPENDIX A – RULES OF THE 2016 SWIBER ESOS

2.6 Any reference in the Scheme 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 thereof and used in the Scheme shall have the meaning assigned to it under the Companies Act.

3. OBJECTIVES OF THE SCHEME

3.1 The Scheme is a share incentive scheme which is proposed on the basis that it is important to retain staff whose contributions are essential to the well-being and prosperity of the Group and to give recognition to outstanding Employees who have contributed to the growth of the Group.

3.2 The objectives of the Scheme are as follows:

- (f) to motivate Participants to optimise their performance standards and efficiency and to maintain a high level of contribution to the Group;
- (g) to retain and give recognition to key Employees whose contributions are essential to the long-term growth and profitability of the Group;
- (h) to instil loyalty to, and reinforce a stronger identification by Participants with the long-term prosperity of, the Group;
- (i) to attract potential employees with relevant skills to contribute to the Group and to create value for the Shareholders; and
- (j) to align the interests of Participants with the interests of the Shareholders.

4. ELIGIBILITY OF PARTICIPANTS

4.1 An Employee's eligibility to participate in the Scheme shall be at the absolute discretion of the Committee. Such person must:

- (a) be confirmed in his employment with a Group Company or an Associated Company;
- (b) have attained the age of 21 years on or before the Date of Grant; and
- (c) not be an undischarged bankrupt and must not have entered into a composition with his creditors.

4.2 Non-executive Directors who satisfy the eligibility requirements in Rules 4.1(b) and (c) shall also be eligible to participate in the Scheme.

4.3 Subject to the absolute discretion of the Committee, persons who are Controlling Shareholders and their respective Associates shall be eligible to participate in the Scheme if:

- (a) they meet the eligibility requirements as set out above;
- (b) the necessary Shareholders' approvals pursuant to Rule 24 have been obtained; and
- (c) all conditions for their participation in the Scheme as may be required by the regulations of the SGX-ST from time to time are satisfied.

4.4 There shall be no restriction on the eligibility of any Participant to participate in any other share option or share incentive scheme implemented by any Group Company.

4.5 Subject to the Companies Act and any requirement of the SGX-ST, the terms of eligibility for participation in the Scheme may be amended from time to time at the absolute discretion of the Committee, which would be exercised judiciously.

APPENDIX A – RULES OF THE 2016 SWIBER ESOS

5. MAXIMUM ENTITLEMENT

Subject to Rules 4, 11 and 12, the aggregate number of Shares in respect of which Option(s) may be offered to a Grantee for subscription in accordance with the Scheme shall be determined at the absolute discretion of the Committee (which would be exercised judiciously) which shall take into account, where applicable, criteria such as the Grantee's rank and responsibilities within the Group, performance, years of service or appointment, potential for future development of the Grantee and the performance of the Group.

6. GRANT AND ACCEPTANCE OF OPTIONS

- 6.1 Subject to Rules 4, 5 and 11, the Committee may offer to grant Options at any time in its absolute discretion during the period when the Scheme is in force except that for so long as the Shares are listed and quoted on SGX-ST, no Options shall be offered for grant during the period of two weeks or one month immediately preceding the date of announcement of the Company's interim or final results respectively and in the event that an announcement on any matter of an exceptional nature involving unpublished price sensitive information is made, offers to grant Options may only be made on or after the second Market Day following the release of such announcement.
- 6.2 An offer to grant an Option shall be made by way of a letter of offer in or substantially in the form set out in Appendix A-1, subject to such modification as the Committee may from time to time determine.
- 6.3 An Option shall be personal to the Grantee and shall not be transferred (other than to a Participant's personal representative on the death of that Participant in accordance with Rule 8.4), sold, mortgaged, charged, assigned, pledged or otherwise disposed of or encumbered, in whole or in part, in any way whatsoever except with the prior written approval of the Committee.
- 6.4 The offer to grant an Option under this Rule 6 may be accepted by the Grantee not later than 5.00 p.m. on the 30th day from such Date of Grant by completing, signing and returning an acceptance form in or substantially in the form set out in Appendix A-2, subject to such modification as the Committee may from time to time determine, accompanied by a payment of S\$1.00 as consideration or such other amount and such other documentation as the Committee may require. Notwithstanding the aforesaid, the offer to grant an Option shall only be valid if, at the date on which the Company receives the aforesaid acceptance form from the Grantee, the Grantee remains eligible to participate in the Scheme in accordance with these Rules.
- 6.5 The Grantee may accept or refuse the whole or part of the offer. If only part of the offer is accepted, the Grantee shall accept the offer in multiples of 100 Shares.
- 6.6 The Company shall be entitled to reject any purported acceptance of a grant of an Option made pursuant to this Rule 6 which does not strictly comply with the terms of the Scheme.
- 6.7 Unless the Committee determines otherwise, an Option shall automatically lapse and become null, void and of no effect if:
- (a) it is not accepted in the manner as provided in Rule 6.4;
 - (b) the Grantee dies prior to his acceptance of the Option;
 - (c) the Grantee is adjudicated a bankrupt or enters into composition with his creditors prior to acceptance of the Option;
 - (d) the Grantee, being an Employee, ceases to be in the employment of a Group Company or Associated Company, or being a Director, ceases to be a director of the Group Company or Associated Company (as the case may be), for any reason whatsoever, prior to his acceptance of the Option; or
 - (e) the Company is liquidated or wound-up prior to the Grantee's acceptance of the Option.

APPENDIX A – RULES OF THE 2016 SWIBER ESOS

6.8 In the event that a grant of an Option results in a contravention of any applicable law or regulation, such grant shall be null and void and be of no effect and the relevant Participant shall have no claim whatsoever against the Company.

7. EXERCISE PRICE

7.1 Subject to any adjustment pursuant to Rule 12, the Exercise Price for each Share in respect of which an Option is exercisable shall be determined by the Committee, in its absolute discretion, on the Date of Grant, at:

- (a) a price equal to the Market Price; or
- (b) a price which is set at a discount to the Market Price provided that:
 - (i) the maximum discount shall not exceed 20.0% of the Market Price (or such other percentage or amount as may be determined by the Committee and permitted by the SGX-ST); and
 - (ii) the Shareholders in general meeting shall have authorised, in a separate resolution, the making of offers and grants of Options under the Scheme at a discount not exceeding the maximum discount as aforesaid.

7.2 In making any determination under Rule 7.1(b) on whether to give a discount, the Committee shall be at liberty to take into consideration such criteria as it may, in its absolute discretion deem appropriate, including but not limited to:

- (a) the performance of the Group;
- (b) the years of service and individual performance of a Grantee;
- (c) the individual Grantee's effectiveness and contribution to the success and development of the Group; and
- (d) the prevailing market conditions.

7.3 The Committee will determine on a case-by-case basis whether a discount will be given, and the quantum of the discount, taking into consideration the objective that is desired to be achieved by the Group and the prevailing market conditions. As the actual discount given will depend on the relevant circumstances, the extent of the discount may vary from one case to another, subject to a maximum discount of 20.0% of the Market Price of the Shares, as described above.

8. RIGHTS TO EXERCISE OPTIONS

8.1 Subject to the rest of this Rule 8 and Rule 9, a Market Price Option or an Incentive Option, as the case may be, shall be exercisable, in whole or in part (in accordance with Rule 6.5), during the Exercise Period applicable to that Option.

8.2 An Option shall, to the extent unexercised, immediately lapse and become null and void without any claim whatsoever against the Company:

- (a) in the event of misconduct, gross negligence or incompetence on the part of the Participant, as determined by the Committee in its discretion;
- (b) subject to Rule 8.3, where the Participant ceases at any time to be in the employment of, or a Director of, a Group Company or an Associated Company (as the case may be);
- (c) in the event of bankruptcy of the Participant or the happening of any other event which results in his being deprived of the legal or beneficial ownership of the Option; or

APPENDIX A – RULES OF THE 2016 SWIBER ESOS

- (d) in the event that the company by which he is employed ceases to be a Group Company or an Associated Company (as the case may be).

For the purpose of Rule 8.2(b), a Participant shall be deemed to have ceased to be in the employment of, or a Director of, a Group Company or an Associated Company (as the case may be) on the date on which he gives notice of resignation, unless prior to the date on which such resignation takes effect, the Participant has (with the consent of the relevant Group Company or Associated Company (as the case may be)) withdrawn such notice. For avoidance of doubt, no Option shall lapse pursuant to Rule 8.2(b) in the event of any transfer of employment of a Participant within the Group or to an Associated Company.

- 8.3 Where the Participant ceases at any time to be in the employment of, or a Director of, a Group Company or an Associated Company (as the case may be) by reason of:

- (a) ill health, injury or disability (in each case, evidenced to the satisfaction of the Committee);
- (b) redundancy;
- (c) retirement at or after the legal retirement age;
- (d) retirement before the legal retirement age with the consent of the Committee; or
- (e) by reason of any other event approved in writing by the Committee,

the Participant may, at the absolute discretion of the Committee exercise any unexercised Option(s) within the relevant Exercise Period. Upon the expiry of such Exercise Period, the Option(s) shall immediately lapse and become null, void and of no effect.

- 8.4 If a Participant dies and at the date of his death holds any unexercised Option(s), such Option(s) may, at the absolute discretion of the Committee, be exercised by the duly appointed legal personal representatives of such Participant within the relevant Exercise Period and upon the expiry of such period, the Option(s) shall immediately lapse and become null, void and of no effect.

- 8.5 The Committee may, by notification, provide for further restrictions on the period during which Options may be exercised whether by providing a schedule for the vesting of Shares comprised in the relevant Options or otherwise.

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

- 9.1 Notwithstanding Rule 8 but subject to Rule 9.5, in the event of a take-over being made for the Company, a Participant shall be entitled to exercise any Option held by him and as yet unexercised, in respect of such number of Shares comprised in that Option as may be determined by the Committee in its absolute discretion, in the period commencing on the date on which such take-over 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:

- (a) the expiry of six months thereafter, unless prior to the expiry of such six month period, at the recommendation of the offeror and with the approval of the Committee and (if so required) the SGX-ST, such expiry date is extended to a later date (in either case, being a date falling not later than the expiry of the Exercise Period relating thereto); or
- (b) the date of expiry of the Exercise Period relating thereto,

whereupon any Option then remaining unexercised shall lapse and become null, void and of no effect.

APPENDIX A – RULES OF THE 2016 SWIBER ESOS

Provided that if during such period, the offeror becomes entitled or bound to exercise the rights of compulsory acquisition under the relevant regulatory provision or legislation and, being entitled to do so, gives notice to the Participants that it intends to exercise such rights on a specified date, the Options shall remain exercisable by the Participants until the expiry of such specified date or the expiry of the respective Exercise Periods relating thereto, whichever is earlier. Any Options not so exercised shall lapse and become null and void provided that the rights of acquisition or obligations to acquire shall have been exercised or performed, as the case may be. If such rights or obligations have not been exercised or performed, the Options shall, subject to Rule 8, remain exercisable until the expiry of the Exercise Periods relating thereto. For avoidance of doubt, the provisions of this Rule 9.1 shall not come into operation in the event that a take-over offer which is conditional does not become or is not declared unconditional.

- 9.2 If under any applicable laws, 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, each Participant shall be entitled, notwithstanding Rule 8 but subject to Rule 9.5, to exercise any Option then held by him, in respect of such number of Shares comprised in that Option as may be determined by the Committee in its absolute discretion, 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 60 days thereafter or the date upon which the compromise or arrangement becomes effective, whichever is later (but in any case not after the expiry of the Exercise Period relating thereto), whereupon the Option shall lapse and become null, void and of no effect.
- 9.3 If an order or an effective resolution is passed for the winding-up of the Company on the basis of its insolvency, all Options, to the extent unexercised, shall at the date of such order or resolution lapse and become null, void and of no effect.
- 9.4 Notwithstanding Rule 8 but subject to Rule 9.5, in the event a 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 9.4) and thereupon, each Participant (or his personal representative) shall be entitled to exercise all or any of his Options at any time not later than two business days prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the Aggregate Subscription Cost whereupon the Company shall as soon as possible and in any event, no later than the business day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the Participant credited as fully paid.
- 9.5 If in connection with the making of a general offer referred to in Rule 9.1 or the scheme referred to in Rule 9.2 or the voluntary winding-up referred to in Rule 9.4, arrangements are made (which are confirmed in writing by the Auditors, acting only as experts and not as arbitrators, to be fair and reasonable) for the compensation of Participants, whether by the continuation of their Options or the payment of cash or the grant of other options or otherwise, a Participant holding an Option, as yet not exercised, may not, unless otherwise determined at the discretion of the Committee, be permitted to exercise that Option as provided for in this Rule 9.
- 9.6 If the events stipulated in this Rule 9 should occur, to the extent that an Option is not exercised within the respective periods referred to in this Rule 9, it shall lapse and become null, void and of no effect.

10. EXERCISE OF OPTIONS, ALLOTMENT AND LISTING OF SHARES

- 10.1 Subject to Rule 8.1, an Option may be exercised, in whole or in part (in accordance with Rule 6.5), by a Participant giving notice in writing to the Company in or substantially in the form set out in Appendix A-3, subject to such modification as the Committee may from time to time determine. Such notice must be accompanied by the remittance for the full amount of the Aggregate Subscription Cost in respect of the Shares for which that Option is exercised, the relevant CDP

APPENDIX A – RULES OF THE 2016 SWIBER ESOS

charges (if any), any other applicable administrative or handling fees by SGX-ST or CDP, and any other documentation the Committee may require. An Option shall be deemed to be exercised upon receipt by the Company of the said notice, duly completed, and the Aggregate Subscription Cost. All payments made shall be made by cheque, cashiers' order, banker's draft or postal order made out in favour of the Company or such other mode of payment as may be acceptable to the Company.

- 10.2 Subject to all such consents or other required action of any competent authority under any regulations or enactment for the time being in force as may be necessary and subject to the compliance with the Rules and the Constitution, the Company shall, within ten Market Days (or such other period as may be permitted by the Listing Rules) after the exercise of an Option in accordance with Rule 10.1, allot and issue the relevant Shares and within five Market Days from the date of such allotment and issue, deliver to CDP the relevant share certificates for the credit of the Securities Account or securities sub-account of that Participant by ordinary post or such other mode as the Committee may deem fit. The Company shall, if necessary, apply to the SGX-ST for permission to deal in, and for quotation of, such Shares as soon as practicable after the exercise of the Option.
- 10.3 Shares which are allotted on the exercise of an Option by a Participant shall be issued in the name of CDP to the credit of the Securities Account of that Participant maintained with CDP, the securities sub-account of that Participant maintained with a Depository Agent or the CPF investment account maintained with a CPF agent bank.
- 10.4 Shares allotted and issued on the exercise of an Option shall:
- (a) be subject to all the provisions of the Constitution and the Companies' Act; and
 - (b) rank in full for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Shares, the Record Date for which is on or after the relevant date upon which such exercise occurred, and shall in all other respects rank *pari passu* with other existing Shares then in issue.
- 10.5 The Company shall keep available sufficient unissued Shares to satisfy the full exercise of all Options for the time being remaining capable of being exercised.

11. SIZE OF THE SCHEME

- 11.1 The aggregate number of new Shares over which the Committee may grant Options on any date under the Scheme, when added to the number of new Shares issued and issuable in respect of:
- (a) all other Options granted under the Scheme, and
 - (b) all options or awards granted under any other share option schemes or share schemes implemented by the Company and for the time being in force (if any),

shall not exceed 15.0% of the number of all issued Shares (excluding Treasury Shares) on the day preceding the relevant Date of Grant.

- 11.2 The aggregate number of Shares over which the Committee may grant Option(s) to the Controlling Shareholders and their Associates under the Scheme, shall not exceed 25.0% of the Shares available under the Scheme, and that the number of Shares over which Option(s) may be granted under the Scheme to each Controlling Shareholder or each of his Associates shall not exceed ten per cent of the Shares available under the Scheme.
- 11.3 The number of Shares comprised in the Market Price Options or Incentive Options, as the case may be, to be offered to any Grantee in accordance with the Scheme shall be determined at the absolute discretion of the Committee, which shall take into account, where applicable, criteria such as the Grantee's rank and responsibilities within the Group, performance, years of service and potential for future development, and the performance of the Group.

APPENDIX A – RULES OF THE 2016 SWIBER ESOS

12. ADJUSTMENT EVENTS

12.1 In the event of a capitalisation issue of the Company (whether by way of a capitalisation of profits or reserves, rights issue, capital reduction, subdivision or consolidation of shares or distribution or otherwise), then:

- (a) the Exercise Price of the Shares, class and/or number of Shares comprised in an Option to the extent unexercised; and/or
- (b) the class and/or number of Shares over which additional Options may be granted under the Scheme,

may, at the option of the Committee, be adjusted in such manner as the Committee may determine to be appropriate including retrospective adjustments where such variation occurs after the date of exercise of an Option but the Record Date relating to such variation precedes such date of exercise and, except in relation to a capitalisation issue, upon the written confirmation of the Auditors (acting only as experts and not as arbitrators) that in their opinion, such adjustment (or absence of adjustment) is fair and reasonable.

12.2 Unless the Committee considers an adjustment to be appropriate, the issue of securities as consideration for an acquisition of assets or a private placement of securities of the Company, or the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares undertaken by the Company on the SGX-ST during the period when a share purchase mandate granted by the Shareholders (including any renewal of such mandate) is in force, shall not normally be regarded as a circumstance requiring adjustment under the provisions of this Rule 12.

12.3 Notwithstanding the provisions of Rule 12.1:

- (a) no such adjustment shall be made if as a result the Participant receives a benefit that a Shareholder does not receive unless the Committee after considering all relevant circumstances considers it equitable to do so; and
- (b) any adjustment (except in relation to a capitalisation issue) must be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.

12.4 Upon any adjustment required to be made pursuant to this Rule 12, the Company shall notify each 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 new Exercise Price thereafter in effect and the class and/or number of Shares thereafter comprised in the Option so far as unexercised. Any adjustment shall take effect upon such written notification being given.

12.5 The restriction on the number of Shares to be offered to any Grantee under Rule 11 above shall not apply to the number of additional Shares or Options over additional Shares issued by virtue of any adjustment to the number of Shares and/or Options pursuant to this Rule 12.

13. ADMINISTRATION OF THE SCHEME

13.1 The Scheme shall be administered by the Committee in its absolute discretion, with such powers and duties as are conferred on it by the Board, provided that no member of the Committee shall participate in any deliberation or decision in respect of Options to be granted to him or held by him.

13.2 The Committee shall have the power, from time to time, to make or vary such regulations (not being inconsistent with the Scheme) for the implementation and administration of the Scheme as it thinks fit.

APPENDIX A – RULES OF THE 2016 SWIBER ESOS

13.3 Neither the Scheme nor the grant of Options under the Scheme shall impose on the Company or the Committee any liability whatsoever in connection with:

- (a) the lapsing or early expiry of any Options pursuant to any provision of the Scheme;
- (b) the failure or refusal by the Committee to exercise, or the exercise by the Committee of, any discretion under the Scheme; and/or
- (c) any decision or determination of the Committee made pursuant to any provision of the Scheme.

13.4 Any decision or determination of the Committee made pursuant to any provision of the Scheme (other than a matter to be certified by the Auditors) shall be final, binding and conclusive (including any decision pertaining to disputes and uncertainty as to the interpretation of the Scheme or any rule, regulation or procedure thereunder or as to any right under this Scheme).

14. NOTICES

14.1 Any notice required to be given by a Participant to the Company shall be sent or made to the principal place of business of the Company or such other addresses (including electronic mail addresses) or facsimile number, and marked for the attention of the Committee, as may be notified by the Company to him in writing.

14.2 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, electronic mail address or facsimile number according to the records of the Company or the last known address, electronic mail address or facsimile number of the Participant.

14.3 Any notice or other communication from a Participant to the Company shall be irrevocable, and shall not be effective until confirmation of receipt by Company is given. Any notice or communication from the Company to a Participant shall be deemed to be received by that Participant, when left at the address specified in Rule 14.2 or, if sent by post, on the day following the date of posting or, if sent by electronic mail or facsimile transmission, on the day of despatch.

15. MODIFICATIONS TO THE SCHEME

15.1 Any or all the provisions of the Scheme may be modified and/or altered at any time and from time to time by resolution of the Committee, except that:

- (a) no modification or alteration shall alter adversely the rights attaching to any Option granted prior to such modification or alteration and which in the opinion of the Committee materially alters the rights attaching to such Option except with the consent in writing of such number of Participants who, if their Options were exercised in full, would thereby become entitled to not less than 75.0% of the number of all the Shares which would fall to be allotted upon exercise in full of all outstanding Options;
- (b) any modification or alteration which would be to the advantage of Participants under the Scheme shall be subject to the prior approval of the Shareholders in general meeting; and
- (c) no modification or alteration shall be made without due compliance with the Listing Rules and such other applicable regulatory authorities as may be necessary.

14.2 Notwithstanding anything to the contrary contained in Rule 15.1, the Committee may at any time by resolution (and without other formality, save for the prior approval of the SGX-ST if necessary) amend or alter the Scheme in any way to the extent necessary to cause the Scheme 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).

APPENDIX A – RULES OF THE 2016 SWIBER ESOS

14.3 Written notice of any modification or alteration made in accordance with this Rule 15 shall be given to all Participants but accidental omission to give notice to any Participant(s) shall not invalidate any such modifications or alterations.

16. TERMS OF EMPLOYMENT UNAFFECTED

16.1 The terms of employment of a Participant shall not be affected by his participation in the Scheme, which shall neither form part of such terms nor entitle him to take into account such participation in calculating any compensation or damages on the termination of his employment for any reason.

16.2 The Scheme shall not confer on any person any legal or equitable rights (other than those constituting the Options themselves) against the Group and/or Associated Companies directly or indirectly or give rise to any cause of action at law or in equity against the Group and/or Associated Companies.

17. DURATION OF THE SCHEME

17.1 The Scheme shall continue to be in force at the discretion of the Committee, subject to a maximum period of ten years commencing on the Adoption Date, provided always that the Scheme may, subject to applicable laws and regulations, continue beyond the above stipulated period with the approval of the Shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

17.2 The Scheme may be terminated at any time by the Committee in its sole discretion, or by resolution of the Company in general meeting, subject to all relevant approvals which may be required and if the Scheme is so terminated, no further Options shall be offered by the Company hereunder.

17.3 The termination of the Scheme shall not affect Options which have been granted and accepted as provided in Rule 6.4, whether such Options have been exercised (whether fully or partially) or not.

18. TAXES

The Participants shall be responsible for obtaining any governmental or other official consent that may be required by any country or jurisdiction in order to permit the grant or exercise of the relevant Options. All taxes (including income tax) arising from the exercise of any Option granted to any Participant under the Scheme shall be borne by that Participant. The Company shall not be responsible for any failure by the Participant to obtain any such consent or for any tax or other liability to which the Participant may become subject as a result of his participation in the Scheme.

19. COSTS AND EXPENSES OF THE SCHEME

19.1 Notwithstanding anything herein, 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 exercise of any Option 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 Depository Agent or CPF investment account with a CPF agent bank.

19.2 Save for the taxes referred to in Rule 18 and such other costs and expenses expressly provided in the Scheme to be payable by the Participants, all fees, costs and expenses incurred by the Company in relation to the Scheme including but not limited to the fees, costs and expenses relating to the allotment and issue of Shares pursuant to the exercise of any Option shall be borne by the Company.

APPENDIX A – RULES OF THE 2016 SWIBER ESOS

20. DISCLAIMER OF LIABILITY

Notwithstanding any provisions herein contained, the Committee, the Company or its Directors shall not under any circumstances be held liable for any costs, losses, expenses and damages whatsoever and howsoever arising in any event under or in connection with the Scheme, including but not limited to any delay or failure to issue, or procure the transfer of, the Shares or new Shares on the SGX-ST in accordance with Rule 10.2 (or if applicable, any other stock exchange on which the Shares are quoted or listed).

21. CONDITION OF OPTION

Every Option shall be subject to the condition that no Shares shall be issued and/or transferred pursuant to the exercise of an Option if such issue and/or transfer would be contrary to any applicable law or enactment, or any applicable rules or regulations of any legislative or non-legislative governing body for the time being in force in Singapore or any other relevant country.

22. DISCLOSURE IN ANNUAL REPORT

The following disclosures (as applicable) will be made by the Company in its annual report for so long as the Scheme continues in operation:

- (a) the names of the members of the Committee;
- (b) information as required in the table below in respect of Options granted to the following Participants:
 - (i) Participants who are directors of the Company;
 - (ii) Participants who are Controlling Shareholders and their Associates; and
 - (iii) Participants, other than those in (i) and (ii) above, who receive five per cent or more of the total number of Shares available under the Scheme

Name of Participant	Number of Shares comprised in Options granted during financial year under review (including terms)	Aggregate number of Shares comprised in Options granted since commencement of Scheme to end of financial year under review	Aggregate number of Shares comprised in Options exercised since commencement of Scheme to end of financial year under review	Aggregate number of Shares comprised in Options outstanding as at end of financial year under review

- (c) the names of and number and terms of Options granted to each director or employee of the Company's parent company and its subsidiaries who receives five per cent or more of the total number of Options available to all directors and employees of such parent company and its subsidiaries under the Scheme, during the financial year under review;
- (d) the aggregate number of Options granted to the directors and employees of the Company's parent company and its subsidiaries for the financial year under review, and since the commencement of the Scheme to the end of the financial year under review;

APPENDIX A – RULES OF THE 2016 SWIBER ESOS

- (e) the number of Incentive Options during the financial year under review in the following bands:

Discount to the Market Price %	Aggregate number of Incentive Options granted during the financial year under review	Proportion of Incentive Options to Market Price Options granted during the financial year under review
0 - 10.0		
11.0 - 20.0		

- (f) any other information required to be disclosed pursuant to the Listing Rules and all other applicable laws and requirements.

If any of the disclosure above in the foregoing of this Rule 22 is not applicable, an appropriate negative statement will be included in the annual report.

23. ABSTENTION FROM VOTING

Participants who are Shareholders are to abstain from voting on any Shareholders' resolution relating to the Scheme and should not accept nominations as proxy or otherwise for voting unless specific instructions have been given in the proxy form on how the vote is to be cast.

24. SHAREHOLDERS' APPROVAL

The participation of each Controlling Shareholder and each of his Associates in the Scheme must be specifically approved by independent Shareholders in separate resolutions for each such person. Each grant of Options (including the actual number and the terms of the Options to be granted) to a Controlling Shareholder or his Associates must be specifically approved by independent Shareholders in separate resolutions.

25. DISPUTES

Any disputes or differences of any nature arising hereunder (other than matters to be confirmed by the Auditors in accordance with the Scheme) shall be referred to the Committee whose decision shall be final and binding in all respects (including any decisions pertaining to disputes as to interpretation of the Scheme or any rule, regulation, procedure thereunder or as to any rights under the Scheme).

26. GOVERNING LAW

The Scheme shall be governed by, and construed in accordance with, the laws of the Republic of Singapore. The Participants, by accepting Options in accordance with the Scheme, and the Company submit to the exclusive jurisdiction of the courts of the Republic of Singapore.

APPENDIX A – RULES OF THE 2016 SWIBER ESOS

Appendix A-1

2016 SWIBER EMPLOYEE SHARE OPTION SCHEME

LETTER OF OFFER

Serial No: _____

Date: _____

To: **[Name]**
[Designation]
[Address]

Private and Confidential

Dear Sir/Madam,

1. We have the pleasure of informing you that, pursuant to the 2016 Swiber Employee Share Option Scheme (“**Share Option Scheme**”), you have been nominated to participate in the Share Option Scheme by the Committee (the “**Committee**”) appointed by the Board of Directors of Swiber Holdings Limited (the “**Company**”) to administer the Share Option Scheme. Terms as defined in the Share Option Scheme shall have the same meaning when used in this letter.
2. Accordingly, in consideration of the payment of a sum of S\$1.00, an offer is hereby made to grant you an option (the “**Option**”), to subscribe for and be allotted _____ Shares at the price of S\$ _____ for each Share.
3. The Option is personal to you and shall not be transferred, charged, pledged, assigned or otherwise disposed of by you, in whole or in part, except with the prior approval of the Committee.
4. The Option shall be subject to the terms of the Scheme, a copy of which is available for inspection at the business address of the Company.
5. If you wish to accept the offer of the Option on the terms of this letter, please sign and return the enclosed Acceptance Form with a sum of S\$1.00 not later than 5.00 p.m. on _____, failing which this offer will lapse.

Yours faithfully,
For and on behalf of
Swiber Holdings Limited

Name:
Designation:

APPENDIX A – RULES OF THE 2016 SWIBER ESOS

Appendix A-2

2016 SWIBER EMPLOYEE SHARE OPTION SCHEME

ACCEPTANCE FORM

Serial No: _____

Date: _____

To: The Committee,
2016 Swiber Employee Share Option Scheme,

Closing Date for Acceptance of Offer: _____
Number of Shares Offered: _____
Exercise Price for each Share: S\$ _____
Total Amount Payable: S\$ _____

I have read your Letter of Offer dated _____ and agree to be bound by the terms of the Letter of Offer and the Share Option Scheme referred to therein. Terms defined in your Letter of Offer shall have the same meanings when used in this Acceptance Form.

I hereby accept the Option to subscribe for _____ Shares at S\$ _____ for each Share. I enclose cash for S\$1.00 in payment for the purchase of the Option/I authorise my employer to deduct the sum of S\$1.00 from my salary in payment for the purchase of the Option.

I understand that I am not obliged to exercise the Option.

I confirm that my acceptance of the Option will not result in the contravention of any applicable law or regulation in relation to the ownership of shares in the Company or options to subscribe for such shares.

I agree to keep all information pertaining to the grant of the Option to me confidential.

I further acknowledge that you have not made any representation to induce me to accept the offer and that the terms of the Letter of Offer and this Acceptance Form constitute the entire agreement between us relating to the offer.

APPENDIX A – RULES OF THE 2016 SWIBER ESOS

Please print in block letters

Name in full : _____

Designation : _____

Address : _____

Nationality : _____

*NRIC/Passport No. : _____

Signature : _____

Date : _____

Note:

* Delete accordingly

APPENDIX A – RULES OF THE 2016 SWIBER ESOS

Appendix A-3

2016 SWIBER EMPLOYEE SHARE OPTION SCHEME

FORM OF EXERCISE OF OPTION

Total number of ordinary shares (the “ Shares ”) offered at S\$ _____ for each Share (the “ Exercise Price ”) under the Scheme on _____(Date of Grant)	:	
Number of Shares previously allotted thereunder	:	
Outstanding balance of Shares to be allotted thereunder	:	
Number of Shares now to be subscribed	:	

To: The Committee,
2016 Swiber Employee Share Option Scheme,

1. Pursuant to your Letter of Offer dated _____ and my acceptance thereof, I hereby exercise the Option to subscribe for _____ Shares in Swiber Holdings Limited (the “**Company**”) at S\$ _____ or each Share.
2. I enclose a *cheque/cashier’s order/banker’s draft/postal order no. _____ for S\$ _____ by way of subscription for the total number of the said Shares.
3. I agree to subscribe for the said Shares subject to the terms of the Letter of Offer, the 2016 Swiber Employee Share Option Scheme and the Constitution of the Company.
4. I declare that I am subscribing for the said Shares for myself and not as a nominee for any other person.
5. I request the Company to allot and issue the Shares in the name of The Central Depository (Pte) Limited (“**CDP**”) for credit of my *Securities Account with CDP/Sub-Account with the Depository Agent/CPF investment account with my Agent Bank specified below and I hereby agree to bear such fees or other charges as may be imposed by CDP in respect thereof.

APPENDIX A – RULES OF THE 2016 SWIBER ESOS

Please print in block letters

Name in full : _____

Designation : _____

Address : _____

Nationality : _____

*NRIC/Passport No. : _____

*Direct Securities Account No. : _____

OR

*Sub-Account No. : _____

Name of Depository Agent : _____

OR

*CPF Investment Account No. : _____

Name of Agent Bank : _____

Signature : _____

Date : _____

Note:

* Delete accordingly

APPENDIX B – RULES OF THE 2016 SWIBER PSP

SWIBER HOLDINGS LIMITED

RULES OF THE 2016 SWIBER PERFORMANCE SHARE PLAN

1. NAME OF THE PLAN

This Plan shall be called the “2016 Swiber Performance Share Plan”.

2. DEFINITIONS

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

“Adoption Date”	The date on which the Plan is adopted by the Company in general meeting
“Associates”	In relation to any director, chief executive officer, substantial shareholder or Controlling Shareholder (being any 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/or his immediate family together (directly or indirectly) have an interest of 30% or more
“Associated Companies”	Companies in which at least 20.0% but not more than 50.0% of its shares are held by the Company and of which the Company has control over
“Auditors”	The auditors for the time being of the Company
“Award”	A contingent award of Shares granted under Rule 5
“Award Letter”	A letter in such form as the Committee shall approve, confirming an Award granted to a Participant
“Board”	The board of directors of the Company
“CDP”	The Central Depository (Pte) Limited
“Committee”	The remuneration committee of the Company
“Companies Act”	The Companies Act, Chapter 50 of Singapore, as amended, modified or supplemented from time to time
“Company”	Swiber Holdings Limited, a public company incorporated in Singapore with limited liability
“Constitution”	The constitution of the Company
“control”	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company

APPENDIX B – RULES OF THE 2016 SWIBER PSP

“Controlling Shareholder”	A person who: (a) holds directly or indirectly 15.0% or more of the total number of issued Shares (excluding Treasury Shares) (unless the SGX-ST determines otherwise); or (b) in fact exercises control over the Company
“Date of Grant”	In relation to an Award, the date on which the Award is granted pursuant to Rule 5
“Director”	A person holding office as a director for the time being a Group Company and/or an Associated Company, as the case may be
“Employee”	An employee of a Group Company or an Associated Company, as the case may be
“Executive Director”	A director for the time being of a Group Company and/or an Associated Company, holding office in an executive capacity in such company
“Group”	The Company and its Subsidiaries
“Group Company”	A company within the Group
“Listing Rules”	The listing rules of the SGX-ST as set out in the Listing Manual of the SGX-ST, as amended and modified from time to time
“Market Day”	A day on which the SGX-ST is open for trading of securities
“New Shares”	New Shares which may be allotted and issued from time to time pursuant to the Release of Awards granted under the Plan
“Non-executive Director”	A Director (other than an Executive Director)
“Participant”	The holder of an Award
“Performance Condition”	In relation to a Performance-related Award, the condition specified on the Date of Grant in relation to the Release of that Award
“Performance-related Award”	An Award in relation to which a Performance Condition is specified
“Performance Period”	In relation to a Performance-related Award, a period, the duration of which is to be determined by the Committee on the Date of Grant, during which the Performance Condition is to be satisfied
“Plan”	The 2016 Swiber Performance Share Plan, as the same may be modified or altered from time to time in accordance with the Rules
“Record Date”	The date as at the close of business (or such other time as may have been prescribed by the Company) on which Shareholders must be registered in order to participate in the dividends, rights, allotments or other distributions (as the case may be)

APPENDIX B – RULES OF THE 2016 SWIBER PSP

“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 7 and, to the extent that any Shares which are the subject of the Award are not released pursuant to Rule 7, the Award in relation to those Shares shall lapse accordingly, and “Released” shall be construed accordingly
“Released Award”	An Award in respect of which the Vesting Period relating to that Award has ended and which has been released in accordance with Rule 7
“Rules”	Rules of the Plan
“SGX-ST”	Singapore Exchange Securities Trading Limited
“Securities Account”	The securities account maintained by a Depositor with CDP
“Shareholders”	Registered holders for the time being of the Shares (other than the CDP), or in the case of depositors, depositors who have Shares entered against their name in the Depository Register
“Shares”	Ordinary shares in the capital of the Company
“Subsidiary”	A company being a subsidiary for the time being of the Company within the meaning of Section 5 of the Companies Act
“Treasury Shares”	Has the meaning ascribed to it in Section 4 of the Companies Act
“Vesting”	In relation to Shares which are the subject of a Released Award, the absolute entitlement to all or some of the Shares which are the subject of a Released Award and “Vest” and “Vested” shall be construed accordingly
“Vesting Date”	In relation to Shares which are the subject of a Released Award, the date (as determined by the Committee and notified to the relevant Participant) on which those Shares have Vested or will Vest pursuant to Rule 7
“Vesting Period”	In relation to an Award, a period or periods, the duration of which is to be determined by the Committee at the Date of Grant, during which the Award has not yet Vested
“S\$”	Singapore dollars
“%” or “per cent”	Per centum or percentage

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

2.3 Words importing the singular number shall, where applicable, include the plural number and vice versa. Words importing the masculine gender shall, where applicable, include the feminine and neuter gender.

2.4 Any reference to a time of a day in the Plan is a reference to Singapore time.

2.5 Any reference to a person shall include corporations.

APPENDIX B – RULES OF THE 2016 SWIBER PSP

2.6 Any reference in 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 and used in the Plan shall have the meaning assigned to it under the Companies Act.

3. OBJECTIVES OF THE PLAN

3.1 The Plan is a performance incentive scheme which will form an integral part of the Group's incentive compensation program.

3.2 The objectives of the Plan are as follows:

- (a) to motivate Participants to optimise their performance standards and efficiency and to maintain a high level of contribution to the Group;
- (b) to retain and give recognition to key Employees whose contributions are essential to the long-term growth and profitability of the Group;
- (c) to instil loyalty to, and reinforce a stronger identification by Participants with the long-term prosperity of, the Group;
- (d) to attract potential employees with relevant skills to contribute to the Group and to create value for the Shareholders; and
- (e) to align the interests of Participants with the interests of the Shareholders.

4. ELIGIBILITY OF PARTICIPANTS

4.1 An Employee's eligibility to participate in the Plan shall be at the absolute discretion of the Committee. Such person must:

- (a) be confirmed in his employment with a Group Company or an Associated Company;
- (b) have attained the age of 21 years on or before the Date of Grant; and
- (c) not be an undischarged bankrupt and must not have entered into a composition with his creditors.

4.2 Non-executive Directors who satisfy the eligibility requirement in Rules 4.1(b) and (c) shall also be eligible to participate in the Plan.

4.3 Subject to the absolute discretion of the Committee, persons who are Controlling Shareholders and their respective Associates shall be eligible to participate in the Plan if:

- (a) they meet the eligibility requirements as set out above;
- (b) the necessary Shareholders' approvals pursuant to Rule 16 have been obtained; and
- (c) all conditions for their participation in the Plan as may be required by the regulations of the SGX-ST from time to time are satisfied.

4.4 There shall be no restriction on the eligibility of any Participant to participate in any other share option or share incentive scheme implemented by any Group Company.

APPENDIX B – RULES OF THE 2016 SWIBER PSP

- 4.5 The eligibility of Participants to participate in the Plan, the number of Shares which are the subject of each Award to be granted to a Participant in accordance with the Plan and the Vesting Period of each Award shall be determined at the absolute discretion of the Committee, which shall take into account, inter alia:
- (a) the financial performance of the Group;
 - (b) in respect of a Participant being an Employee (including an Executive Director), criteria such as his rank, job performance, potential for future development and his contribution to the success and development of the Group; and
 - (c) in respect of a Participant being a Non-executive Director (including an independent Director), criteria such as his contribution to the success and development of the Group.
- 4.6 Performance Conditions to the vesting of Awards may be set by the Committee depending on the relevant Participant's particular job scope, responsibilities and circumstances.

5. GRANT OF AWARDS

- 5.1 Subject as provided in Rules 4 and 8, the Committee may grant Awards to Employees and Directors as the Committee may select in its absolute discretion, at any time during the period when the Plan is in force except that no grant of Awards shall be made during the period of two weeks or one month immediately preceding the date of announcement of the Company's interim or final results respectively. In addition, in the event that an announcement on any matter of an exceptional nature involving unpublished price sensitive information is made by the Company, grant of Awards may only be made on or after the second Market Day following the release of such announcement.
- 5.2 The Committee shall decide, in its absolute discretion, in relation to each Award:
- (a) the Participant;
 - (b) the Date of Grant;
 - (c) the number of Shares which are the subject of the Award;
 - (d) the prescribed Vesting Period(s);
 - (e) the extent to which Shares which are the subject of that Award shall be Released at the end of each prescribed Vesting Period; and
 - (f) in the case of a Performance-related Award, the Performance Period(s) and the Performance Condition(s). In this regard, when setting Performance Condition(s) and Performance Period(s), the Committee shall also take into account both the medium and long-term corporate objectives of the Group such as sales growth, growth in earnings and return on investment, as well as the individual performance of each Participant such as the Participant's length of service with the Group, achievements of past performance targets, value-add to the Group's performance and development and overall enhancement to Shareholders value.
- 5.3 The Committee may amend or waive the Vesting Period(s) and, in the case of a Performance-related Award, the Performance Period and/or the Performance Condition in respect of any Award:
- (a) in the event of a general offer (whether conditional or unconditional) being made for all or any part of the Shares, or a scheme of arrangement or compromise between the Company and its Shareholders being sanctioned by the Court under the Companies Act, or a proposal to liquidate or sell all or substantially all of the assets of the Company; or

APPENDIX B – RULES OF THE 2016 SWIBER PSP

- (b) in the case of a Performance-related Award, if anything happens 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 as the Participant has achieved a level of performance that the Committee considers satisfactory notwithstanding that the Performance Condition may not have been fulfilled,

and shall notify the Participants of such change or waiver (but accidental omission to give notice to any Participant(s) shall not invalidate any such change or waiver).

5.4 As soon as reasonably practicable after making an Award, the Committee shall send to each Participant an Award Letter confirming the Award and specifying in relation to the Award, inter alia, the following (where applicable):

- (a) the Date of Grant;
- (b) the number of Shares which are the subject of the Award;
- (c) the prescribed Vesting Period(s);
- (d) the extent to which Shares which are the subject of that Award shall be Released at the end of each prescribed Vesting Period; and
- (e) in the case of a Performance-related Award, the Performance Period and the Performance Condition.

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

5.6 An Award or Released Award shall be personal to the Employee or Director to whom it is granted and no Award or Released Award or any rights thereunder shall be transferred, charged, assigned, pledged, mortgaged, encumbered or otherwise disposed of, in whole or in part, 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 rights under an Award or Released Award, that Award or Released Award shall immediately lapse.

6. EVENTS PRIOR TO THE VESTING DATE

6.1 An Award, to the extent not yet Released, shall forthwith become void and cease to have effect on the occurrence of any of the following events (and in such an event, the Participant shall have no claim whatsoever against the Company, its directors or employees):

- (a) a Participant, being an Employee, ceasing for any reason whatsoever, to be in the employment of a Group Company or Associated Company (as the case may be) or in the event the company by which the Employee is employed ceases to be a company in the Group or an Associated Company (as the case may be);
- (b) a Participant, being a Director, ceasing to be a Director of a Group Company or Associated Company, as the case may be, for any reason whatsoever;
- (c) upon the bankruptcy of the Participant or the happening of any other event which results in him being deprived of the legal or beneficial ownership of or interest in such Award;
- (d) upon the death of a Participant;

APPENDIX B – RULES OF THE 2016 SWIBER PSP

- (e) if a Participant commits a breach of any of the terms of his Award; and/or
- (f) misconduct, gross negligence or incompetence on the part of a Participant as determined by the Committee in its absolute discretion.

For the purpose of Rule 6.1(a) above, an Employee shall be deemed to have ceased to be in the employment of a Group Company and/or an Associated Company (as the case may be) on the date on which he gives or receives notice of termination of employment, unless prior to the date on which termination takes effect, the Employee has (with the consent of the relevant Group Company or Associated Company (as the case may be)) withdrawn such notice. For the avoidance of doubt, no Award shall lapse pursuant to Rule 6.1(a) in the event of any transfer of employment of a Participant within the Group or to an Associated Company.

For the purpose of Rule 6.1(b), a Participant shall be deemed to have ceased to be a Director as of the date the notice of resignation or termination of directorship, as the case may be, is tendered by or is given to him, unless such notice shall be withdrawn (with the consent of the relevant Group Company or Associated Company (as the case may be)) prior to its effective date.

- 6.2 The Committee may in its absolute discretion and on such terms and conditions as it deems fit, preserve all or any part of any Award notwithstanding the provisions of any other Rules including Rules 6.1 and 7. Further to such exercise of discretion, the Awards shall be deemed not to have become void nor cease to have effect in accordance with the relevant provisions in Rule 6.1.
- 6.3 Without prejudice to the provisions of Rules 5.3 and 7, and to the extent of an Award yet to be Released, if any of the following occurs:
 - (a) a general offer (whether conditional or unconditional) being made for all or any part of the Shares;
 - (b) a scheme of arrangement or compromise between the Company and its Shareholders being sanctioned by the Court under the Companies Act;
 - (c) an order for the compulsory winding-up of the Company is made; or
 - (d) a resolution for a voluntary winding-up (other than for amalgamation or reconstruction) of the Company being made,

the Committee may consider, at its discretion, whether or not to Release such Award. If the Committee decides to Release such Award, then in determining the number of Shares to be Vested in respect of such Award, the Committee will have regard to the proportion of the Vesting Period(s) which has elapsed or has been amended or waived in accordance with Rule 5.3, and the extent to which the Performance Condition (if any) has been satisfied or waived in accordance with Rule 5.3. Where such Award is Released, the Committee will, as soon as practicable after such Release, procure the allotment or transfer to each Participant of the number of Shares so determined, such allotment or transfer to be made in accordance with Rule 7.

7. RELEASE OF AWARDS

- 7.1 In relation to each Performance-related Award, as soon as reasonably practicable after the end of the relevant Performance Period, the Committee shall review the Performance Condition specified in respect of that Award and determine whether it has been satisfied and, if so, the extent to which it has been satisfied.
- 7.2 If the Committee determines in its sole discretion that the Performance Condition has not been satisfied or if the relevant Participant (being an Employee) has not continued to be an Employee from the Date of Grant up to the end of the relevant Performance Period, that Award shall lapse and be of no value and the provisions of Rule 7 (save for this Rule 7.2) shall be of no effect.

APPENDIX B – RULES OF THE 2016 SWIBER PSP

7.3 The Committee shall have the discretion to determine whether the Performance Condition has been satisfied (whether fully or partially) or waived in accordance with Rule 5.3 or exceeded and, in making any such determination, the Committee shall have the right to make computational adjustments to the audited results of the Company or the Group, as the case may be, to take into account such factors as the Committee may determine to be relevant, including changes in accounting methods, taxes and extraordinary events.

7.4 Subject to:

- (a) the Committee, in the case of a Performance-related Award, having determined that the Performance Condition has been satisfied within the Performance Period unless so waived in accordance with Rule 5.3;
- (b) the relevant Participant (being an Employee) having continued to be an Employee from the Date of Grant up to the end of the relevant Vesting Period;
- (c) the Committee being of the opinion that the job performance of the relevant Participant has been satisfactory;
- (d) such consents (including any approvals required by the SGX-ST) as may be necessary;
- (e) compliance with the terms of the Award, the Plan, and the Constitution;
- (f) where Shares are to be allotted or transferred on the release of an Award, the Participant having a securities account with CDP and compliance with the applicable requirements of CDP; and
- (g) where New Shares are to be allotted on the release of an Award, the Company being satisfied that the Shares which are the subject of the Released Award will be listed for quotation on the SGX-ST,

upon the expiry of each Vesting Period in relation to an Award, the Company shall Release to the relevant Participant the Shares to which his Award relates on the Vesting Date.

7.5 Shares which are the subject of a Released Award shall be Vested to a Participant on the Vesting Date, which shall be a Market Day falling as soon as practicable after the Release of such Award in accordance with Rule 7.4 and, on the Vesting Date, the Committee will procure the allotment or transfer to each Participant of the number of Shares so determined.

7.6 Where New Shares are allotted upon the Vesting of any Award, the Company shall, as soon as practicable after such allotment, apply to the SGX-ST for the listing and quotation of such Shares (if not already previously done).

7.7 Shares which are allotted or transferred on the Release of an Award to a Participant shall be registered in the name of, or transferred to, CDP to the credit of the Securities Account of that Participant maintained with CDP or the securities sub-account of that Participant maintained with a Depository Agent.

7.8 New Shares allotted and issued, and existing Shares procured by the Company on behalf of the Participants for transfer, upon the Release of an Award shall:

- (a) be subject to all the provisions of the Constitution and the Companies Act; and
- (b) rank in full for all entitlements, including any dividends or other distributions declared or recommended in respect of the then existing Shares, the Record Date for which is on or after the relevant Vesting Date and shall in all other respects rank *pari passu* with other Shares then in issue.

APPENDIX B – RULES OF THE 2016 SWIBER PSP

8. SIZE OF THE PLAN

8.1 The aggregate number of new Shares over which the Committee may grant an Award on any date under the Plan, when added to the number of new Shares issued and issuable in respect of:

- (c) all other Awards granted under the Plan, and
- (d) all options or awards granted under any other share option schemes or share schemes implemented by the Company and for the time being in force (if any),

shall not exceed 15.0% of the number of all issued Shares (excluding Treasury Shares) on the day preceding the relevant Date of Grant.

8.2 The aggregate number of Shares over which the Committee may grant an Award to the Controlling Shareholders and their Associates under the Plan, shall not exceed 25.0% of the Shares available under the Plan, and the number of Shares over which Awards may be granted under the Plan to each Controlling Shareholder or each of his Associates shall not exceed ten per cent of the Shares available under the Plan.

9. ADJUSTMENT EVENTS

9.1 In the event of a capitalisation issue of the Company (whether by way of a capitalisation of profits or reserves, rights issue, capital reduction, subdivision or consolidation of shares or distribution or otherwise), then:

- (a) the class and/or number of Shares which are the subject of an Award to the extent not yet Vested and the rights attached thereto; and/or
- (b) the class and/or number of Shares in respect of which Awards may be granted under the Plan,

may, at the option of the Committee, be adjusted in such manner as the Committee may determine to be appropriate, provided that any such adjustment shall be made in such a way that a Participant will not receive a benefit that a Shareholder does not receive.

9.2 Unless the Committee considers an adjustment to be appropriate, the issue of securities as consideration for an acquisition of assets or a private placement of securities of the Company, or the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares undertaken by the Company on the SGX-ST during the period when a share purchase mandate granted by the Shareholders (including any renewal of such mandate) is in force, shall not normally be regarded as a circumstance requiring adjustment under the provisions of this Rule 9.

9.3 Notwithstanding the provisions of Rule 9, any adjustment (except in relation to a capitalisation issue) must be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.

9.4 Upon any adjustment being made pursuant to this Rule 9, the Company shall notify each 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 or transferred on the Vesting of an Award and the date on which such adjustment shall take effect.

9.5 Notwithstanding the provisions of Rule 9.1 or that no adjustment is required under the provisions of the Plan, the Committee may, in any circumstances where it considers that no adjustment should be made or that it should take effect on a different date or that an adjustment should be made to any of the matters referred to in Rule 9.1 notwithstanding that no adjustment is required under the said provisions (as the case may be), request the Auditors to consider whether for any reasons

APPENDIX B – RULES OF THE 2016 SWIBER PSP

whatsoever the adjustment or the absence of an adjustment is appropriate or inappropriate as the case may be, and, after such consideration, no adjustment shall take place or the adjustment shall be modified or nullified or an adjustment made (instead of no adjustment made) in such manner and on such date as shall be considered by such Auditors (acting only as experts and not as arbitrators) to be in their opinion fair and reasonable.

10. ADMINISTRATION OF THE PLAN

- 10.1 The Plan shall be administered by the Committee in its absolute discretion, with such powers and duties as are conferred on it by the Board, provided that no member of the Committee shall participate in any deliberation or decision in respect of Awards granted or to be granted to him or held by him.
- 10.2 The Committee shall have the power, from time to time, to make or vary such arrangements, guidelines and/or regulations (not being inconsistent with the Plan) for the implementation and administration of the Plan, to give effect to the provisions of the Plan and/or to enhance the benefit of the Awards and the Released Awards to the Participants, as it may, in its absolute discretion, think fit.
- 10.3 Neither the Plan nor the grant of Awards under the Plan shall impose on the Company or the Committee any liability whatsoever in connection with:
- (a) the lapsing or early expiry of any Award pursuant to any provision of the Plan;
 - (b) the failure or refusal by the Committee to exercise, or the exercise by Committee of, any discretion under the Plan; and/or
 - (c) any decision or determination of the Committee made pursuant to any provision of the Plan.
- 10.4 Any decision or determination of the Committee made pursuant to any provision of the Plan (other than a matter to be certified by the Auditors) shall be final, binding and conclusive (including any decision pertaining to disputes and uncertainty as to the interpretation of the Plan or any rule, regulation or procedure thereunder or as to any right under this Plan).

11. NOTICES

- 11.1 A Participant shall not by virtue of being granted any Award be entitled to receive copies of any notices or other documents sent by the Company to the Shareholders.
- 11.2 Any notice required to be given by a Participant to the Company shall be sent or made to the principal place of business of the Company or such other addresses (including electronic mail addresses) or facsimile number, and marked for the attention of the Committee, as may be notified by the Company to him in writing.
- 11.3 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, electronic mail address or facsimile number according to the records of the Company or the last known address, electronic mail address or facsimile number of the Participant.
- 11.4 Any notice or other communication from a Participant to the Company shall be irrevocable, and shall not be effective until confirmation of receipt by Company is given. Any notice or communication from the Company to a Participant shall be deemed to be received by that Participant, when left at the address specified in Rule 11.3 or, if sent by post, on the day following the date of posting or, if sent by electronic mail or facsimile transmission, on the day of despatch.

APPENDIX B – RULES OF THE 2016 SWIBER PSP

12. MODIFICATIONS TO THE PLAN

- 12.1 Any or all the provisions of the Plan may be modified and/or altered at any time and from time to time by resolution of the Committee, except that:
- (a) no modification or alteration shall be made which would adversely affect the rights attached to any Award granted prior to such modification or alteration and which in the opinion of the Committee materially alters the rights attaching to such Award except with the prior consent in writing of such number of Participants who, if their Awards were Released to them upon the expiry of all the Vesting Periods applicable to their Awards, would be entitled to not less than 75.0% of the aggregate number of the Shares which would fall to be vested upon the Release of all outstanding Awards upon the expiry of all the Vesting Periods applicable to all such outstanding Awards;
 - (b) any modification or alteration which would be to the advantage of Participants under the Plan shall be subject to the prior approval of the Shareholders in general meeting; and
 - (c) no modification or alteration shall be made without due compliance with the Listing Rules and prior approval of such other applicable regulatory authorities as may be necessary.
- 12.2 Notwithstanding anything to the contrary contained in Rule 12.1, the Committee may at any time by resolution (and without other formality, save for the prior approval of the SGX-ST if necessary) amend or alter 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).
- 12.3 Written notice of any modification or alteration made in accordance with this Rule 12 shall be given to all Participants but accidental omission to give notice to any Participant(s) shall not invalidate any such modifications or alterations.

13. TERMS OF EMPLOYMENT UNAFFECTED

- 13.1 The terms of employment of a Participant shall not be affected by his participation in the Plan, which shall neither form part of such terms nor entitle him to take into account such participation in calculating any compensation or damages on the termination of his employment for any reason.
- 13.2 The Plan shall not confer on any person any legal or equitable rights (other than those constituting the Awards themselves) against the Group and/or Associated Companies directly or indirectly or give rise to any cause of action at law or in equity against the Group and/or Associated Companies.

14. DURATION OF THE PLAN

- 14.1 The Plan shall continue to be in operation at the discretion of the Committee for a maximum period of ten years commencing on the Adoption Date, provided always that the Plan may, subject to applicable laws and regulations, continue beyond the above stipulated period with the approval of the Shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.
- 14.2 The Plan may be terminated at any time by the Committee in its sole discretion, or by resolution of the Company in general meeting, subject to all relevant approvals which may be required and if the Plan is so terminated, no further Awards shall be granted by the Company hereunder.
- 14.3 The termination of the Plan shall not affect Awards which have been granted, whether such Awards have been Released (whether fully or partially) or not.

APPENDIX B – RULES OF THE 2016 SWIBER PSP

15. ANNUAL REPORT DISCLOSURE

The Company shall make the following disclosures in its annual report to Shareholders for the duration of the Plan:

- (a) the names of the members of the Committee;
- (b) information as required in the table below in respect of Awards granted to the following Participants:
 - (i) Participants who are directors of the Company;
 - (ii) Participants who are Controlling Shareholders and their Associates; and
 - (iii) Participants, other than those in (i) and (ii) above, who receive Awards comprising Shares representing five per cent or more of the aggregate of the Shares available under the Plan

Name of Participant	Number of Shares comprised in Awards granted during financial year under review (including terms)	Number of Shares comprised in Awards granted since commencement of Plan to end of financial year under review (including terms)	Aggregate number of New Shares allotted and existing Shares purchased for delivery pursuant to Released Awards since commencement of the Plan to end of financial year under review	Aggregate number of Shares comprised in Awards which have not been Released as at the end of the financial year under review

- (c) the names of and number and terms of Awards granted to each director or employee of the Company's parent company and its subsidiaries who receives five per cent or more of the total number of Awards available to all directors and employees of such parent company and its subsidiaries under the Scheme, during the financial year under review;
- (d) the aggregate number of Awards granted to the directors and employees of the Company's parent company and its subsidiaries for the financial year under review, and since the commencement of the Scheme to the end of the financial year under review; and
- (e) any other information required to be disclosed pursuant to the Listing Rules and all other applicable laws and requirements.

If any of the disclosure above in the foregoing of this Rule 15 is not applicable, an appropriate negative statement will be included in the annual report.

16. SHAREHOLDERS' APPROVAL

The participation of each Controlling Shareholder and each of his Associates in the Plan must be specifically approved by independent Shareholders in separate resolutions for each such person. Each grant of Award (including the actual number and the terms of the Award to be granted) to a Controlling Shareholder or his Associates must be specifically approved by independent Shareholders in separate resolutions.

APPENDIX B – RULES OF THE 2016 SWIBER PSP

17. ABSTENTION FROM VOTING

Participants who are Shareholders are to abstain from voting on any Shareholders' resolution relating to the Plan. Participants may act as proxies of Shareholders in respect of the votes of such Shareholders in relation to any such resolution provided that specific instructions have been given in the proxy forms on how the votes are to be cast in respect of the resolution.

18. TAXES

The Participants shall be responsible for obtaining any governmental or other official consent that may be required by any country or jurisdiction in order to permit the grant or Vesting of the relevant Award. All taxes (including income tax) arising from the grant or Vesting of any Award under the Plan shall be borne by that Participant. The Company shall not be responsible for any failure by the Participant to obtain any such consent or for any tax or other liability to which the Participant may become subject as a result of his participation in the Plan.

19. COSTS AND EXPENSES OF THE PLAN

- 19.1 Notwithstanding anything herein, each Participant shall be responsible for all fees of CDP relating to or in connection with the issue and allotment or transfer of any Shares pursuant to the Release 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 taxes referred to in Rule 18 and such other costs and expenses expressly provided in the Plan to be payable by the Participants, all 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 of Shares pursuant to the Release of any Awards shall be borne by the Company.

20. DISCLAIMER OF LIABILITY

Notwithstanding any provisions herein contained, the Company, its Directors or the Committee shall not under any circumstances be held liable for any costs, losses, expenses liabilities or damages whatsoever and howsoever arising in respect of any matter under or in connection with the Plan, including but not limited to any delay or failure to issue, or procure the transfer of, the Shares or to apply for or procure the listing of new Shares on the SGX-ST in accordance with Rule 7.6 (or if applicable, any other stock exchange on which the Shares are quoted or listed).

21. DISPUTES

Any disputes or differences of any nature arising hereunder (other than matters to be confirmed by the Auditors in accordance with the Plan) shall be referred to the Committee whose decision shall be final and binding in all respects (including any decisions pertaining to disputes as to interpretation of the Plan or any rule, regulation, procedure thereunder or as to any rights under the Plan).

22. GOVERNING LAW

The Plan shall be governed by, and construed in accordance with, the laws of the Republic of Singapore. The Participants, by being granted Awards in accordance with the Plan, and the Company submit to the exclusive jurisdiction of the courts of the Republic of Singapore.

This page has been intentionally left blank.

