

**CIRCULAR DATED 9 SEPTEMBER 2016**

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

**This Circular is issued by TEE International Limited (the “Company”). 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 ordinary shares in the capital of 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 enclosed Notice of EGM and the enclosed Proxy Form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

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

Terms appearing on this cover of this Circular bear the same meanings as defined in this Circular.



## **TEE INTERNATIONAL LIMITED**

(Company Registration No. 200007107D)  
(Incorporated in the Republic of Singapore)

### **CIRCULAR TO SHAREHOLDERS**

#### **IN RELATION TO**

- (1) THE PROPOSED ADOPTION OF THE TEE INTERNATIONAL EMPLOYEE SHARE OPTION SCHEME 2016;**
- (2) THE PROPOSED GRANT OF OPTIONS AT A DISCOUNT UNDER THE TEE INTERNATIONAL EMPLOYEE SHARE OPTION SCHEME 2016;**
- (3) THE PROPOSED ADOPTION OF THE TEE INTERNATIONAL PERFORMANCE SHARE PLAN 2016; AND**
- (4) THE PROPOSED PARTICIPATION OF MR. PHUA BOON KIN, AN ASSOCIATE OF A CONTROLLING SHAREHOLDER OF THE COMPANY, IN THE TEE INTERNATIONAL EMPLOYEE SHARE OPTION SCHEME 2016 AND THE TEE INTERNATIONAL PERFORMANCE SHARE PLAN 2016**

#### **IMPORTANT DATES AND TIMES**

- |  |   |  |
|--|---|--|
| Last date and time for lodgement of Proxy Form | : | 25 September 2016 at 3.00 p.m.   |
| Date and time of Extraordinary General Meeting | : | 27 September 2016 at 3.00 p.m. (or as soon thereafter following the conclusion or adjournment of the annual general meeting of the Company to be held at 2.30 p.m. on the same day and at the same place). |
| Place of Extraordinary General Meeting         | : | Albizia Room, Level 2, Jurong Country Club, 9 Science Centre Road, Singapore 609078.   |

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## DEFINITIONS

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For the purposes of this Circular, the following definitions apply throughout unless the context otherwise requires.

- “Act” or “Companies Act”** : The Companies Act (Chapter 50) of Singapore, as may be amended, modified and/or supplemented from time to time
- “Approval In-Principle”** : The approval in-principle of the SGX-ST for the listing and quotation of the New Shares that may be allotted and issued from time to time upon the exercise of the Options and/or the vesting of the Awards granted pursuant to the Scheme and/or the Plan (as the case may be)
- “Associate”** : (a) In relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:
- (i) his immediate family;
  - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
  - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; and
- (b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its Subsidiary or holding company or is a Subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
- “Auditors”** : The auditors of the Company for the time being
- “Associated Company”** : A company in which at least 20% but not more than 50% of its shares are held by the Company or the Group
- “Award”** : A contingent award of Shares granted under the Plan
- “Board”** : The board of Directors of the Company for the time being
- “CDP”** : The Central Depository (Pte) Limited
- “Circular”** : This circular to Shareholders dated 9 September 2016
- “Company”** : TEE International Limited
- “Control”** : The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company
- “Controlling Shareholder”** : A person who (a) holds directly or indirectly 15% or more of the total votes attached to all the voting shares in the Company or (b) in fact exercises Control over the Company
- “CPF”** : Central Provident Fund

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## DEFINITIONS

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<b>“Date of Grant”</b>	:	The date on which an Option is granted pursuant to the Scheme or an Award is granted pursuant to the Plan (as the case may be) to a Participant
<b>“Director”</b>	:	A person holding office as a director for the time being of the Company and/or any Subsidiary and/or any Group Associated Company, as the case may be
<b>“EGM”</b>	:	The extraordinary general meeting of the Company, to be convened for the purposes of considering and, if thought fit, passing with or without modifications, the proposed resolutions set out in the Notice of EGM
<b>“Employee”</b>	:	A confirmed full-time employee of the Group
<b>“EPS”</b>	:	Earnings per Share
<b>“Executive Director”</b>	:	A Director of the Company and/or any Subsidiary and/or any Group Associated Company, as the case may be, who performs an executive function
<b>“Exercise Price”</b>	:	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 the Scheme Rules
<b>“FRS”</b>	:	Singapore Financial Reporting Standards
<b>“Group”</b>	:	The Company, its Subsidiaries and Group Associated Companies
<b>“Group Associated Company”</b>	:	An Associated Company which the Company has Control over
<b>“Latest Practicable Date”</b>	:	27 August 2016, being the latest practicable date prior to the date of this Circular
<b>“Listing Manual”</b>	:	The listing manual of the SGX-ST
<b>“Listing Rules”</b>	:	The main board rules of the SGX-ST, as may be amended modified and/or supplemented from time to time
<b>“Market Day”</b>	:	A day on which the SGX-ST is open for trading in securities
<b>“Market Price”</b>	:	In relation to an Option, a price equal to the average of the closing market prices of the Shares over a period of five (5) 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 the Shares were not traded on the SGX-ST, the closing market price for the Shares on such Market Day shall be deemed to be the closing market 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
<b>“New Shares”</b>	:	The new Shares which may be allotted and issued from time to time pursuant to the exercise of an Option granted under the Scheme and/or an Award vested under the Plan (as the case may be)

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## DEFINITIONS

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<b>“Non-Executive Director”</b>	:	A Director of the Company and/or any Subsidiary and/or any Group Associated Company, as the case may be, other than an Executive Director
<b>“Notice of EGM”</b>	:	The notice of EGM which is on pages N-1 – N-3 of this Circular
<b>“NTA”</b>	:	Net tangible assets
<b>“Option”</b>	:	The right to subscribe for Shares granted pursuant to the Scheme
<b>“Participant”</b>	:	A person who may be selected by the Scheme Committee and/or the Plan Committee to participate in the Scheme and/or the Plan (as the case may be) in accordance with the rules thereof
<b>“Plan” or “TEE International Performance Share Plan 2016”</b>	:	The proposed performance share plan of the Company known as the “TEE International Performance Share Plan 2016”, as amended or modified from time to time
<b>“Plan Committee”</b>	:	Remuneration Committee of the Company (together with the Group Chief Executive and Managing Director of the Company) for the time being, or such other committee comprising Directors duly authorised and appointed by the Board to administer the Plan
<b>“Plan Rules”</b>	:	The rules of the Plan as set out in Appendix 2 of this Circular, as may be amended or modified from time to time, and any reference to a particular Plan Rule shall be construed accordingly
<b>“Proposals”</b>	:	Shall have the meaning as set out in section 1.1 of this Circular
<b>“Proxy Form”</b>	:	The proxy form in respect of the EGM as set out on pages F1 – F2 of this Circular
<b>“Record Date”</b>	:	The date as at the close of business (or such other time as may have been prescribed by the Company) on which the Shareholders must be registered in order to participate in any dividends, rights, allotments or other distributions
<b>“Release Schedule”</b>	:	In relation to an Award, a schedule in such form as the Plan Committee shall approve, setting out the extent to which Shares which are the subject of that Award shall be released on the performance target(s) being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the performance period
<b>“Scheme” or “TEE International Employee Share Option Scheme 2016”</b>	:	The proposed employee share option scheme of the Company known as the “TEE International Employee Share Option Scheme 2016”, as amended or modified from time to time
<b>“Scheme Committee”</b>	:	Remuneration Committee of the Company (together with the Group Chief Executive and Managing Director of the Company) for the time being, or such other committee comprising Directors duly authorised and appointed by the Board to administer the Scheme

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## DEFINITIONS

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“Scheme Rules”	:	The rules of the Scheme as set out in Appendix 1 of this Circular, as may be amended or modified from time to time, and any reference to a particular Scheme Rule shall be construed accordingly
“Securities Account”	:	The securities accounts maintained by Depositors with CDP but not including securities sub-accounts maintained with a Depository Agent
“SFA”	:	The Securities and Futures Act (Chapter 289) of Singapore, as amended, modified or supplemented from time to time
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Shares”	:	Ordinary shares in the capital of the Company
“Shareholders”	:	Persons who are registered as holders of Shares in the Register of Members of the Company except that where the registered holder is CDP, the term “Shareholders” shall mean the Depositors who have Shares credited to their Securities Accounts
“Subsidiary”	:	A company which is for the time being a subsidiary of the Company, as defined by Section 5 of the Companies Act, and “Subsidiaries” shall be construed accordingly
“Substantial Shareholder”	:	A person who has an interest in the voting Shares (excluding Treasury Shares) in the Company, and the total votes attached to that Share, or those Shares, represent not less than 5% of all the voting Shares
“Treasury Shares”	:	(a) A share which was (or is treated as having been) purchased by the Company in circumstances described under Section 76H of the Act; and  (b) a share of the Company that was or is treated as having been acquired and held continuously by the Company since it was so acquired and has not been cancelled
“Vesting”	:	In relation to Shares which are the subject of an Award which has been released to the relevant Participant, the absolute entitlement to all or some of the Shares which are the subject of that Award, and “Vest” and “Vested” shall be construed accordingly
“Vesting Period”	:	In relation to an Award, a period or periods, the duration of which is to be determined by the Plan Committee at the Date of Grant
<b><u>Currencies, units and others</u></b>		
“S\$” and “cents”	:	Singapore dollars and cents, respectively, being the lawful currency of Singapore
“%” or “per cent.”	:	Per centum or percentage

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the Listing Manual, SFA or any statutory modification thereof and used in this Circular, shall have the meaning assigned to it under the Companies Act, the Listing Manual or the SFA as the case may be.

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## DEFINITIONS

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The terms “**Depositor**” and “**Depository Register**” shall have the meanings ascribed to them respectively under Section 81SF of the SFA.

Words importing the singular number shall include the plural number where the context admits and *vice versa*. Words importing the masculine gender shall include the feminine gender where the context admits. Reference to persons shall, where applicable, include corporations.

Any reference to any agreement or document shall include such agreement or document as amended, modified, varied, novated, supplemented or replaced from time to time.

Any reference to a time of day or date in this Circular is a reference to a time of day or date, as the case may be, in Singapore, unless otherwise stated.

Any discrepancies in this Circular between the sum of the figures stated and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures which precede them.

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## LETTER TO SHAREHOLDERS

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### TEE INTERNATIONAL LIMITED

(Company Registration No. 200007107D)  
(Incorporated in the Republic of Singapore)

**Directors:**

Mr. Bertie Cheng Shao Shiong (Chairman and Independent Director)  
Mr. Phua Chian Kin (Group Chief Executive and Managing Director)  
Mr. Phua Boon Kin (Deputy Group Managing Director)  
Ms. Saw Chin Choo (Executive Director)  
Mr. Tan Boen Eng (Independent Director)  
Mr. Lee Ah Fong (Independent Director)  
Mr. Gn Hiang Meng (Independent Director)  
Mr. Aric Loh Siang Khee (Independent Director)

**Registered Office:**

25 Bukit Batok  
Street 22  
TEE Building  
Singapore 659591.

9 September 2016

To: The Shareholders of TEE International Limited

Dear Sir/Madam,

- (1) **THE PROPOSED ADOPTION OF THE TEE INTERNATIONAL EMPLOYEE SHARE OPTION SCHEME 2016 (THE “SCHEME”);**
- (2) **THE PROPOSED GRANT OF OPTIONS AT A DISCOUNT UNDER THE SCHEME;**
- (3) **THE PROPOSED ADOPTION OF THE TEE INTERNATIONAL PERFORMANCE SHARE PLAN 2016 (THE “PLAN”); AND**
- (4) **THE PROPOSED PARTICIPATION OF MR. PHUA BOON KIN, AN ASSOCIATE OF A CONTROLLING SHAREHOLDER OF THE COMPANY, IN EACH OF THE SCHEME AND THE PLAN.**

#### 1. INTRODUCTION

- 1.1 The Directors propose to convene an EGM to seek Shareholders' approval in relation to the following matters (collectively, the “Proposals”):
- (i) the proposed adoption of the Scheme (Resolution 1);
  - (ii) the proposed grant of Options at a discount under the Scheme (Resolution 2);
  - (iii) the proposed adoption of the Plan (Resolution 3); and
  - (iv) the proposed participation of Mr. Phua Boon Kin, an Associate of Mr. Phua Chian Kin, a Controlling Shareholder of the Company, in each of the Scheme and the Plan (Resolution 4).

Resolution 4 shall be conditional upon the passing of Resolutions 1, 2 and 3.

- 1.2 The purpose of this Circular is to provide Shareholders with information relating to, and to seek their approval for, the Proposals at the EGM to be held on 27 September 2016 at 3.00 p.m. (or as soon thereafter following the conclusion or adjournment of the AGM of the Company to be held at 2.30 p.m. on the same day and at the same place). The notice of EGM has been, or will be, despatched to Shareholders on the same date as the date of this Circular.



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## LETTER TO SHAREHOLDERS

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- 1.3 This Circular has been prepared solely for the purpose set out herein and may not be relied upon by any persons (other than the Shareholders) or for any other purpose. If you are in any doubt as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.
- 1.4 The SGX-ST has, on 17 August 2016, approved in-principle the listing and quotation of the new Shares (the “**New Shares**”) that may be allotted and issued from time to time upon the exercise of the Options granted pursuant to the Scheme and/or the vesting of the Awards granted pursuant to the Plan (as the case may be) (the “**Approval In-Principle**”), subject to the following:
- (a) the Company’s compliance with the SGX-ST’s listing requirements and guidelines; and
  - (b) independent Shareholders’ approval being obtained for the Scheme and the Plan.

The SGX-ST’s Approval In-Principle is not to be taken as an indication of the merits of the Scheme, the Plan, the New Shares, and the Group.

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

## 2. THE PROPOSED ADOPTION OF THE TEE INTERNATIONAL EMPLOYEE SHARE OPTION SCHEME 2016

### 2.1 Rationale for the Scheme

The Company proposes to implement the Scheme, which will be known as the “TEE International Employee Share Option Scheme 2016”, as a new share option scheme of the Company. The purpose of the Scheme is to provide an opportunity for Employees and Directors 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. The Company believes that the implementation of the Scheme will enable the Company to structure a competitive remuneration package, and at the same time, 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:–

- (i) to motivate each Participant to optimise their performance standards and efficiency and to maintain a high level of contribution to the Group;
- (ii) to retain Participants whose contributions are important to the long-term growth and profitability of the Group;
- (iii) to foster an ownership culture within the Company which promotes greater commitment and aligns the interests of Participants with the interests of the Shareholders; and
- (iv) to attract potential Employees with relevant skills to contribute to the Group and to create value for the Shareholders.

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## LETTER TO SHAREHOLDERS

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### 2.2 Overview of the Scheme

A summary of the Scheme Rules is set out below. The full set of Scheme Rules is set out in **Appendix 1** of this Circular.

#### 2.2.1 Eligibility

The following persons shall be eligible to participate in the Scheme:–

- (i) Employees who are confirmed full-time employees of the Group;
- (ii) Directors (including Executive Directors, Non-Executive Directors and independent Directors) of the Group; and
- (iii) Associates of Controlling Shareholders (provided that such Associates are not themselves also Controlling Shareholders), who meet the criteria in sections 2.2.1(i) or 2.2.1(ii) above,

who, in the opinion of the Scheme Committee, have contributed or will contribute to the success of the Group.

Participants must have attained the age of 21 years on or before the Date of Grant, must not be undischarged bankrupts and must not have entered into a composition with their respective creditors to be eligible.

Controlling Shareholders will not be eligible to participate in the Scheme.

Directors and Employees who are Associates of Controlling Shareholders (notwithstanding that they may meet the eligibility criteria as set out above) shall not participate in the Scheme unless:–

- (a) their participation; and
- (b) the actual number of Shares to be issued to them and the terms of any Option to be granted to them,

have been approved by the independent Shareholders in general meeting in separate resolutions for each such person.

There shall be no restriction on the eligibility of any Participant to participate in any other share incentive schemes or share plans implemented or to be implemented by the Company or any other company within the Group.

#### 2.2.2 Size of the Scheme

The aggregate number of Shares over which Options may be granted on any date under the Scheme, when added to the number of Shares issued and/or issuable in respect of:

- (a) all Options granted under the Scheme;
- (b) all Awards granted under the Plan; and
- (c) all Shares, options or awards granted under any other share incentive schemes or share plans adopted by the Company for the time being in force (if any),

shall not exceed 15% of the total number of issued Shares (excluding Treasury Shares) of the Company on the day preceding the relevant Date of Grant.

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## LETTER TO SHAREHOLDERS

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Furthermore, the aggregate number of Shares over which Options may be granted under the Scheme to Associates of Controlling Shareholders shall not exceed 25% of the total number of Shares available under the Scheme, and the number of Shares over which an Option may be granted under the Scheme to each Associate of a Controlling Shareholder shall not exceed 10% of the total number of Shares available under the Scheme.

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

### 2.2.3 Duration of the Scheme

The Scheme shall continue to be in force at the discretion of the Scheme Committee, subject to a maximum duration of ten (10) years commencing from its adoption by Shareholders at the EGM. Subject to compliance with any applicable laws and regulations in Singapore, the Scheme 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.

The Scheme may be terminated at any time by the Scheme Committee or by resolution of the Shareholders at a general meeting subject to all other relevant approvals which may be required and if the Scheme is so terminated, no further Options shall be offered by the Company thereafter.

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

### 2.2.4 Exercise Price

Subject to any adjustment pursuant to the Scheme Rules, the Exercise Price of Options granted shall be determined by the Scheme Committee, in its absolute discretion, on the Date of Grant, at:–

- (i) a price equal to the Market Price; or
- (ii) a price which is set at a discount to the Market Price, provided that:
  - (a) the maximum discount shall not exceed 20% of the Market Price; and
  - (b) the Shareholders of the Company 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.

The Company shall determine whether a discount will be given and the amount of discount to be awarded depending on the circumstances and on a case-by-case basis. In making such a determination, the Scheme 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 Group, as the case may be;
- (b) the years of service and individual performance of the eligible Participant;
- (c) the contribution or potential contribution of the eligible Participant to the success and development of the Company and/or the Group; and
- (d) the prevailing market conditions.

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## LETTER TO SHAREHOLDERS

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In measuring the performance of an eligible Participant, the Company will carry out an annual evaluation for each eligible Participant on the above stated criteria as may be approved by the Scheme Committee, the results of which will be tabled for the Scheme Committee's discussion.

### 2.2.5 Exercise Period

Options granted with the Exercise Price set at Market Price shall only be exercisable, in whole or in part (provided that an Option may be exercised in part only in respect of 100 Shares or any multiple thereof), by a Participant after the first anniversary of the Date of Grant of that Option, and Options granted with the Exercise Price set at a discount to Market Price shall only be exercisable by a Participant after two (2) years from the Date of Grant of that Option.

Subject to prevailing legislation applicable on the relevant Date of Grant, Employees and Executive Directors (including Associates of Controlling Shareholders) who are granted Options must exercise their Options before the tenth (10<sup>th</sup>) anniversary from the Date of Grant and Non-Executive Directors (including independent Directors and Associates of Controlling Shareholders) who are granted Options must exercise their Options before the fifth (5<sup>th</sup>) anniversary from the Date of Grant, failing which all unexercised Options shall immediately lapse and become null and void and a Participant shall have no claim against the Company.

### 2.2.6 Variation of Capital

(a) If a variation in the number of issued Shares of the Company (whether by way of a capitalisation of profits or reserves, or rights issue, or a reduction, sub-division or consolidation, or distribution, or otherwise howsoever) should take place, then:

- (i) the Exercise Price in respect of the Shares, class and/or number of Shares comprised in an Option to the extent unexercised and the rights attached to them; and/or
- (ii) the class and/or number of Shares over which additional Options may be granted to the Participants,

may be adjusted in such manner as the Scheme Committee may determine to be appropriate. 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.

(b) Unless the Scheme Committee considers an adjustment to be appropriate, the following (whether singly or in combination) shall not be regarded as events requiring adjustment:

- (i) any issue of securities as consideration for an acquisition or a private placement of securities;
- (ii) any issue of securities pursuant to any joint venture;
- (iii) any increase in the number of issued Shares as a consequence of the exercise of options or conversion of any loan stock or any other convertible securities into Shares or subscription rights of any warrants issued from time to time by the Company entitling holders thereof to acquire new Shares in the capital of the Company (including the exercise of any Options granted pursuant to this Scheme);

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## LETTER TO SHAREHOLDERS

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- (iv) any issue of Shares pursuant to any scrip dividend scheme for the time being of the Company; and
  - (v) any reduction in the number of issued Shares as a result of the cancellation of issued Shares purchased by the Company by way of market purchase(s) effected on SGX-ST pursuant to a share purchase mandate (or any renewal thereof) given by the Shareholders in general meeting and for the time being in force.
- (c) No such adjustment shall be made if as a result, the Participant receives a benefit that a Shareholder does not receive.
- (d) Upon any adjustment made pursuant to the Scheme Rules, the Company shall notify the Participant (or his duly appointed personal representatives where applicable) in writing informing him (or his duly appointed personal representatives where applicable) of the new Exercise Price thereafter in effect and the class and/or number of New Shares thereafter comprised in the Option so far as unexercised. Any adjustment shall take effect upon such written notification being given.

### 2.2.7 Modifications to the Scheme

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 Scheme Committee, except that:–

- (i) any modification or alteration which shall alter adversely the rights attaching to any Option granted prior to such modification or alteration and which in the opinion of the Scheme Committee, materially alters the rights attaching to any Option granted prior to such modification or alteration may only be made with the consent in writing of such number of Participants who, if they exercised their Options in full, would thereby become entitled to Shares representing not less than three-quarters of the total voting rights (or such other requirements as may be prescribed by the SGX-ST) of all the Shares which would be allotted upon exercise in full of all outstanding Options;
- (ii) any modification or alteration which would be, in the opinion of the Scheme Committee, to the advantage of Participants under the Scheme shall be subject to the prior approval of the Shareholders in general meeting, whereby Shareholders who are also holders of Options shall be required to abstain from voting in respect of any resolution relating to such modification or alteration; and
- (iii) no modification or alteration shall be made without the prior approval of the SGX-ST (as the case may be) or (if required) any other stock exchange on which the Shares are quoted and listed, and such other regulatory authorities as may be necessary.

For the purposes of section 2.2.7(i) above, the opinion of the Scheme Committee as to whether any modification or alteration would alter adversely the rights attaching to any Option shall be final and conclusive.

### 2.2.8 Ranking of the Shares

New Shares allotted and issued upon the exercise of an Option shall be subject to all provisions of the Constitution and shall rank *pari passu* in all respects with the then existing issued Shares (excluding Treasury Shares) in the capital of the Company except for any dividends, rights, allotments or other distributions accrued prior to the date such New Shares are allotted and issued.

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## LETTER TO SHAREHOLDERS

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### 2.3 Financial Effects of the Scheme

(i) Share Capital

The Scheme will result in an increase in the number of issued Shares of the Company (excluding Treasury Shares) to the extent that New Shares are allotted and issued upon the exercise of the Options. This number of New Shares issued will in turn depend on, *inter alia*, the number of New Shares comprised in the Options granted, the number of Options that are exercised and the prevailing Market Price of the Shares on the SGX-ST.

If, instead of issuing New Shares to the Participants upon the exercise of Options, Treasury Shares are delivered to the Participants, there would be no impact on the number of issued Shares of the Company (excluding Treasury Shares). Similarly, there would be no impact on the number of issued Shares of the Company (excluding Treasury Shares) if the relevant Options are not exercised.

(ii) EPS

The Scheme will have a dilutive impact on the EPS of the Group and the Company following the increase in the number of issued Shares of the Company to the extent that New Shares are allotted and issued pursuant thereto.

(iii) NTA

The issue of New Shares upon the exercise of the Options will increase the NTA of the Group and the Company by the aggregate Exercise Price of the New Shares issued. On a per Share basis, the effect on the NTA of the Group and the Company is accretive if the Exercise Price is above the NTA per Share but dilutive otherwise.

(iv) Potential Costs of Options

All Options granted under the Scheme would have a fair value. In the event that such Options are granted with Exercise Prices below the fair value of the Options, there will be a cost to the Company. The costs may be more significant in the case of Options granted with Exercise Prices set at a discount to the Market Price of the Shares. In addition to the impact on the EPS and NTA as described above, the cost to the Company of granting Options under the Scheme would be as follows:

- (a) the exercise of an Option at the Exercise Price would translate into a reduction of the proceeds from the exercise of such Option, as compared to the proceeds that the Company would have received from such exercise had the exercise been made at the prevailing market price of the Shares. Such reduction of the exercise proceeds would represent the monetary cost to the Company; and
- (b) the grant of Options under the Scheme will have an impact on the Company's reported profit/loss under FRS as share-based payment requires the recognition of an expense in respect of Options granted under the Scheme. The expense will be based on the fair value of the Options at the Date of Grant (as determined by an option-pricing model) and will be recognised over the performance period. The requirement to recognise an expense in respect of Options granted to employees as set out in FRS 102 is effective for financial periods beginning on or after 1 January 2005.

It should be noted that the financial effect discussed in (a) above would materialise only upon the exercise of the relevant Options. The cost of granting Options discussed in (b) above would be recognised in the financial statements even if the Options are not exercised. Measured against the cost of granting the Options as described above is the desirable effect of the Scheme in attracting, recruiting, retaining and motivating Directors and Employees which could in the long term yield greater returns for the Company and Shareholders.

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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 Scheme. Shareholders who are in doubt as to their respective tax positions or the financial or tax implications should consult their own professional advisers.

### 3. THE PROPOSED ADOPTION OF THE TEE INTERNATIONAL PERFORMANCE SHARE PLAN 2016

#### 3.1 Rationale for the Plan

In conjunction with the Scheme, the Company is also proposing to implement the Plan, which will be known as the “TEE International Performance Share Plan 2016”, as a new performance share plan of the Company.

Both the Plan and the Scheme will form an integral and important component of the Company’s incentive compensation plan. The Plan and the Scheme are designed to complement each other in the Group’s efforts to reward, retain and motivate Participants to achieve better performance. The aim of implementing more than one incentive plan is to increase the Group’s flexibility and effectiveness in its continuing efforts to reward, retain and motivate Employees and Directors whose services are vital to the growth and performance of the Group, and achieve increased performance by providing the Group with a more comprehensive set of remuneration tools.

Unlike Options granted under the Scheme, the Plan contemplates the award of fully-paid Shares to Participants based on specific or medium-term performance targets or time-based service conditions, or a combination of both. Awards granted under the Plan will vest only after the satisfaction of the prescribed service conditions as may be decided by the Plan Committee at the relevant point in time and/or according to the extent to which the Participants achieve their performance target(s) over set performance periods, as determined by the Plan Committee. Examples of performance targets to be set include targets based on criteria such as shareholders’ return, return on equity and EPS. By working toward and achieving their own performance targets, the Participants would at the same time be indirectly assisting the Company in attaining its objectives and strategic business goals.

As such, while the Scheme is targeted at employees of the Group in general, the Plan is primarily targeted at key employees who are in the best position to drive the growth of the Company through superior performance. The Company believes that the Plan will be more effective than merely having cash bonuses to motivate Participants to work towards determined goals.

Thus, the Plan allows the Company to target specific performance objectives and to provide an incentive for Participants to achieve these targets, which ultimately, will create and enhance economic value for Shareholders.

#### 3.2 Overview of the Plan

A summary of the Plan Rules is set out below. The full set of Plan Rules is set out in **Appendix 2** of this Circular.

##### 3.2.1 Eligibility

The following persons shall be eligible to participate in the Plan:–

- (i) Employees who are confirmed full-time employees of the Group;
- (ii) Directors (including Executive Directors, Non-Executive Directors and independent Directors) of the Group; and

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- (iii) Associates of Controlling Shareholders (provided that such Associates are not themselves also Controlling Shareholders), who meet the criteria in sections 3.2.1(i) or 3.2.1(ii) above,

who, in the opinion of the Plan Committee, have contributed or will contribute to the success of the Group.

Participants must have attained the age of 21 years on or before the Date of Grant, must not be undischarged bankrupts and must not have entered into a composition with their respective directors to be eligible.

Controlling Shareholders will not be eligible to participate in the Plan.

Directors and Employees who are Associates of Controlling Shareholders (notwithstanding that they may meet the eligibility criteria as set out above) shall not participate in the Plan unless:-

- (a) their participation; and
- (b) the actual number of Shares to be issued to them and the terms of any Award to be granted to them,

have been approved by the independent Shareholders in general meeting in separate resolutions for each such person.

There shall be no restriction on the eligibility of any Participant to participate in any other share incentive schemes or share plans implemented or to be implemented by the Company or any other company within the Group.

### 3.2.2 Size of the Plan

The aggregate number of Shares over which Awards may be granted on any date under the Plan, when added to the number of Shares issued and/or issuable in respect of:

- (a) all Awards granted under the Plan;
- (b) all Options granted under the Scheme; and
- (c) all Shares, options or awards granted under any other share option or share scheme of the Company for the time being in force (if any),

shall not exceed 15% of the total number of issued Shares of the Company on the day preceding the relevant Date of Grant.

Furthermore, the aggregate number of Shares over which Awards may be granted under the Plan to Associates of Controlling Shareholders shall not exceed 25% of the total number of Shares available under the Plan, and the number of Shares over which an Award may be granted under the Plan to each Associate of a Controlling Shareholder shall not exceed 10% of the total number of Shares available under the Plan.

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



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### 3.2.3 Duration of the Plan

The Plan shall continue to be in force at the discretion of the Plan Committee, subject to a maximum duration of ten (10) years commencing from its adoption by Shareholders at the EGM. Subject to compliance with any applicable laws and regulations in Singapore, the Plan may continue 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.

The Plan may be terminated at any time by the Plan Committee or by resolution of the Shareholders at a general meeting subject to all other relevant approvals which may be required and if the Plan is so terminated, no further Awards shall be offered by the Company thereafter.

Notwithstanding the expiry or termination of the Plan, any Award granted to Participants prior to such expiry or termination will continue to remain valid, subject to any other applicable Plan Rules capable of surviving termination.

### 3.2.4 Entitlement to Awards

Awards represent the right of a Participant to receive fully-paid Shares free of charge, provided that certain prescribed performance targets are met prior to the expiry of the prescribed performance period.

The selection of a Participant and the number of Shares which are the subject of each Award to be granted to a Participant in accordance with the Plan shall be determined at the absolute discretion of the Plan Committee, which shall take into account criteria such as, *inter alia*, the grade level, scope of responsibilities, performance, years of service and potential for future development, contribution to the success of the Group and the extent of effort and resourcefulness with which the performance target(s) may be achieved within the performance period.

### 3.2.5 Details of Awards

The Plan Committee shall decide, *inter alia*, at its sole discretion, the following:–

- (i) the Participant;
- (ii) the Date of Grant;
- (iii) the performance period;
- (iv) the number of Shares which are the subject of the Award;
- (v) the performance target(s) which shall be set according to the specific roles of each Participant, and which may differ from Participant to Participant;
- (vi) the prescribed Vesting Period(s);
- (vii) the Release Schedule; and
- (viii) any other condition which the Plan Committee may determine in relation to that Award, including any restrictions against the disposal or sale of and/or other dealings in the Shares by the Participant.

When setting performance targets and performance periods, the Plan 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

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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.

### 3.2.6 Vesting and Release of Awards

Awards may only be vested and consequently any Shares comprised in such Awards shall only be delivered upon the Plan Committee being satisfied that the Participant has achieved the performance target(s) set forth by the Plan Committee, and the Plan Committee shall have the absolute discretion to determine the extent to which the Shares under that Award shall be released on the prescribed performance target(s) being satisfied (whether fully or partially) or exceeded, as the case may be, at the end of the prescribed performance period and in making any such determination, the Plan Committee shall have the right to make reference to the audited results of the Company or the Group, as the case may be, to take into account such factors as the Plan Committee may determine to be relevant, such as changes in accounting methods, taxes and extraordinary events, and further, the right to amend the performance target(s) if the Plan Committee decides that a changed performance target(s) would be a fairer measure of performance.

Subject to prevailing legislation and the Listing Rules, the Company, in its sole and absolute discretion, will deliver Shares to the Participants upon vesting of their Awards by way of either:-

- (i) an issue and allotment of New Shares; or
- (ii) delivering existing Shares to the Participant, whether such existing Shares are purchased or acquired pursuant to a share purchase mandate (where applicable) to be held as Treasury Shares or (to the extent permitted by law) are Shares acquired previously and held as Treasury Shares.

In determining whether to issue and allot New Shares or the delivery of existing Shares to the Participants to satisfy the Awards, the Company will take into account factors such as (but not limited to) the number of Shares to be delivered, the prevailing market price of the Shares and the cost to the Company of issuing and allotting New Shares or delivering existing Shares.

### 3.2.7 Variation of Capital

(a) If a variation in the number of issued Shares of the Company (whether by way of a capitalisation of profits or reserves or rights issue, or a reduction, sub-division or consolidation or distribution, or otherwise howsoever) shall take place, then:

- (i) the class and/or number of Shares comprised in an Award to the extent not yet vested and the rights attached to them; and/or
- (ii) the class and/or number of Shares over which additional Awards may be granted to the Participants,

may be adjusted in such manner as the Plan Committee may determine to be appropriate. 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.

(b) Unless the Plan Committee considers an adjustment to be appropriate, the following (whether singly or in combination) shall not be regarded as events requiring adjustment:

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- (i) any issue of securities as consideration for an acquisition or a private placement of securities;
  - (ii) any issue of securities pursuant to any joint venture;
  - (iii) any increase in the number of issued Shares as a consequence of the exercise of options or other convertible securities issued from time to time by the Company entitling holders thereof to subscribe for new Shares in the capital of the Company (including the vesting of any Awards granted pursuant to this Scheme);
  - (iv) any issue of Shares pursuant to any scrip dividend scheme for the time being of the Company; and
  - (v) any reduction in the number of issued Shares as a result of the cancellation of issued Shares purchased by the Company by way of market purchase(s) effected on SGX-ST pursuant to a share purchase mandate (or any renewal thereof) given by the Shareholders in general meeting and for the time being in force.
- (c) No such adjustment shall be made if as a result, the Participant receives a benefit that a Shareholder does not receive.
- (d) Upon any adjustment made pursuant to the Plan Rules, the Company shall notify the Participant (or his duly appointed personal representatives where applicable) in writing informing him (or his duly appointed personal representatives where applicable) of the class and/or number of New Shares thereafter comprised in the Award so far as not yet vested. Any adjustment shall take effect upon such written notification being given.

### 3.2.8 Modifications to the Plan

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 Plan Committee, except that:–

- (i) any modification or alteration which shall alter adversely the rights attaching to any Award granted prior to such modification or alteration and which in the opinion of the Plan Committee, materially alters the rights attaching to any Award granted prior to such modification or alteration may only be made with the consent in writing of such number of Participants who, if their Awards were released to them in full, would thereby become entitled to Shares representing not less than three-quarters of the total voting rights (or such other requirements as may be prescribed by the SGX-ST) of all the Shares which would be allotted upon release in full of all outstanding Awards;
- (ii) 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, whereby Shareholders who are also holders of Awards shall be required to abstain from voting in respect of any resolution relating to such modification or alteration; and
- (iii) no modification or alteration shall be made without the prior approval of the SGX-ST (as the case may be) or (if required) any other stock exchange on which the Shares are quoted and listed, and such other regulatory authorities as may be necessary.

For the purposes of section 3.2.8(i) above, the opinion of the Plan Committee as to whether any modification or alteration would alter adversely the rights attaching to any Award shall be final and conclusive.

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### 3.2.9 Ranking of the Shares

New Shares allotted and issued upon the vesting of an Award shall rank *pari passu* in all respects with the then existing issued Shares in the capital of the Company except for any dividends, rights, allotments or other distributions accrued prior to the date such New Shares are allotted and issued.

### 3.3 **Financial Effects of the Plan**

#### (i) Share Capital

The Plan will result in an increase in the number of issued Shares of the Company (excluding Treasury Shares) to the extent that New Shares are allotted and issued upon the vesting of the Awards. This number of New Shares issued will in turn depend on, *inter alia*, the number of New Shares comprised in the Awards granted, the number of Awards that are Vested and the prevailing market price of the Shares on the SGX-ST.

If, instead of issuing New Shares to the Participants upon the Vesting of Awards, Treasury Shares are delivered to the Participants, there would be no impact on the number of issued Shares of the Company (excluding Treasury Shares). Similarly, there would be no impact on the number of issued Shares of the Company (excluding Treasury Shares) if the relevant Awards are not Vested.

#### (ii) NTA

As explained in section 3.3(iv) below, the Plan will result in a charge to the profit and loss statement of the Group and the Company equal to the market value at which the existing Shares are purchased or the market value on the date at which New Shares are vested under the Awards. If New Shares are issued to Participants pursuant to the Vesting of the Awards, there will be no effect on the NTA. If existing Shares are purchased for delivery to Participants, the NTA of the Group and the Company would decrease by the cost of the Shares purchased.

However, it should be noted that the delivery of Shares to Participants is contingent upon the Participants meeting prescribed performance targets and conditions.

#### (iii) EPS

The Plan will result in a charge to earnings of the Group and the Company equivalent to the market value at which the existing Shares are purchased or the market value on the date at which New Shares are issued under the Awards.

Although the Plan will have a dilutive impact (to the extent that New Shares are issued pursuant to the Plan) on the EPS of the Group and the Company, it should again be noted that the delivery of Shares to Participants in respect of Awards will generally be contingent upon the Participants meeting the prescribed performance targets and conditions.

#### (iv) Potential Costs of Awards

The Plan is considered a share-based payment that falls under the scope of FRS102, Share-based payment. Participants will receive Shares and the Awards 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 Awards would be recognised as an expense in the income statement with a corresponding increase in a reserve account over the Vesting Period. The total expense to be recognised over the Vesting Period is determined by reference to the fair value of each Award granted on the Date of Grant. As at the end of each financial year, the Company will revise its estimated number of New Shares under the Awards that are expected to become exercisable on the Vesting Date recognising the effect of the revision of estimates in the income statement with a corresponding adjustment to the reserve account over the remaining Vesting Period.

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The expense recognised in the income statement also depends on whether or not the performance target attached to an Award is measured by reference to the market price of the Shares. This is known as a market condition. If the performance target is a market condition, the probability of the performance target being met is taken into account in estimating the fair value of the Award granted at the Date of Grant, and no adjustments to the amounts charged to the income statement are made whether or not the market condition is met.

However, if the performance target is not a market condition, the fair value per share of the Awards granted at the Date of Grant is used to compute the expense to be recognised in the income statement at each financial year ended, based on an assessment at that date of whether the non-market conditions would be met to enable the Awards to Vest. Thus, where the Vesting conditions do not include a market condition, there would be no cumulative expense recognised in the income statement if the Awards do not ultimately Vest.

**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 Plan. Shareholders who are in doubt as to their respective tax positions or the financial or tax implications should consult their own professional advisers.**

#### 4. THE PROPOSED GRANT OF OPTIONS AT A DISCOUNT UNDER THE SCHEME

All Participants may be granted Options at a discount under the Scheme Rules. The Exercise Price of the Options to be granted will be determined by the Scheme Committee.

In accordance with Rule 845(5) of the Listing Rules, the offer to grant Options under the Scheme at a discount not exceeding 20% of the Market Price is subject to the approval of Shareholders at a general meeting in a separate resolution.

The ability to offer Options at a discount to the Market Price of the Shares will allow flexibility in structuring the Options. Being able to offer Options at a discount is important in situations where it is more meaningful for the Company to acknowledge a Participant's achievement through offering Options at a discount to the Market Price rather than paying a cash bonus, as these Options operate as a form of cashless reward from the Company, with a greater potential for capital appreciation than Options granted at the Market Price; or in situations where more compelling motivation is required in order to attract new talents into the Company and/or retain talented individuals.

As Options become more significant components of employee remuneration packages, the discretion to grant Options at a discount to the Market Price of the Shares will provide the Company with a means to maintain the competitiveness of its compensation strategy. Therefore, the Company may utilise Options as an additional method for compensating Employees and Directors other than through salary, salary increments and cash bonuses. This will also enable the Company to introduce an effective manner of motivating Participants to maximise their performance, which will in turn create better value for Shareholders.

The ability to offer Options at a discount to the Market Price of the Shares 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, thus ensuring that the Company maintains the competitiveness of its compensation strategy.

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Further, because Options granted at a discount under the Scheme are subject to a longer investing period (two years) than those granted at the Market Price (one year), holders of such Options are encouraged to have a long term view of the Company, thereby promoting staff and employee retention and reinforcing their commitment to the Company.

The Company believes that the proposed maximum 20% discount to Market Price for Options would be sufficient to allow for flexibility in the Scheme while minimising the potential dilutive effect to the Shareholders arising from the Scheme.

### **5. THE PROPOSED PARTICIPATION OF CERTAIN GROUPS OF ELIGIBLE PERSONS IN EACH OF THE SCHEME AND THE PLAN**

#### **5.1 Rationale for the Participation of Non-Executive Directors (including Independent Directors) in the Scheme and the Plan**

Although the Non-Executive Directors (including independent Directors) are not involved in the day-to-day running of the Group's business, they, nonetheless, play an invaluable role in furthering the business interests of the Group by contributing their experience and expertise. 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.

The participation by the Non-Executive Directors (including independent Directors) in the Scheme and the Plan will provide the Company with a further avenue to acknowledge and recognise their services and contributions to the Group as it may not always be possible to compensate them fully or appropriately by increasing the directors' fees or other forms of cash payment. The extension of the Scheme and the Plan to Non-Executive Directors (including independent Directors) allows the Group to have a fair and equitable system to reward Non-Executive Directors who have made and who continue to make significant contributions to the long-term growth of the Group.

The Directors believe that the extension of the Scheme and the Plan to Non-Executive Directors (including independent Directors) will also enable the Company to attract, retain and incentivise Non-Executive Directors (including independent Directors) to achieve higher standards of performance as well as to give recognition to past contributions and services, as well as motivating eligible Non-Executive Directors (including independent Directors) generally to contribute towards the long-term growth and profitability of the Group.

To minimise any potential conflicts of interest, it is envisaged that the Non-Executive Directors (including independent Directors) would primarily continue to be remunerated for their services by way of directors' fees, and the offer of Options and Awards to the Non-Executive Directors (including independent Directors) will not comprise (whether on an individual or collective basis) a significant portion of the Options and the Awards available under the Scheme and the Plan, and hence, will not compromise the objectivity of the Non-Executive Directors (including independent Directors).

As a safeguard against abuse, each of the Scheme Rules and the Plan Rules provides that no member of the Scheme Committee and/or Plan Committee shall be involved in any deliberation and decision in respect of Options and/or Awards to be granted to him/ her. The Company is of the view that the aforementioned safeguard against abuse resulting from the participation of the Non-Executive Directors (including independent Directors) in the Scheme and the Plan is sufficient.

#### **5.2 Rationale for the Participation of Directors and Employees of Group Associated Companies in the Scheme and the Plan**

The Company is of the view that the Scheme and the Plan should cater not only to Directors and Employees of the Group but also to those of Group 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

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by the Directors and Employees of Group 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 Scheme and the Plan to Directors and Employees of Group 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 relationship with such Directors and Employees of Group Associated Companies by inculcating in them a stronger identification with the Group, and will serve to attract, retain and incentivise such Directors and Employees of Group 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 Directors and Employees of Group Associated Companies to the Group are proposed to be measured using internal guidelines to be determined by the Scheme Committee and Plan 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.

### **5.3 Rationale for the Participation of Associates of Controlling Shareholders in the Scheme and the Plan**

A key objective of the Scheme and the Plan is to motivate Participants to optimise their performance and to maintain a high level of contribution. To this end, the objectives of the Scheme and the Plan apply equally to Directors and Employees who are Associates of Controlling Shareholders.

The Company's view is that all deserving and eligible Participants should be motivated, regardless of whether they are Associates of Controlling Shareholders. The Company believes that as the Scheme and the Plan are designed to motivate, retain and reward Employees and Directors who contribute to the growth and profits of the Company, Employees and Directors who are Associates of Controlling Shareholders should be entitled to the same benefits as other Employees and Directors. The Board is of the view that Associates of Controlling Shareholders should not be unduly discriminated against and should not be excluded from benefiting under the Scheme or Plan solely by virtue only of their relationship to Controlling Shareholders. It is in the Group's interest that these Participants who are actively contributing to the Group's progress and development are given the incentive to continue to remain with the Group and contribute towards the Group's future progress and development.

Although the Associates of Controlling Shareholders may already have shareholding interests in the Company, the extension of the Scheme and the Plan to include them ensures that they are similarly entitled, with the other eligible Employees and Directors who are not Associates of Controlling Shareholders, 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 Associates of Controlling Shareholders.

In accordance with the provisions of the Listing Rules, the participation in the Scheme and the Plan by each Associate of a Controlling Shareholder must be specifically approved by the independent Shareholders of the Company, in separate resolutions for each person. The actual number of and terms of the Options and/or Awards to be granted to an Associate of a Controlling Shareholder must also be specifically approved by the independent Shareholders. In seeking such approval, clear justification as to their participation, as well as the actual number of new Shares comprised in, and terms (including Exercise Price, as the case may be) of, the Options and/or the Awards to be granted to an Associate of a Controlling Shareholder must be provided.

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In determining the quantum of the grant of the Options and/or Awards to Associates of Controlling Shareholders, the following factors, *inter alia*, will be taken into consideration:

- (a) their designation;
- (b) their scope of responsibility;
- (c) their experience;
- (d) their skills and expertise; and
- (e) the years of service, as well as overall past and potential contributions to the growth and development to the Group.

As a further safeguard against abuse, only members of the Scheme Committee and/or Plan Committee who are not the Controlling Shareholders or Associates of such Controlling Shareholders will be involved in deliberations and decisions in respect of the Options and/or Awards to be granted to or held by Associates of Controlling Shareholders.

The Company is of the view that the safeguards against abuse resulting from the participation of Associates of Controlling Shareholders in the Scheme and the Plan are sufficient.

As at the Latest Practicable Date, the Board has identified Mr. Phua Boon Kin, being an Associate of Mr. Phua Chian Kin, a Controlling Shareholder (and Group Chief Executive and Managing Director of the Company), as a proposed Participant in the Scheme and the Plan.

### **5.3.1 Rationale for the Participation of Mr. Phua Boon Kin, an Associate of Mr. Phua Chian Kin, a Controlling Shareholder, in the Scheme and the Plan**

Mr. Phua Boon Kin is the brother of Mr. Phua Chian Kin, a Controlling Shareholder and the Group Chief Executive and Managing Director of the Company. Mr. Phua Boon Kin is the Deputy Group Managing Director.

Mr. Phua Boon Kin plays an active role in the corporate affairs of the Group, and is in charge of the Group's overall engineering business. He has more than 30 years of experience in project execution and project management, and had been instrumental in setting up two main subsidiaries of the Group.

The Directors (save for those who are Controlling Shareholders or their Associates) believe that Mr. Phua Boon Kin will continue to contribute substantially to the growth of the Group and allowing him to participate in the Scheme and the Plan will serve to reward as well as to instil a commitment to continue to contribute to the growth of the Group.

As at the Latest Practicable Date,

- (i) Mr. Phua Chian Kin is interested, directly and indirectly, in 298,148,620 Shares, representing approximately 59.24% of the total number of issued Shares; and
- (ii) Mr. Phua Boon Kin is interested, directly and indirectly, in 105,172 Shares, representing approximately 0.02% of the total number of issued Shares.

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 Associates of Controlling Shareholders (including Mr. Phua Boon Kin).



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### 6. DISCLOSURES IN ANNUAL REPORT

The Company shall, for so long as the Scheme and/or the Plan (as the case may be) continues in operation, make the following disclosures (as appropriate) in its annual report:

- (a) the names of the members of the Scheme Committee and the Plan Committee administering the Scheme and the Plan (as the case may be);
- (b) in relation to the Scheme:
  - (i) the information required in the table below for the following Participants:
    - a. Participants who are Directors of the Company;
    - b. Participants who are Associates of Controlling Shareholders; and
    - c. Participants, other than Directors of the Company and Participants who are Associates of Controlling Shareholders, who have received Shares, pursuant to the exercise of Options granted under the Scheme which, in aggregate, represent 5% or more of the total number of Shares available under the Scheme;

Name of Participants	Options granted during financial year under review (including terms)	Aggregate Options granted since commencement of the Scheme to end of financial year under review	Aggregate Options exercise since commencement of the Scheme to end of financial year under review	Aggregate Options outstanding as at end of financial year under review

- (ii) the number and proportion of Options granted at the following discounts to Market Price of the Shares during the financial year under review:
  - a. Options granted at up to 10% discount; and
  - b. Options granted at between 10% but not more than 20% discount; and
- (iii) such other information as may be required by the Listing Rules and all other applicable laws and requirements,

provided that if any of the above requirements are not applicable, an appropriate negative statement should be included therein.

- (c) in relation to the Plan:
  - (i) in respect of the following Participants:
    - a. Participants who are Directors of the Company; and
    - b. Participants who are Associates of Controlling Shareholders;

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## LETTER TO SHAREHOLDERS

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- c. Participants, other than Directors of the Company and Participants who are Associates of Controlling Shareholders, who have received Shares, pursuant to the Vesting of the Awards granted under the Plan which, in aggregate, represent 5% or more of the total number of Shares available under the Plan:
  - i. the total number of new Shares issued or issuable under the Plan; and
  - ii. the total number of existing Shares delivered or deliverable under the Plan,

the following information:

- i. the name of the Participant;
  - ii. the aggregate number of Shares comprised in Awards which have been granted to such Participant during the financial year under review;
  - iii. the aggregate number of Shares comprised in Awards which have been granted to such Participant since the commencement of the Plan to the end of the financial year under review;
  - iv. the aggregate number of Shares comprised in Awards which have been issued and/or transferred to such Participants pursuant to the Vesting of Awards under the Plan during the financial year under review and in respect of such Awards, the proportion of:
    - 1. new Shares issued; and
    - 2. existing Shares purchased for delivery, including the range of prices at which such Shares have been purchased, upon the Vesting of the Awards;
  - v. the aggregate number of Shares comprised in Awards which have not been released as at the end of the financial year under review; and
  - vi. the following particulars relating to Awards released under the Plan:
    - 1. the number of new Shares issued to such Participant during the financial year under review; and
    - 2. the number of existing Shares transferred to such Participant during the financial year under review; and
- (ii) such other information as may be required by the Listing Rules and all other applicable laws and requirements,

provided that if any of the above requirements are not applicable, an appropriate negative statement should be included therein.

## LETTER TO SHAREHOLDERS

### 7. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

#### 7.1 Directors' and Substantial Shareholders' Interests in Shares

The interests of Directors and Substantial Shareholders in the Shares as recorded in the Register of Directors' Shareholdings and Register of Members, respectively, as at the Latest Practicable Date, are as follows:

	Direct Interest Number of Shares	Deemed Interest Number of Shares	Total Interest % <sup>(1)</sup>
<b>Directors</b>			
Mr. Bertie Cheng Shao Shiong	7,500,000	3,900,000	2.27
Mr. Phua Chian Kin <sup>(2)</sup>	281,622,356	16,526,264	59.24
Mr. Phua Boon Kin	105,172	–	0.02
Ms. Saw Chin Choo	1,390,000	3,312	0.28
Mr. Tan Boen Eng	207,521	–	0.04
Mr. Lee Ah Fong	–	–	–
Mr. Gn Hiang Meng	–	–	–
Mr. Aric Loh Siang Khee	–	–	–
<b>Substantial Shareholders</b>			
Mr. Phua Chian Kin <sup>(2)</sup>	281,622,356	16,526,264	59.24
Lincoln Capital Pte. Ltd. <sup>(3)</sup>	25,967,321	–	5.16

**Notes:**

<sup>(1)</sup> Based on 503,222,633 issued Shares as at the Latest Practicable Date.

<sup>(2)</sup> Mr. Phua Chian Kin is deemed to have an interest in the 16,526,264 Shares held by his spouse, Mdm. Tay Kuek Lee and 4 P Investments Pte. Ltd., where he is a shareholder. A total of 260,680,154 Shares held by Mr. Phua Chian Kin are registered in the name of Hong Leong Finance Nominees Pte Ltd, CIMB Securities (Singapore) Pte Ltd, SBS Nominees Pte Ltd, Phillip Securities Pte Ltd, Maybank Nominees (S) Pte Ltd, OCBC Securities Private Limited, KGI Fraser Securities Pte Ltd and RHB Securities Singapore Pte Ltd.

<sup>(3)</sup> Mr. Tan Soon Hoe, through his 100% shareholding interest in Lincoln Capital Pte. Ltd., is deemed to have an interest in the Shares held directly by Lincoln Capital Pte. Ltd..

#### 7.2 Directors' and Substantial Shareholders' Interests in Warrants

The interests of Directors and Substantial Shareholders in the Warrants as recorded in the Register of Warrants, respectively, as at the Latest Practicable Date, are as follows:

	Direct Interest Number of Warrants	Deemed Interest Number of Warrants	Total Interest % <sup>(1)</sup>
<b>Directors</b>			
Mr. Bertie Cheng Shao Shiong	4,420,000	–	2.37
Mr. Phua Chian Kin <sup>(2)</sup>	96,109,262	6,400,505	54.99
Mr. Phua Boon Kin	68	–	NM <sup>(4)</sup>
Ms. Saw Chin Choo	451,365	1,324	0.24
Mr. Tan Boen Eng	83,008	–	0.04
Mr. Lee Ah Fong	–	–	–
Mr. Gn Hiang Meng	–	–	–
Mr. Aric Loh Siang Khee	–	–	–
<b>Substantial Shareholders</b>			
Mr. Phua Chian Kin <sup>(2)</sup>	96,109,262	6,400,505	54.99
Lincoln Capital Pte. Ltd. <sup>(3)</sup>	10,386,928	–	5.57

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## LETTER TO SHAREHOLDERS

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### Notes:

- <sup>(1)</sup> Based on 186,385,684 issued Warrants as at the Latest Practicable Date.
- <sup>(2)</sup> Mr. Phua Chian Kin is deemed to have an interest in the 6,400,505 Warrants held by his spouse, Mdm. Tay Kuek Lee and 4 P Investments Pte. Ltd., where he is a shareholder. A total of 44,344,737 Warrants held by Mr. Phua Chian Kin are registered in the name of CIMB Securities (Singapore) Pte Ltd, SBS Nominees Pte Ltd, Phillip Securities Pte Ltd, Maybank Nominees (S) Pte Ltd, OCBC Securities Private Limited and RHB Securities Singapore Pte Ltd..
- <sup>(3)</sup> Mr. Tan Soon Hoe, through his 100% shareholding interest in Lincoln Capital Pte. Ltd., is deemed to have an interest in the Warrants held directly by Lincoln Capital Pte. Ltd..
- <sup>(4)</sup> Not meaningful.

### 8. DIRECTORS' RECOMMENDATION

All Directors are potentially eligible to participate in the Scheme and/or the Plan. As a result, they have refrained from making any recommendations to Shareholders in respect of the Ordinary Resolutions 1, 2, 3 and 4 to be proposed at the EGM.

### 9. ABSTENTION FROM VOTING

All Shareholders (including those Directors who are also Shareholders) who are eligible to participate in Scheme and/or the Plan must abstain from voting at the EGM in respect of all the Ordinary Resolutions 1, 2, 3 and 4 to be proposed at the EGM, and should 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 specific instructions in his proxy form as to the manner in which his votes are to be cast in respect of each such resolution.

Associates of Controlling Shareholders who are eligible to participate in the Scheme and/or the Plan (which include Mr. Phua Boon Kin) and his/ her Associates (which include Mr. Phua Chian Kin), shall abstain from voting at the EGM in respect of all the Ordinary Resolutions 1, 2, 3 and 4 to be proposed at the EGM, and shall also not accept any appointment as proxy for any Shareholder to vote in respect of each such resolution unless the Shareholder concerned has given specific instructions in his proxy form as to the manner in which his votes are to be cast in respect of each such resolution.

### 10. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which has been, or will be, despatched to Shareholders on the same date as the date of this Circular, will be held on 27 September 2016 at 3.00 p.m. (or as soon thereafter following the conclusion or adjournment of the AGM of the Company to be held at 2.30 p.m. on the same day and at the same place) for the purpose of considering and, if thought fit, passing, with or without modification, the Ordinary Resolutions set out in the Notice of EGM.

### 11. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM and wish to appoint a proxy to attend and vote at the EGM on their behalf will find attached to the Notice of EGM, a Proxy Form which they are requested to complete, sign and return in accordance with the instructions printed thereon as soon as possible and, in any event, so as to arrive at the office of The Central Depository (Pte) Limited at 11 North Buona Vista Drive #06-07, The Metropolis Tower 2, Singapore 138589, not later than 48 hours before the time fixed for holding the EGM. The completion and return of a Proxy Form by a Shareholder does not preclude him from attending and voting in person at the EGM if he so wishes.

A Depositor shall not be regarded as a member of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register 72 hours before the EGM.

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## LETTER TO SHAREHOLDERS

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### 12. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposals, the Company and its Subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where information in the Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Circular in its proper form and context.

### 13. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the registered office of the Company at 25 Bukit Batok, Street 22, TEE Building, Singapore 659591, during normal business hours from the date of this Circular up to and including the date of the EGM:

- (i) the constitution of the Company;
- (ii) the annual report of the Company for the financial year ended 31 May 2016;
- (iii) the Scheme Rules; and
- (iv) the Plan Rules.

Yours faithfully  
For and on behalf of the Board of Directors of  
**TEE INTERNATIONAL LIMITED**

Phua Chian Kin  
Group Chief Executive and Managing Director

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## APPENDIX 1 – RULES OF THE TEE INTERNATIONAL EMPLOYEE SHARE OPTION SCHEME 2016

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### 1. NAME OF THE SCHEME

The Scheme (as defined below) shall be called the “TEE International Employee Share Option Scheme 2016”.

### 2. DEFINITIONS

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

- “Act” or “Companies Act”** : The Companies Act (Chapter 50) of Singapore, as may be amended, modified and/or supplemented from time to time
- “Adoption Date”** : The date on which the Scheme is adopted by resolution of the Shareholders in a general meeting
- “Associate”** : (a) In relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:
- (i) his immediate family;
  - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
  - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; and
- (b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its Subsidiary or holding company or is a Subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
- “Associated Company”** : A company in which at least 20% but not more than 50% of its shares are held by the Company or the Group
- “Auditors”** : The auditors of the Company for the time being
- “Award”** : A contingent award of Shares granted under the Plan
- “Board”** : The board of Directors of the Company for the time being
- “CDP”** : The Central Depository (Pte) Limited
- “Company”** : TEE International Limited

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## APPENDIX 1 – RULES OF THE TEE INTERNATIONAL EMPLOYEE SHARE OPTION SCHEME 2016

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<b>“Consideration”</b>	:	Shall have the meaning ascribed to it in Rule 7.2
<b>“Constitution”</b>	:	The Constitution of the Company, as amended, modified or supplemented from time to time
<b>“Control”</b>	:	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company
<b>“Controlling Shareholder”</b>	:	A person who (a) holds directly or indirectly 15% or more of the total votes attached to all the voting shares in the Company; or (b) in fact exercises Control over the Company
<b>“CPF”</b>	:	Central Provident Fund
<b>“Date of Grant”</b>	:	In relation to an Option, the date on which an Option is granted to a Participant pursuant to Rule 6
<b>“Director”</b>	:	A person holding office as a director for the time being of the Company and/or any Subsidiary and/or any Group Associated Company, as the case may be
<b>“Employee”</b>	:	Any confirmed full-time employee of the Group selected by the Scheme Committee to participate in the Scheme in accordance with the provisions hereof
<b>“Executive Director”</b>	:	A Director of the Company and/or any Subsidiary and/or any Group Associated Company, as the case may be, who performs an executive function
<b>“Exercise Notice”</b>	:	Shall have the meaning ascribed to it in Rule 11.1
<b>“Exercise Price”</b>	:	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 8, as adjusted in accordance with Rule 9
<b>“Grantee”</b>	:	The person to whom an offer of an Option is made
<b>“Group”</b>	:	The Company, its Subsidiaries and Group Associated Companies
<b>“Group Associated Company”</b>	:	An Associated Company which the Company has Control over
<b>“Letter of Offer”</b>	:	Shall have the meaning ascribed to it in Rule 6.2
<b>“Listing Manual”</b>	:	The listing manual of the SGX-ST, as may be amended, modified and/or supplemented from time to time
<b>“Listing Rules”</b>	:	The main board rules of the SGX-ST, as may be amended, modified and/or supplemented time to time
<b>“Market Day”</b>	:	A day on which the SGX-ST is open for trading in securities

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## APPENDIX 1 – RULES OF THE TEE INTERNATIONAL EMPLOYEE SHARE OPTION SCHEME 2016

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<b>“Market Price”</b>	:	In relation to an Option, a price equal to the average of the closing market prices of the Shares over a period of five (5) consecutive Market Days immediately prior to the relevant Date of Grant, provided always that in the case of a Market Day on which the Shares were not traded on the SGX-ST, the closing market price for the Shares on such Market Day shall be deemed to be the closing market 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
<b>“New Shares”</b>	:	The new Shares which may be allotted and issued from time to time pursuant to the exercise of the Options granted under the Scheme
<b>“Non-Executive Director”</b>	:	A Director of the Company and/or any Subsidiary and/or any Group Associated Company, as the case may be, other than an Executive Director
<b>“Offer Date”</b>	:	The date on which an offer to grant an Option is made pursuant to the Scheme
<b>“Option”</b>	:	The right to subscribe for Shares granted pursuant to the Scheme and for the time being subsisting
<b>“Option Period”</b>	:	The period(s) within which an Option has to be exercised under the Scheme
<b>“Participant”</b>	:	A person who is selected by the Scheme Committee to participate in the Scheme in accordance with the Rules hereof
<b>“Plan” or “TEE International Performance Share Plan 2016”</b>	:	The proposed performance share plan of the Company known as the “TEE International Performance Share Plan 2016”, as amended or modified from time to time
<b>“Record Date”</b>	:	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 any dividends, rights, allotments or other distributions
<b>“Rules”</b>	:	Rules of the Scheme as set out herein, as the same may be amended or modified from time to time, and any reference to a particular Rule shall be construed accordingly
<b>“Scheme” or “TEE International Employee Share Option Scheme 2016”</b>	:	The proposed employee share option scheme of the Company known as the “TEE International Employee Share Option Scheme 2016”, as amended or modified from time to time



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## APPENDIX 1 – RULES OF THE TEE INTERNATIONAL EMPLOYEE SHARE OPTION SCHEME 2016

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<b>“Scheme Committee”</b>	:	Remuneration Committee of the Company (together with the Group Chief Executive and Managing Director of the Company) for the time being, or such other committee comprising Directors duly authorised and appointed by the Board to administer the Scheme
<b>“Securities Account”</b>	:	The securities account maintained by Depositors with CDP but not including securities sub-accounts maintained with a Depository Agent
<b>“SGX-ST”</b>	:	Singapore Exchange Securities Trading Limited
<b>“Shareholders”</b>	:	Persons who are registered as holders of Shares in the Register of Members of the Company except that where the registered holder is CDP, the term <b>“Shareholders”</b> shall mean the Depositors who have Shares credited to their Securities Accounts
<b>“Shares”</b>	:	Ordinary shares in the capital of the Company
<b>“Subsidiary”</b>	:	A company which is for the time being a subsidiary of the Company, as defined by Section 5 of the Companies Act, and <b>“Subsidiaries”</b> shall be construed accordingly
<b>“Substantial Shareholder”</b>	:	A person who has an interest in the voting Shares (excluding Treasury Shares) in the Company, and the total votes attached to that Share, or those Shares, represent not less than 5% of all the voting Shares
<b>“Treasury Shares”</b>	:	<p>(a) A share which was (or is treated as having been) purchased by the Company in circumstances described under Section 76H of the Act; and</p> <p>(b) a share of the Company that was or is treated as having been acquired and held continuously by the Company since it was so acquired and has not been cancelled</p>
<b>“\$” and “cents”</b>	:	Singapore dollars and cents, respectively, being the lawful currency of Singapore
<b>“%” or “per cent.”</b>	:	Per centum or percentage

2.2 The terms **“Depositor”**, **“Depository Agent”** and **“Depository Register”** shall have the meanings ascribed to them respectively under Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore (**“SFA”**).

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

2.4 Any reference in this 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, the Listing Manual, SFA or any statutory modification thereof and used in this Scheme shall, where applicable, have the same meaning ascribed to it under the Companies Act, the Listing Manual or the SFA the case may be.

2.5 Any reference to a time of a day in the Scheme is a reference to Singapore time.

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## APPENDIX 1 – RULES OF THE TEE INTERNATIONAL EMPLOYEE SHARE OPTION SCHEME 2016

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### 3. OBJECTIVES OF THE SCHEME

The Company places strong emphasis on the recruitment and retention of Directors and quality Employees with talent in all areas of the Group's operations, and in particular, the drive, leadership, skills, expertise and experience of such persons, as the Company considers these to be qualities that will assist the Company to realise its strategic and long-term business goals.

The Scheme will provide Employees and Directors who have contributed significantly to the growth and performance of the Company and/or the Group with an opportunity to participate in the equity of the Company so as to motivate them to greater dedication, loyalty and higher standards of performance.

The Scheme is primarily a share incentive scheme. It recognises the fact that the services of such Employees and Directors, are important to the long term growth, well-being and prosperity of the Group. Implementation of the Scheme will enable the Company to structure a competitive remuneration package, and give such Employees and Directors an opportunity to have a direct interest in the Company. The Scheme is intended to be employed by the Group to reward, retain and motivate Participants and will help to achieve the following positive objectives:

- (a) to motivate each Participant to optimise their performance standards and efficiency and to maintain a high level of contribution to the Group;
- (b) to retain Participants whose contributions are important to the long-term growth and profitability of the Group;
- (c) to foster an ownership culture within the Company which promotes greater commitments and aligns the interests of Participants with the interests of the Shareholders; and
- (d) to attract potential Employees with relevant skills to contribute to the Group and to create value for the Shareholders.

### 4. ELIGIBILITY

4.1 Subject to Rule 4.2, any of the following persons shall be eligible to participate in the Scheme:

- (i) Employees who are confirmed full-time employees of the Group;
- (ii) Directors (including Executive Directors, Non-Executive Directors and independent Directors) of the Group; and
- (iii) Associates of Controlling Shareholders (provided that such Associates are not themselves also Controlling Shareholders), who meet the criteria in Rules 4.1(i) or 4.1(ii) above,

who, in the opinion of the Scheme Committee, have contributed or will contribute to the success of the Group.

4.2 Participants must:

- (a) be confirmed in his/her employment with the Group;
- (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 any compositions with his/her creditors.

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## APPENDIX 1 – RULES OF THE TEE INTERNATIONAL EMPLOYEE SHARE OPTION SCHEME 2016

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- 4.3 Notwithstanding Rule 4.1, persons who are Associates of Controlling Shareholders who meet the eligibility criteria in Rules 4.1(i) and 4.1(ii) above shall not be eligible to participate in the Scheme unless the participation by each such Associate of a Controlling Shareholder and each grant of Options to any one of them have been effected with the specific prior approval of independent Shareholders at a general meeting in separate resolutions for each such person.
- 4.4 There shall be no restriction on the eligibility of any Participant to participate in any other share incentive schemes or share plans implemented or to be implemented by the Company or any other company within the Group.
- 4.5 Subject to the Companies Act and any applicable laws and regulations (including 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 Scheme Committee.

### 5. LIMITATION ON SIZE OF THE SCHEME

- 5.1 The aggregate number of Shares over which Options may be granted on any date under the Scheme, when added to the total number of Shares issued and/or issuable in respect of:
- (a) all Options granted under the Scheme;
  - (b) all Awards granted under the Plan; and
  - (c) all Shares, options or awards granted under any other share incentive schemes or share plans adopted by the Company for the time being in force (if any),

shall not exceed 15% of the total number of issued Shares (excluding Treasury Shares) of the Company on the day preceding the relevant Date of Grant.

- 5.2 The aggregate number of Shares over which Options may be granted under the Scheme to Associates of Controlling Shareholders shall not exceed 25% of the total number of Shares available under the Scheme, and the number of Shares over which an Option may be granted under the Scheme to each Associate of a Controlling Shareholder shall not exceed 10% of the total number of Shares available under the Scheme.
- 5.3 For the avoidance of doubt, the Scheme Committee may, in its absolute discretion, decide not to grant such number of Options under the Scheme up to the limits prescribed in Rules 5.1 and 5.2.
- 5.4 Shares which are the subject of Options which have lapsed for any reason whatsoever may be the subject of further Options granted by the Scheme Committee under the Scheme.

### 6. DATE OF GRANT

- 6.1 The Scheme Committee may, save as provided in Rules 4 and 5, offer to grant Options to such Grantees as it may select in its absolute discretion at any time during the period when the Scheme is in force, except that no Option shall be granted during the period of thirty (30) days immediately preceding the date of announcement of the Company's interim and/or final results (whichever the case may be). In addition, in the event that an announcement on any matter of an exceptional nature involving unpublished price sensitive information is made, an offer to grant Options may only be made on or after the 2<sup>nd</sup> Market Day on which such announcement is released.
- 6.2 An offer to grant an Option to a Grantee shall be made by way of a letter (the "**Letter of Offer**") in the form or substantially in the form set out in **Schedule 1**, subject to such amendments as the Scheme Committee may determine from time to time.

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## APPENDIX 1 – RULES OF THE TEE INTERNATIONAL EMPLOYEE SHARE OPTION SCHEME 2016

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### 7. GRANT AND ACCEPTANCE OF OFFER

- 7.1 Subject to Rules 4 and 5, the aggregate number of Shares in respect of which Options may be offered to a Grantee for subscription in accordance with the Scheme shall be determined at the absolute discretion of the Scheme Committee, which shall take into account criteria such as the Participant's rank, scope of responsibilities, job performance, years of service and potential for future development and contribution to the success of the Group.
- 7.2 An Option offered to a Grantee pursuant to Rule 6 may only be accepted by the Grantee within thirty (30) days after the relevant Offer Date and not later than 5.00 p.m. on the 30<sup>th</sup> day from such Offer Date by (a) completing, signing and returning to the Company the Acceptance Form in or substantially in the form set out in **Schedule 2**, subject to such modifications as the Scheme Committee may from time to time determine accompanied by the payment of S\$1.00 as consideration (the "**Consideration**") or such other amounts and such other documentation as the Scheme Committee may require; and (b) if, at the date on which the Scheme Committee, for and on behalf of the Company, receives from the Grantee the Acceptance Form and the Consideration in respect of the Option as aforesaid, he remains eligible to participate in the Scheme in accordance with these Rules.
- 7.3 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. The Scheme Committee shall within fifteen (15) Market Days of receipt of the Acceptance Form and the Consideration, acknowledge receipt of the same.
- 7.4 If a grant of an Option is not accepted strictly in the manner as provided in this Rule 7, such offer shall, upon the expiry of the thirty (30)-day period referred to in Rule 7.2, automatically lapse and shall forthwith be deemed to be null and void and be of no effect.
- 7.5 The Company shall be entitled to reject any purported acceptance of a grant of an Option made pursuant to this Rule 7 or Exercise Notice given pursuant to Rule 11 which does not comply strictly with the terms of the Scheme.
- 7.6 Options are personal to the Grantees to whom they are granted and shall not be sold, mortgaged, transferred, charged, assigned, pledged or otherwise disposed of or encumbered in whole or in part, or in any way whatsoever, without the Scheme Committee's prior written approval, but may be exercised by the Grantee's duly appointed personal representative as provided in Rule 10.6 in the event of the death of such Grantee.
- 7.7 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 of no effect and the relevant Participant shall have no claim whatsoever against the Company.
- 7.8 Unless the Scheme Committee determines otherwise, an Option shall automatically lapse and become null, void and of no effect and shall not be capable of acceptance if:
- (a) it is not accepted in the manner as provided in Rule 7.2 within the thirty (30)-day period referred to therein;
  - (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 his acceptance of the Option;
  - (d) the Grantee, being an Employee, ceases to be in the employment of the Group prior to his acceptance of the Option;

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## APPENDIX 1 – RULES OF THE TEE INTERNATIONAL EMPLOYEE SHARE OPTION SCHEME 2016

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- (e) the Grantee, being a Director, ceases to be the Director, and also ceases to be an Employee prior to his acceptance of the Option;
- (f) the Grantee, being an Associate of a Controlling Shareholder, ceases to be an Associate of the relevant Controlling Shareholder; and
- (g) the Company is liquidated or wound-up prior to the Grantee's acceptance of the Option.

### 8. EXERCISE PRICE

8.1 Subject to any adjustment pursuant to Rule 9, the Exercise Price for each Share in respect of which an Option is exercisable shall be determined by the Scheme Committee, in its absolute discretion, on the Date of Grant, at:

- (i) a price equal to the Market Price; or
- (ii) a price which is set at a discount to the Market Price, provided that the maximum discount shall not exceed 20% of the Market Price, and 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.

8.2 In making any determination under Rule 8.1(ii) on whether to give a discount and the quantum of such discount, the Scheme Committee shall be at liberty to take into consideration such criteria as the Scheme Committee may, in its absolute discretion, deem appropriate, including but not limited to:

- (i) the performance of the Company and/or the Group, as the case may be;
- (ii) the years of service and individual performance of the eligible Participant;
- (iii) the contribution or potential contribution of the eligible Participant to the success and development of the Company and/or the Group; and
- (iv) the prevailing market conditions.

### 9. VARIATION OF CAPITAL

9.1 If a variation in the number of issued Shares of the Company (whether by way of a capitalisation of profits or reserves or rights issue, capital reduction (including any reduction arising by reason of the Company purchasing or acquiring its issued Shares), sub-division, consolidation, distribution, or otherwise howsoever) should take place, then:

- (i) the Exercise Price in respect of the Shares, as well as the class and/or number of Shares, comprised in any Option to the extent unexercised and the rights attached thereto; and
- (ii) the class and/or number of Shares over which additional Options may be granted to the Grantees,

may be adjusted in such manner as the Scheme Committee may determine to be appropriate. 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.

9.2 Unless the Scheme Committee considers an adjustment to be appropriate, the following (whether singly or in combination) shall not be regarded as events requiring adjustments:

- (a) any issue of securities as consideration for an acquisition or a private placement of securities;

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## APPENDIX 1 – RULES OF THE TEE INTERNATIONAL EMPLOYEE SHARE OPTION SCHEME 2016

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- (b) any issue of securities pursuant to any joint venture;
- (c) any increase in the number of issued Shares as a consequence of the exercise of any options or conversion of any loan stock or any other securities convertibles into Shares or subscription rights of any warrants issued from time to time by the Company entitling holders thereof to acquire new Shares in the capital of the Company (including the exercise of any Options granted pursuant to the Scheme);
- (d) any issue of Shares pursuant to any scrip divided scheme for the time being of the Company; and
- (e) any reduction in the number of issued Shares as a result of the cancellation of issued Shares purchased or acquired by the Company by way of market purchase(s) effected on SGX-ST pursuant to a share purchase mandate (or any renewal thereof) given by the Shareholders in general meeting and for the time being in force.

9.3 Notwithstanding Rule 9.1, no such adjustment shall be made if as a result, the Participant receives a benefit that a Shareholder does not receive.

9.4 Upon any adjustment made pursuant to this Rule 9, the Company shall notify each Grantee (or his duly appointed personal representatives where applicable) in writing informing him (or his duly appointed personal representatives where applicable) of the new Exercise Price thereafter in effect and the class and/or number of New Shares thereafter comprised in the Option so far as unexercised. Any adjustment shall take effect upon such written notification being given.

### 10. EXERCISE PERIOD

10.1 Options granted with the Exercise Price set at Market Price shall only be exercisable, in whole or in part (provided that an Option may be exercised in part only in respect of 100 Shares or any multiple thereof), at any time, by a Grantee after the first (1<sup>st</sup>) anniversary of the Date of Grant of that Option, and Options granted with the Exercise Price set at a discount to Market Price shall only be exercisable by a Grantee after two (2) years from the Date of Grant of that Option.

10.2 Subject to prevailing legislation applicable on the relevant Date of Grant, Employees and Executive Directors (including Associates of Controlling Shareholders) who are granted Options must exercise their Options before the tenth (10<sup>th</sup>) anniversary from the Date of Grant, and Non-Executive Directors (including independent Directors and Associates of Controlling Shareholders) who are granted Options must exercise their Options before the fifth (5<sup>th</sup>) anniversary from the Date of Grant, failing which all unexercised Options shall immediately lapse and become null and void and the Grantee shall have no claim against the Company.

10.3 Subject to the discretion of the Scheme Committee, an Option shall, to the extent unexercised, immediately lapse and become null and void and a Grantee shall have no claim against the Company:

- (a) subject to Rules 10.4, 10.5 and 10.6, upon the Grantee ceasing to be an Employee or a Director, for any reason whatsoever;
- (b) subject to Rule 10.6, upon the Grantee, being an Associate of a Controlling Shareholder, ceasing to be an Associate of the relevant Controlling Shareholder for any reason whatsoever;
- (c) upon the bankruptcy of the Grantee or the happening of any other event which results in his being deprived of the legal or beneficial ownership of such Option; or

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## APPENDIX 1 – RULES OF THE TEE INTERNATIONAL EMPLOYEE SHARE OPTION SCHEME 2016

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- (d) in the event of events resulting in termination for cause including but not limited to gross negligence, wilful misconduct, insubordination or incompetence on the part of the Grantee, as determined by the Scheme Committee in its absolute discretion.

For the purpose of Rule 10.3(a), the Grantee shall be deemed to have ceased being so employed as of the date of the notice of termination or resignation, as the case may be, unless such notice shall be withdrawn prior to its effective date. For the avoidance of doubt, no Option shall lapse pursuant to Rule 10.3(a) in the event of any transfer of employment of a Grantee within the Group or upon the cessation of employment of a Executive Director who shall continue to serve as a Non-Executive Director, or such other similar situations.

10.4 Where a Grantee who is a Director ceases to be a Director for any reason whatsoever, but continues to be an employee of the Group, he shall continue to be entitled to exercise the unexercised Options held by him. In the event such person also ceases to be an employee of the Group, all unexercised Options held by him at the time shall immediately lapse and become null and void and he shall have no claim against the Company.

10.5 If a Grantee ceases to be in the employment of the Group by reason of:

- (a) ill health, injury or disability, in each case, as certified by a medical practitioner approved by the Scheme Committee;
- (b) redundancy;
- (c) retirement at or after the legal retirement age;
- (d) retirement before that age with the consent of the Scheme Committee;
- (e) the Subsidiary or Group Associated Company, by which he is principally employed and/or a director thereof, ceasing to be a company within the Group or the undertaking or part of the undertaking of such Subsidiary or Group Associated Company, being transferred otherwise than to another company within the Group; or
- (f) for any other reason approved in writing by the Scheme Committee,

he may, at the absolute discretion of the Scheme Committee, exercise any unexercised Option within the relevant Option Period, and upon the expiry of such period, the Option shall immediately lapse and become null and void.

10.6 If a Grantee dies and at the date of his death holds any unexercised Option(s), such Option(s) may, at the absolute discretion of the Scheme Committee, be exercisable by the duly appointed legal personal representatives of the Grantee from the date of his death to the end of the relevant Option Period and upon the expiry of such period, the Option shall immediately lapse and become null and void.

10.7 The Scheme Committee may, by notification, provide for further restrictions on the period during which Options may be exercised (whether granted with the Exercise Price set at a discount to Market Price or not) whether by providing a schedule for the vesting of Shares comprised in the relevant Options or otherwise.

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## APPENDIX 1 – RULES OF THE TEE INTERNATIONAL EMPLOYEE SHARE OPTION SCHEME 2016

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### 11. EXERCISE OF OPTIONS, ALLOTMENT AND LISTING OF SHARES

11.1 An Option may be exercised, in accordance with Rule 10.1 or Rule 10.2 as the case may be, in whole or in part (provided that an Option may be exercised in part only in respect of 100 Shares or any multiple thereof), by a Grantee giving notice in writing to the Company in or substantially in the form set out in **Schedule 3** (the “**Exercise Notice**”), subject to such modification as the Scheme Committee may from time to time determine. Every Exercise Notice must be accompanied by a remittance for the full amount of the aggregate Exercise Price in respect of the Shares which have been exercised under the Option, the relevant CDP charges (if any) and any other documentation the Scheme Committee may require. All payments shall be made by cheque, cashier’s order, bank draft or postal order made out in favour of the Company. An Option shall be deemed to be exercised upon the receipt by the Company of the said notice duly completed and the receipt by the Company of the full amount of the aggregate Exercise Price in respect of the Shares which have been exercised under the Option.

11.2 Subject to:

- (a) such consents or other actions required by any competent authority under any regulations or enactments for the time being in force as may be necessary (including any approvals required from the SGX-ST); and
- (b) compliance with the Rules, and the Constitution,

the Company shall, as soon as practicable after the exercise of an Option by a Grantee but in any event within ten (10) Market Days after the date of the exercise of the Option in accordance with Rule 11.1, allot and issue or transfer the Shares in respect of which such Option has been exercised by the Grantee and deliver the relevant share certificates to CDP for the crediting of the Securities Account of that Grantee by ordinary post or such other mode of delivery as the Scheme Committee may deem fit.

11.3 The Company shall, if necessary, as soon as practicable after the exercise of an Option, apply to the SGX-ST or any other stock exchange on which the Shares are quoted or listed for permission to deal in and for quotation of the Shares which may be issued or transferred upon exercise of the Option and the Shares (if any) which may be issued or transferred to the Grantee pursuant to any adjustments made in accordance with Rule 9.

11.4 Shares which are allotted or transferred on the exercise of an Option by a Grantee shall be issued or transferred, as the Grantee may elect, in the name of CDP to the credit of the Securities Account of the Grantee maintained with CDP, or to the Grantee’s securities sub-account with a CDP Depository Agent, or the CPF Investment account maintained with a CPF agent bank, or if such securities account is not available, in the name of the Grantee.

11.5 New Shares allotted and issued upon the exercise of an Option shall be subject to all provisions of the Constitution and shall rank *pari passu* in all respects with the then existing issued Shares (excluding Treasury Shares) in the capital of the Company except for any dividends, rights, allotments or other distributions, the Record Date for which is prior to the date such Option is exercised.

11.6 Except as set out in Rule 11.2 and subject to Rule 9, an Option does not confer on a Grantee any right to participate in any new issue of Shares.

11.7 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. Notwithstanding any other Rule of this Scheme to the contrary, and notwithstanding references to subscription, issue and allotment of Shares or New Shares, the Company reserves to itself the right to deliver Treasury Shares in lieu of New Shares to Grantees upon their exercise of the Options.



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## APPENDIX 1 – RULES OF THE TEE INTERNATIONAL EMPLOYEE SHARE OPTION SCHEME 2016

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### 12. MODIFICATIONS TO THE SCHEME

- 12.1 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 Scheme Committee, except that:
- (a) any modification or alteration which shall alter adversely the rights attaching to any Option granted prior to such modification or alteration and which in the opinion of the Scheme Committee, materially alters the rights attaching to any Option granted prior to such modification or alteration may only be made with the consent in writing of such number of Grantees who, if they exercised their Options in full, would thereby become entitled to Shares representing not less than three-quarters of the total voting rights (or such other requirements as may be prescribed by the SGX-ST) of all the Shares which would be allotted or transferred upon exercise in full of all outstanding Options;
  - (b) any modification or alteration which would be, in the opinion of the Scheme Committee, to the advantage of Participants under the Scheme shall be subject to the prior approval of the Shareholders in a general meeting, whereby Shareholders who are also holders of Options shall be required to abstain from voting in respect of any resolution relating to such modification or alteration; and
  - (c) no modification or alteration shall be made without the prior approval of the SGX-ST or (if required) any other stock exchange on which the Shares are quoted and listed, and such other regulatory authorities as may be necessary.

For the purposes of Rule 12.1, the opinion of the Scheme Committee as to whether any modification or alteration would alter adversely the rights attaching to any Option shall be final and conclusive.

- 12.2 Notwithstanding anything to the contrary contained in Rule 12.1, the Scheme Committee may, at any time, by resolution (and without any other formality save for the approval of the SGX-ST, if required or such other regulatory authorities as may be 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 or such other regulatory authorities as may be necessary).
- 12.3 Written notice, in the manner set out in Rule 16, of any modification or alteration made in accordance with this Rule 12 shall be given to all Participants.

### 13. DURATION OF THE SCHEME

- 13.1 The Scheme shall continue to be in force at the discretion of the Scheme Committee, subject to a maximum duration of ten (10) years commencing on the Adoption Date. Subject to compliance with any applicable laws and regulations in Singapore, the Scheme 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.
- 13.2 The Scheme may be terminated at any time by the Scheme Committee or by ordinary resolution of the Shareholders at a general meeting subject to all other relevant approvals which may be required and if the Scheme is so terminated, no further Options shall be offered by the Company hereunder.
- 13.3 The termination, discontinuance or expiry of the Scheme shall be without prejudice to the rights accrued to Options which have been granted and accepted as provided in Rule 7, whether such Options have been exercised (whether fully or partially) or not.

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## APPENDIX 1 – RULES OF THE TEE INTERNATIONAL EMPLOYEE SHARE OPTION SCHEME 2016

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### 14. TAKEOVER AND WINDING UP OF THE COMPANY

14.1 In the event of a takeover offer being made for the Company, Grantees (including Grantees holding Options which are then not exercisable pursuant to the provisions of Rules 10.1 and/or 10.2) holding Options as yet unexercised shall, notwithstanding Rules 10 and 11 but subject to Rule 14.5, be entitled to exercise such Options in full or in part during the period commencing on the date on which such offer is made or, if such offer is conditional, the date on which the offer becomes or is declared unconditional, as the case may be, and ending on the earlier of:

- (a) the expiry of six (6) months thereafter, unless prior to the expiry of such six (6) month period, at the recommendation of the offeror and with the approvals of the Scheme Committee and (if so required) the SGX-ST, such expiry date is extended to a later date (being a date falling not later than the date of expiry of the Option Period relating thereto); or
- (b) the date of the expiry of the Option Period relating thereto,

whereupon any Option(s) then remaining unexercised shall immediately lapse and become null and void,

Provided always that if during such period the offeror becomes entitled or bound to exercise the rights of compulsory acquisition of the Shares under any relevant regulatory provisions or legislation and, being entitled to do so, gives notice to the Grantees that it intends to exercise such rights on a specified date, all Options shall remain exercisable by the Grantees until such specified date or the expiry of the respective Option Periods relating thereto, whichever is earlier. Any Option(s) not so exercised by the said specified date shall lapse and become null and void provided that the rights of acquisition or obligation to acquire stated in the notice shall have been exercised or performed, as the case may be. If such rights of acquisition or obligations have not been exercised or performed, all Options shall, subject to Rule 10, remain exercisable until the expiry of the Option Period. For the avoidance of doubt, the provisions of this Rule 14.1 shall not come into operation in the event that a takeover offer which is conditional does not or is not declared unconditional.

14.2 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, Grantees (including Grantees holding Options which are then not exercisable pursuant to the provisions of Rule 10.1 or 10.2) shall notwithstanding Rules 10 and 11 but subject to Rule 14.5, be entitled to exercise any Option then held by them during the period commencing on the date upon which the compromise or arrangement is sanctioned by the court and ending either on the expiry of sixty (60) days thereafter or the date upon which the compromise or arrangement becomes effective, whichever is later (but not after the expiry of the Option Period relating thereto), whereupon any unexercised Option(s) shall lapse and become null and void, Provided Always that the date of exercise of any Option(s) shall be before the expiry of the relevant Option Period.

14.3 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 lapse and become null and void.

14.4 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 despatches such notice to each member of the Company give notice thereof to all Grantees (together with a notice of the existence of the provisions of this Rule 14.4) and thereupon, each Grantee (or his legal personal representative(s)) shall be entitled to exercise all or any of his Options at any time not later than two (2) 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 full amount of the aggregate Exercise Price for the Shares in respect of which the notice is given whereupon the Company shall as soon

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## APPENDIX 1 – RULES OF THE TEE INTERNATIONAL EMPLOYEE SHARE OPTION SCHEME 2016

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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 Grantee credited as fully paid.

- 14.5 If in connection with the making of a general offer referred to in Rule 14.1 above or the scheme referred to in Rule 14.2 above or the winding up referred to in Rule 14.4 above, 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 Grantees, whether by the continuation of their Options or the payment of cash or the grant of other options or otherwise, a Grantee holding an Option, which is not then exercisable, may not, at the discretion of the Scheme Committee, be permitted to exercise that Option as provided for in this Rule 14.
- 14.6 If the events stipulated in this Rule 14 should occur, to the extent that an Option is not exercised within the respective periods referred to herein in this Rule 14, it shall lapse and become null and void.

### 15. ADMINISTRATION OF THE SCHEME

- 15.1 The Scheme shall be administered by the Scheme Committee in its absolute discretion with such powers and duties as may be conferred on it by the Board, provided that a member of the Scheme Committee who is a Participant shall abstain from deliberation in respect of an Option to be granted to him or held by him.
- 15.2 The Scheme 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.
- 15.3 Any decision of the Scheme Committee, made pursuant to any provision of the Scheme (other than a matter to be certified by the Auditors), shall be final and binding (including any decisions pertaining to disputes as to the interpretation of the Scheme or any rule, regulation, or procedure thereunder or as to any rights under the Scheme).
- 15.4 Subject to prevailing legislation and the rules of the Listing Manual, the Company will have the flexibility to deliver New Shares to Participants upon exercise of their Options by way of:
- (a) an issue of New Shares; and/or
  - (b) subject to applicable laws, the purchase of existing Shares.
- 15.5 In determining whether to issue New Shares or to purchase existing Shares for delivery to Participants upon the exercise of their Options, the Company will take into account factors such as, but not limited to:
- (a) the number of Shares to be delivered;
  - (b) the prevailing Market Price of the Shares; and
  - (c) the cost to the Company of either issuing New Shares or purchasing existing Shares.
- 15.6 Neither the Scheme nor the grant of Options under the Scheme shall impose on the Company or the Scheme 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 Scheme Committee to exercise, or the exercise by the Scheme Committee of, any discretion under the Scheme; and/or

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## **APPENDIX 1 – RULES OF THE TEE INTERNATIONAL EMPLOYEE SHARE OPTION SCHEME 2016**

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- (c) any decision or determination of the Scheme Committee made pursuant to any provision of the Scheme.

### **16. NOTICES**

- 16.1 Any notice required to be given by a Participant to the Company shall be sent or made to the registered office of the Company or such other address as may be notified by the Company to him in writing.
- 16.2 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 Scheme Committee (or such person or persons as it may from time to time direct) on behalf of the Company and shall be delivered to him by (a) hand or sent to him at his home address according to the records of the Company and if sent by post, shall be deemed to have been given on the day following the date of posting, or (b) via an electronic copy to his email address according to the records of the Company.

### **17. TERMS OF EMPLOYMENT UNAFFECTED**

- 17.1 The Scheme or any Option shall not form part of any contract of employment between any member of the Group and any Participant, and the rights and obligations of any individual under the terms of the office or employment within the Group shall not be affected by his participation in the Scheme and the Scheme shall afford such an individual no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason whatsoever.
- 17.2 The Scheme shall not confer on any person any legal or equitable rights (other than those constituting the Options themselves) against any member of the Group, directly or indirectly, or give rise to any cause of action at law or in equity against any member of the Group.

### **18. TAXES**

All taxes payable (including income tax) arising from the grant and/or disposal of Shares pursuant to the exercise of any Option granted to any Grantee under the Scheme shall be borne by the Grantee.

### **19. COSTS AND EXPENSES OF THE SCHEME**

- 19.1 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 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 and all taxes referred to in Rule 18 which shall be payable by the relevant Participant.
- 19.2 Save for such 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, or transfer, of Shares pursuant to the exercise of any Option shall be borne by the Company.

### **20. CONDITION OF OPTION**

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

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## APPENDIX 1 – RULES OF THE TEE INTERNATIONAL EMPLOYEE SHARE OPTION SCHEME 2016

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### 21. DISCLAIMER OF LIABILITY

Notwithstanding any provisions herein contained and subject to the Companies Act, the Board and the Company shall not, under any circumstances, be held liable for any costs, losses, expenses and damages whatsoever and howsoever arising in respect of any matter under or in connection with the Scheme, including but not limited to the Company's delay in issuing, or procuring the transfer of, the Shares or applying for or procuring the listing of the New Shares on the SGX-ST.

### 22. DISCLOSURE IN ANNUAL REPORT

The Company shall make the following disclosure in its annual report:

- (i) the names of the members of the Scheme Committee administering the Scheme;
- (ii) the information required in the table below for the following Participants:
  - a. Participants who are Directors of the Company;
  - b. Participants who are Associates of Controlling Shareholders; and
  - c. Participants, other than those in Rules 22.2(i) and 22.2(ii) above who receive Options to subscribe for Shares representing 5% or more of the total number of Shares available under the Scheme;

Name of Participants	Options granted during financial year under review (including terms)	Aggregate Options granted since commencement of the Scheme to end of financial year under review	Aggregate Options exercise since commencement of the Scheme to end of financial year under review	Aggregate Options outstanding as at end of financial year under review

- (iii) the number and proportion of Options granted at the following discounts to Market Price of the Shares during the financial year under review:
  - a. Options granted at up to 10% discount; and
  - b. Options granted at between 10% but not more than 20% discount; and
- (iv) any other information as may be required by the Listing Rules and all other applicable laws and requirements,

provided that if any of the above requirements are not applicable, an appropriate negative statement should be included therein.

### 23. ABSTENTION FROM VOTING

Shareholders who are eligible to participate in the Scheme are to abstain from voting on any Shareholders' resolution relating to the Scheme, including any resolution relating to (a) the implementation of the Scheme; (b) the discount quantum; and (c) the participation by and grant of Options to Associates of Controlling Shareholders.

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## **APPENDIX 1 – RULES OF THE TEE INTERNATIONAL EMPLOYEE SHARE OPTION SCHEME 2016**

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### **24. DISPUTES**

Any disputes or differences of any nature arising hereunder shall be referred to the Scheme Committee and its decision shall be final and binding in all respects.

### **25. GOVERNING LAW**

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

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**APPENDIX 1 – RULES OF THE TEE INTERNATIONAL EMPLOYEE SHARE OPTION  
SCHEME 2016**

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**SCHEDULE 1**

**TEE INTERNATIONAL EMPLOYEE SHARE OPTION SCHEME 2016**

**LETTER OF OFFER**

Serial No. \_\_\_\_\_

***Private and Confidential***

[Date]

To: [Name]  
[Designation]  
[Address]

Dear Sir/Madam

1. We have the pleasure of informing you that you have been nominated by the Scheme Committee of TEE International Limited (the “**Company**”) to participate in the TEE International Employee Share Option Scheme 2016 (the “**Scheme**”). *Terms defined in the Rules of the Scheme shall have the same meaning and construction when used in this letter.*
2. Accordingly, an offer is hereby made to grant you an Option, in consideration of the payment of a sum of S\$1.00, to subscribe for and be allotted \_\_\_\_\_ ordinary shares in the capital of the Company (the “**Shares**”) at the price of S\$\_\_\_\_\_ per Share.
3. This Option is personal to you and shall not be transferred, charged, assigned, pledged or otherwise disposed of by you, in whole or in part, except with the prior approval of the Scheme Committee.
4. The Option shall be subject to the Rules of the Scheme, a copy of which is available for inspection at the business address of the Company, as well as the terms of this letter.
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 shall automatically lapse and shall thereafter be null and void.

Yours faithfully

THE SCHEME COMMITTEE  
TEE INTERNATIONAL EMPLOYEE SHARE OPTION SCHEME 2016  
**TEE INTERNATIONAL LIMITED**

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**APPENDIX 1 – RULES OF THE TEE INTERNATIONAL EMPLOYEE SHARE OPTION  
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**SCHEDULE 2**

**TEE INTERNATIONAL EMPLOYEE SHARE OPTION SCHEME 2016**

**ACCEPTANCE FORM**

Serial No. \_\_\_\_\_

***Private and Confidential***

[Date]

To: The Scheme Committee  
TEE International Employee Share Option Scheme 2016  
TEE International Limited  
[insert address]

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 TEE International Employee Share Option Scheme 2016 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/cheque/cashier's order/banker's draft/postal order no. \_\_\_\_\_ 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 also understand that I shall be responsible for all the fees of CDP, the Depository Agent or, if applicable, the CDP agent bank relating to or in connection with the allotment and issue or transfer of any Shares pursuant to the exercise of any Option in CDP's name, the deposit of share certificate(s) with CDP, my securities account with CDP or my securities sub-account with a Depository Agent, or, if applicable, my CPF investment account with a CDP agent bank (collectively, the "**CDP charges**").

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.



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## APPENDIX 1 – RULES OF THE TEE INTERNATIONAL EMPLOYEE SHARE OPTION SCHEME 2016

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**Please print in block letters**

Name in Full : \_\_\_\_\_

Designation : \_\_\_\_\_

Address : \_\_\_\_\_

\_\_\_\_\_

Nationality : \_\_\_\_\_

\*NRIC/Passport No. : \_\_\_\_\_

Signature : \_\_\_\_\_

Date : \_\_\_\_\_

\* Please delete accordingly.

**Notes:**

1. Option must be accepted in full or in multiples of 100 shares.
2. The Acceptance Form must be forwarded to the above address in an envelope marked "Private and Confidential".
3. The Grantee shall be informed by the Company of the relevant CDP charges payable at the time of the exercise of an Option.

**APPENDIX 1 – RULES OF THE TEE INTERNATIONAL EMPLOYEE SHARE OPTION SCHEME 2016**

**SCHEDULE 3**

**TEE INTERNATIONAL EMPLOYEE SHARE OPTION SCHEME 2016**

**FORM OF EXERCISE OF OPTION**

Total number of ordinary shares (the “ <b>Shares</b> ”) offered at S\$_____ for each Share (the “ <b>Exercise Price</b> ”) under the TEE International Employee Share Option Scheme 2016 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 Scheme Committee  
TEE International Employee Share Option Scheme 2016  
TEE International Limited  
[insert address]

1. Pursuant to your Letter of Offer dated \_\_\_\_\_ (Date of Offer) and my acceptance thereof, I hereby exercise the Option to subscribe for \_\_\_\_\_ Shares in TEE International Limited (the “**Company**”) at S\$\_\_\_\_\_ for each Share.
2. I enclose \*cash/cheque/cashier’s order/banker’s draft/postal order no./telegraphic transfer no. \_\_\_\_\_ of S\$\_\_\_\_\_ by way of subscription for the total number of the said Shares and the CDP charges of S\$\_\_\_\_\_.
3. I agree to subscribe for the said Shares subject to the terms of the Letter of Offer, the TEE International Employee Share Option Scheme 2016 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.

\*Please delete accordingly.

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## APPENDIX 1 – RULES OF THE TEE INTERNATIONAL EMPLOYEE SHARE OPTION SCHEME 2016

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**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 : \_\_\_\_\_

\* Please delete accordingly.

**Notes:**

1. An Option may be exercised in whole or in part provided that an Option may be exercised in part only in respect of 100 Shares or any multiple thereof.
2. The form entitled "Form of Exercise of Option" must be forwarded to the above address in an envelope marked "Private and Confidential".

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## APPENDIX 2 – RULES OF THE TEE INTERNATIONAL PERFORMANCE SHARE PLAN 2016

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### 1. NAME OF THE PERFORMANCE SHARE PLAN

The Plan (as defined below) shall be called the “TEE International Performance Share Plan 2016”.

### 2. DEFINITIONS

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

- “Act” or “Companies Act”** : The Companies Act (Chapter 50) of Singapore, as may be amended, modified and/or supplemented from time to time
- “Adoption Date”** : The date on which the Plan is adopted by resolution of the Shareholders in a general meeting
- “Associate”** : (a) In relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:
- (i) his immediate family;
  - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
  - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; and
- (b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its Subsidiary or holding company or is a Subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
- “Associated Company”** : A company in which at least 20% but not more than 50% of its shares are held by the Company or the Group
- “Auditors”** : The auditors of the Company for the time being
- “Award”** : A contingent award of Shares granted under the Plan
- “Board”** : The board of Directors of the Company for the time being
- “CDP”** : The Central Depository (Pte) Limited
- “Company”** : TEE International Limited

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## APPENDIX 2 – RULES OF THE TEE INTERNATIONAL PERFORMANCE SHARE PLAN 2016

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<b>“Constitution”</b>	:	The Constitution of the Company, as amended, modified or supplemented from time to time
<b>“Control”</b>	:	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company
<b>“Controlling Shareholder”</b>	:	A person who (a) holds directly or indirectly 15% or more of the total votes attached to all the voting shares in the Company; or (b) in fact exercises Control over the Company
<b>“CPF”</b>	:	Central Provident Fund
<b>“Date of Grant”</b>	:	In relation to an Award, the date on which the Award is granted to a Participant pursuant to Rule 6
<b>“Director”</b>	:	A person holding office as a director for the time being of the Company and/or any Subsidiary and/or any Group Associated Company, as the case may be
<b>“Employee”</b>	:	Any confirmed full-time employee of the Group selected by the Plan Committee to participate in the Plan in accordance with the provisions hereof
<b>“Executive Director”</b>	:	A Director of the Company and/or any Subsidiary and/or any Group Associated Company, as the case may be, who performs an executive function
<b>“Group”</b>	:	The Company, its Subsidiaries and Group Associated Companies
<b>“Group Associated Company”</b>	:	An Associated Company which the Company has Control over
<b>“Listing Manual”</b>	:	The listing manual of the SGX-ST, as may be amended, modified and/or supplemented from time to time
<b>“Market Day”</b>	:	A day on which the SGX-ST is open for trading in securities
<b>“Market Price”</b>	:	A price equal to the average of the closing market prices of the Shares over a period of five (5) consecutive Market Days immediately prior to the relevant Date of Grant, provided always that in the case of a Market Day on which the Shares were not traded on the SGX-ST, the closing market price for the Shares on such Market Day shall be deemed to be the closing market 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
<b>“New Shares”</b>	:	The new Shares which may be allotted and issued from time to time pursuant to the Vesting of the Awards under the Plan

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## APPENDIX 2 – RULES OF THE TEE INTERNATIONAL PERFORMANCE SHARE PLAN 2016

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<b>“Non-Executive Director”</b>	:	A Director of the Company and/or any Subsidiary and/or any Group Associated Company, as the case may be, other than an Executive Director
<b>“Option”</b>	:	The right to subscribe for Shares granted or to be granted pursuant to the Scheme
<b>“Participant”</b>	:	A person who may be selected by the Plan Committee to participate in the Plan in accordance with the Rules hereof
<b>“Performance Period”</b>	:	The period during which the Performance Targets shall be satisfied
<b>“Performance Targets”</b>	:	The performance targets prescribed by the Plan Committee to be fulfilled by a Participant for any particular period under the Plan
<b>“Plan” or “TEE International Performance Share Plan 2016”</b>	:	The proposed performance share plan of the Company known as the “TEE International Performance Share Plan 2016”, as amended or modified from time to time
<b>“Plan Committee”</b>	:	Remuneration Committee of the Company (together with the Group Chief Executive and Managing Director) for the time being, or such other committee comprising Directors duly authorised and appointed by the Board to administer the Plan
<b>“Record Date”</b>	:	The date as at the close of business (or such other time as may have been prescribed by the Company) on which the Shareholders must be registered in order to participate in any dividends, rights, allotments or other distributions
<b>“Rules”</b>	:	Rules of the Plan as set out herein, as the same may be amended or modified from time to time, and any reference to a particular Rule shall be construed accordingly
<b>“Scheme” or “TEE International Employee Share Option Scheme 2016”</b>	:	The proposed employee share option scheme of the Company known as the “TEE International Employee Share Option Scheme 2016”, as amended or modified from time to time
<b>“Securities Account”</b>	:	Securities accounts maintained by Depositors with CDP but not including securities sub-accounts maintained with a Depository Agent
<b>“SFA”</b>	:	The Securities and Futures Act (Chapter 289) of Singapore, as amended, modified or supplemented from time to time
<b>“SGX-ST”</b>	:	Singapore Exchange Securities Trading Limited
<b>“Shares”</b>	:	Ordinary shares in the capital of the Company

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**APPENDIX 2 – RULES OF THE TEE INTERNATIONAL PERFORMANCE SHARE PLAN 2016**

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- “**Shareholders**” : Persons who are registered as holders of Shares in the Register of Members of the Company except that where the registered holder is CDP, the term “**Shareholders**” shall mean the Depositors who have Shares credited to their Securities Accounts
- “**Subsidiary**” : A company which is for the time being a subsidiary of the Company, as defined by Section 5 of the Companies Act, and “**Subsidiaries**” shall be construed accordingly
- “**Substantial Shareholder**” : A person who has an interest in the voting Shares (excluding Treasury Shares) in the Company, and the total votes attached to that Share, or those Shares, represent not less than 5% of all the voting Shares
- “**Treasury Shares**” : (a) A share which was (or is treated as having been) purchased by the Company in circumstances described under Section 76H of the Act; and  
(b) a share of the Company that was or is treated as having been acquired and held continuously by the Company since it was so acquired and has not been cancelled
- “**Vesting**” : In relation to Shares which are the subject of an Award which has been released to the relevant Participant, the absolute entitlement to all or some of the Shares which are the subject of that Award, and “**Vest**” and “**Vested**” shall be construed accordingly
- “**Vesting Date**” : In relation to Shares which are the subject of an Award which has been released to the relevant Participant, the date (as determined by the Plan Committee and notified to the relevant Participant) on which those Shares have Vested or will Vest pursuant to Rule 10
- “**Vesting Period**” : The period during which an Award may vest, if any
- “**\$**” and “**cents**” : Singapore dollars and cents, respectively, being the lawful currency of Singapore
- “**%**” 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 under Section 81SF of the SFA.
- 2.3 Words importing the singular number shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall, where applicable, include corporations.
- 2.4 Any reference in this 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, the Listing Manual, SFA or any statutory modification thereof and used in this Plan shall, where applicable, have the same meaning ascribed to it under the Companies Act, SFA, or the Listing Manual, as the case may be.
- 2.5 Any reference to a time of a day in the Plan is a reference to Singapore time.

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## APPENDIX 2 – RULES OF THE TEE INTERNATIONAL PERFORMANCE SHARE PLAN 2016

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### 3. OBJECTIVES OF THE PLAN

The main objectives of the Plan are as follows:

- (a) to give recognition to the contributions made by the Participants to the success of the Company;
- (b) to motivate each Participant to optimise their performance standards and efficiency and to maintain a high level of contribution to the Group;
- (c) to increase the competitiveness of the remuneration and incentive package that may be offered by the Group to attract and retain key Employees whose contributions are important to the long-term growth and profitability of the Group;
- (d) to foster an ownership culture within the Company which promotes greater commitment and aligns the interests of Participants with the interests of the Shareholders; and
- (e) to attract potential Employees with relevant skills to contribute to the Group and to create value for the Shareholders.

### 4. ELIGIBILITY

4.1 Subject to Rule 4.2, the following persons shall be eligible to participate in the Plan:

- (i) Employees who are confirmed full-time employees of the Group;
- (ii) Directors (including Executive Directors, Non-Executive Directors and independent Directors) of the Group; and
- (iii) Associates of Controlling Shareholders (provided that such Associates are not themselves also Controlling Shareholders), who meet the criteria in Rules 4.1(i) or 4.1(ii) above,

who, in the opinion of the Plan Committee, have contributed or will contribute to the success of the Group.

4.2 Participants must:

- (a) be confirmed in his/her employment with the Group;
- (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 any compositions with his/her creditors.

4.3 Notwithstanding Rule 4.1, persons who are Associates of Controlling Shareholders who meet the eligibility criteria in Rule 4.1(i) and 4.1(ii) above shall not be eligible to participate in the Plan unless the participation by each such Associate of a Controlling Shareholder and each grant of Awards to any one of them have been effected with the specific prior approval of independent Shareholders at a general meeting in separate resolutions for each such person.

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

4.5 Subject to the Companies Act and any applicable laws and regulations (including any requirement of the SGX-ST), the terms of eligibility for participation in the Plan may be amended from time to time at the absolute discretion of the Plan Committee.



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## **APPENDIX 2 – RULES OF THE TEE INTERNATIONAL PERFORMANCE SHARE PLAN 2016**

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### **5. LIMITATIONS UNDER THE PLAN**

5.1 The aggregate number of Shares over which Awards may be granted on any date under the Plan, when added to the total number of Shares issued and/or are issuable in respect of:

- (i) all Awards granted under the Plan;
- (ii) all Options granted under the Scheme; and
- (iii) all Shares, options or awards granted under any other share incentive schemes or share plans adopted by the Company and for the time being in force (if any),

shall not exceed 15% of the total number of issued Shares (excluding Treasury Shares) of the Company on the day preceding the relevant Date of Grant.

5.2 The aggregate number of Shares over which Awards may be granted under the Plan to Associates of Controlling Shareholders shall not exceed 25% of the total number of Shares available under the Plan, and the number of Shares over which an Award may be granted under the Plan to each Associate of a Controlling Shareholder shall not exceed 10% of the total number of Shares available under the Plan.

5.3 For the avoidance of doubt, the Plan Committee may, in its absolute discretion, decide not to grant such number of Awards under the Plan up to the limits prescribed in Rules 5.1 and 5.2.

5.4 Shares which are the subject of Awards which have lapsed for any reason whatsoever may be the subject of further Awards granted by the Plan Committee under the Plan.

### **6. DATE OF GRANT**

The Plan Committee may at its sole discretion grant Awards to any Participant at any time during the period when the Plan is in force, provided that in the event that an announcement on any matter of an exceptional nature involving unpublished price sensitive information is imminent, Awards may only be Vested and hence any Shares comprised in such Awards may only be delivered on or after the 2<sup>nd</sup> Market Day from the date on which the aforesaid announcement is made.

### **7. GRANT OF AWARDS**

7.1 Subject to Rules 4 and 5, the selection of the Participants and number of Shares which are the subject of each Award to be granted to a Participant in accordance with the Plan shall be determined at the absolute discretion of the Plan Committee, which shall take into account criteria such as, *inter alia*, the Participant's rank, scope of responsibilities, job performance, years of service, and potential for future development and contribution to the success of the Group.

7.2 In the case of a performance-related Award, the Performance Targets will be set by the Plan Committee depending on each individual Participant's job scope and responsibilities. The Performance Targets to be set shall take into account both the medium and long-term corporate objectives of the Group and the individual performance of the Participant and will be aimed at sustaining long-term growth. The corporate objectives shall cover market competitiveness, business growth and productivity growth. The Performance Targets could be based on criteria such as sales growth, growth in earnings and return on investment. In addition, 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 Shareholder value, amongst others, will be taken into account.

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## APPENDIX 2 – RULES OF THE TEE INTERNATIONAL PERFORMANCE SHARE PLAN 2016

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- 7.3 The Plan Committee shall, in its absolute discretion, decide in relation to an Award:
- (a) the Participant;
  - (b) the date on which the Award is to be granted;
  - (c) the number of Shares which are the subject of the Award;
  - (d) the prescribed service conditions and/or Performance Targets (including the Performance Periods during which the prescribed Performance Targets are to be satisfied) and/or any other basis on which the Award is to be granted;
  - (e) the Vesting Period;
  - (f) the extent to which Shares which are the subject of that Award shall be vested at the end of each prescribed Vesting Period or on the prescribed Performance Targets and/or service conditions, if any, being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be; and
  - (g) any other condition which the Plan Committee may determine in relation to that Award, including any restrictions against the disposal or sale of and/or other dealings in the Shares by the Participant.
- 7.4 The Plan Committee shall take into account various factors when determining the method to arrive at the exact number of Shares comprised in an Award. Such factors include, but are not limited to, the current price of the Shares, the total issued share capital of the Company and the predetermined dollar amount which the Plan Committee decides that a Participant deserves for meeting his Performance Targets. For example, Shares may be awarded based on predetermined dollar amounts such that the quantum of Shares comprised in Awards is dependent on the closing price of Shares transacted on the Market Day the Award is vested. Alternatively, the Plan Committee may decide absolute numbers of Shares to be awarded to Participants irrespective of the price of the Shares. The Plan Committee shall monitor the grant of Awards carefully to ensure that the size of the Plan will comply with the relevant rules of the Listing Manual.
- 7.5 An Award under the Plan represents the right of a Participant to receive fully paid Shares, their equivalent cash value or combination thereof, free of charge, upon the Participant:
- (a) achieving prescribed Performance Targets; and/or
  - (b) achieving service conditions or otherwise having performed well; and/or
  - (c) having made a significant contribution to the Group.
- 7.6 As soon as reasonably practicable after an Award is finalised by the Plan Committee, the Plan Committee shall send an Award letter to the Participant confirming the said Award. The said Award letter shall specify, *inter alia*, the following:
- (a) the date on which the Award is granted;
  - (b) the number of Shares which are the subject of the Award;
  - (c) in the case of a performance-related Award;
    - (i) the Performance Targets for the Participant;
    - (ii) the period during which the Performance Targets shall be met; and

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## APPENDIX 2 – RULES OF THE TEE INTERNATIONAL PERFORMANCE SHARE PLAN 2016

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- (iii) the extent to which Shares which are the subject of that Award shall be released on the Performance Targets being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the period during which the Performance Targets are to be met;
  - (d) the date by which the Award shall be Vested; and
  - (e) any other condition which the Plan Committee may determine in relation to that Award.
- 7.7 Awards are personal to the Participant to whom it is given and shall not be transferred (other than to a Participant's personal representative on the death of that Participant), charged, assigned, pledged or otherwise disposed of, in whole or in part, unless with the prior approval of the Plan Committee.

### 8. EVENTS PRIOR TO THE RELEASE OF AWARDS

- 8.1 An Award shall, to the extent not yet released, immediately lapse and become null and void in the following circumstances and the Participant shall have no claim whatsoever against the Company, its Directors or Employees:
  - (a) the Participant, being an Employee, ceasing for any reason whatsoever (whether by reason of wrongful dismissal or otherwise) to be in the employment of the Group;
  - (b) the Participant, being a Director, ceasing to be a Director, for any reason whatsoever;
  - (c) the misconduct or breach of term of his employment contract on the part of a Participant as determined by the Plan Committee in its absolute discretion;
  - (d) the bankruptcy of a Participant or the occurrence of any other event which would result in his being deprived of the legal or beneficial ownership of such Award;
  - (e) the Participant commits any breach of any of the terms of his Award;
  - (f) a winding-up of the Company; or
  - (g) the company by which he is employed ceasing to be a company within the Group, or the undertaking or part of the undertaking of such company being transferred otherwise than to another company within the Group.

For the purposes of Rules 8.1(a) and 8.1(b), a Participant shall be deemed to have ceased being so employed as of the date the notice of termination or resignation is given to him or tendered by him, as the case may be, unless such notice shall be withdrawn prior to its effective date. For the avoidance of doubt, no Award shall lapse pursuant to Rules 8.1(a) and 8.1(b) in the event of any transfer of employment of a Participant within the Group or upon the cessation of employment of a Executive Director who shall continue to serve as a Non-Executive Director, or other similar situations.

- 8.2 If a Participant ceases to be in the employment of the Group by reason of:
  - (a) ill health, injury or disability, in each case, as certified by a medical practitioner approved by the Plan Committee;
  - (b) redundancy;
  - (c) retirement at or after the legal retirement age;

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## APPENDIX 2 – RULES OF THE TEE INTERNATIONAL PERFORMANCE SHARE PLAN 2016

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- (d) retirement before that age with the consent of the Plan Committee;
- (e) the Subsidiary or Group Associated Company, by which he is principally employed and/or a director thereof, ceasing to be a company within the Group or the undertaking or part of the undertaking of such Subsidiary or Group Associated Company, being transferred otherwise than to another company within the Group; or
- (f) for any other reason approved in writing by the Plan Committee,

the Plan Committee may, at its absolute discretion, determine whether an Award held by such Participant, to the extent not yet released, shall lapse or that all or any part of such Award shall be preserved. If the Plan Committee determines that an Award shall lapse, then such Award shall lapse without any claim whatsoever against the Company, its Directors or Employees. If the Plan Committee determines that all or any part of an Award shall be preserved, the Plan Committee shall decide either to release some or all of the Shares which are the subject of the Award or to preserve all or part of any Award until the end of the relevant Performance Period (if any). In exercising its absolute discretion, the Plan Committee will have regard to all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that Participant and the extent to which the applicable Performance Targets and/or conditions has been satisfied.

### 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 offer being made for the Shares, a Participant shall (notwithstanding that the Vesting Period for the Award has not expired) be entitled to the Shares under the Awards if he has met the Performance Targets which fall within the period commencing on the date on which such offer for a take-over of the Company is made or, if such offer is conditional, the date on which the offer becomes or is declared unconditional, as the case may be, and ending on the earlier of:

- (a) the expiry of six (6) months thereafter, unless prior to the expiry of such six (6)-month period, at the recommendation of the offeror and with the approvals of the Plan 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 last date on which the Performance Targets are to be met); or
- (b) the date of expiry of the period for which the Performance Targets are to be met,

provided that if during such period, the offeror becomes entitled or bound to exercise the rights of compulsory acquisition of the Shares under any relevant regulatory provisions 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 Participant shall be obliged to fulfil such Performance Targets until the expiry of such specified date or the expiry date of the Performance Targets relating thereto, whichever is earlier, before an Award can be Vested.

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 who has fulfilled his Performance Target shall be entitled, notwithstanding the provision herein and the fact that the Vesting Period for such Award has not expired but subject to Rule 9.5, to any Shares under the Awards so determined by the Committee to be released to him during the period commencing on the date upon which the compromise or arrangement is sanctioned by the court and ending either on the expiry of sixty (60) days thereafter or the date upon which the compromise or arrangement becomes effective, whichever is later.

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 Awards, notwithstanding that they may have been so Vested shall be deemed or become null and void.

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## **APPENDIX 2 – RULES OF THE TEE INTERNATIONAL PERFORMANCE SHARE PLAN 2016**

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- 9.4 In the event of a members' voluntary winding-up (other than for amalgamation or reconstruction), the Awards shall so Vest in the Participant for so long as, in the absolute determination by the Committee, the Participant has met the Performance Targets prior to the date that the members' voluntary winding-up shall be deemed to have been commenced or effective in law.
- 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 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 payment of cash or by any other form of benefit, no release of Shares under the Award shall be made in such circumstances.

### **10. RELEASE OF AWARDS**

- 10.1 As soon as reasonably practicable after the end of each Performance Period, the Plan Committee shall review the Performance Targets specified in respect of that Award and determine whether they have been satisfied and, if so, the extent to which they have been satisfied (whether fully or partially) and the number of Shares to be released.
- 10.2 The Plan Committee shall have the discretion to determine whether Performance Targets have been met (whether fully or partially) or exceeded and/or whether the Participant's performance and/or contribution to the Group justifies the Vesting of an Award. In making any such determination, the Plan Committee shall have the right to make reference to the audited results of the Company or the Group, as the case may be, to take into account such factors as the Plan Committee may determine to be relevant, such as changes in accounting methods, taxes and extraordinary events, and further, the right to amend the Performance Targets if the Plan Committee decides that changed Performance Targets would be a fairer measure of performance.
- 10.3 Awards may only be Vested and consequently any Shares comprised in such Awards shall only be delivered upon the Plan Committee being satisfied that the Participant has achieved the Performance Targets.
- 10.4 Subject to the prevailing legislation and the provisions of the Listing Manual, the Company will deliver Shares to Participants upon Vesting of their Awards by way of an issue of New Shares or the transfer of existing Shares held as Treasury Shares to the Participants.
- 10.5 In determining whether to issue New Shares or to purchase existing Shares for delivery to Participants upon the vesting of their Awards, the Company will take into account factors such as (but not limited to) the number of Shares to be delivered, the prevailing Market Price of the Shares and the financial effect on the Company of either issuing New Shares or purchasing existing Shares.
- 10.6 The Plan Committee will procure, upon approval of the Board, the allotment or transfer to each Participant of the number of Shares which are to be released to that Participant pursuant to an Award under Rule 7. Any proposed issue of New Shares will be subject to there being in force at the relevant time the requisite Shareholders' approval under the Companies Act for the issue of Shares. Any allotment of New Shares pursuant to an Award will take into account the rounding of odd lots.
- 10.7 Where New Shares are to be allotted or any Shares are to be transferred to a Participant pursuant to the release of any Award, the Vesting Date will be a Market Day falling as soon as practicable after the review of the Plan Committee referred to in Rule 10.1. On the Vesting Date, the Plan Committee will procure the allotment or transfer to each Participant of the number of Shares so determined.
- 10.8 Where New Shares are to be allotted upon the Vesting of any Award, the Company shall, as soon as practicable after allotment, where necessary, apply to the SGX-ST for the permission to deal in and for quotation of such Shares on the Mainboard of the SGX-ST.

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## APPENDIX 2 – RULES OF THE TEE INTERNATIONAL PERFORMANCE SHARE PLAN 2016

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10.9 Shares which are allotted or transferred on the release of an Award to a Participant shall be issued in the name of, or transferred to, CDP to the credit of either:

- (a) the Securities Account of that Participant maintained with CDP;
- (b) the securities sub-account of that Participant maintained with a Depository Agent; or
- (c) the CPF investment account maintained with a CPF agent bank (if applicable),

in each case, as designated by that Participant. Until such issue or transfer of such Shares has been effected, that Participant shall have no voting rights nor any entitlements to dividends or other distributions declared or recommended in respect of any Shares which are the subject of the Award granted to him.

10.10 New Shares allotted and issued, and existing Shares held in treasury procured by the Company for transfer, on the release of an Award, shall be subject to all the provisions of the Constitution of the Company 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 issue of the New Shares or the date of transfer of Treasury Shares pursuant to the vesting of the Award, and shall in all other respects rank *pari passu* with other existing Shares then in issue.

10.11 Shares which are allotted, and/or Treasury Shares which are transferred, on the Vesting of an Award to a Participant, may be subject to such moratorium as may be imposed by the Plan Committee.

### 11. VARIATION OF CAPITAL

11.1 If a variation in the number of issued Shares of the Company (whether by way of a capitalisation of profits or reserves, or rights issue, or reduction, sub-division or consolidation or distribution, or otherwise howsoever) should take place, then:

- (i) the class and/or number of Shares which are the subject of an Award to the extent not yet Vested and the rights attached to them; and/or
- (ii) the class and/or number of Shares over which additional Awards may be granted under the Plan,

may be adjusted by the Plan Committee to give each Participant the same proportion of the equity capital of the Company as that to which he was previously entitled and, in doing so, the Plan Committee shall determine at its own discretion the manner in which such adjustment shall be made. 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.

11.2 Unless the Plan Committee considers an adjustment to be appropriate, the following (whether singly or in combination) shall not be regarded as events requiring adjustment:

- (a) any issue of securities as consideration for an acquisition or a private placement of securities;
- (b) any issue of securities pursuant to any joint venture;
- (c) any increase in the number of issued Shares as a consequence of the exercise of options or other convertible securities issued from time to time by the Company entitling holders thereof to subscribe for new Shares in the capital of the Company (including the vesting of any Awards granted pursuant to this Scheme);

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## **APPENDIX 2 – RULES OF THE TEE INTERNATIONAL PERFORMANCE SHARE PLAN 2016**

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- (d) any issue of Shares pursuant to any scrip dividend scheme for the time being of the Company; and
  - (e) any reduction in the number of issued Shares as a result of the cancellation of issued Shares purchased by the Company by way of market purchase(s) effected on SGX-ST pursuant to a share purchase mandate (or any renewal thereof) given by the Shareholders in general meeting and for the time being in force.
- 11.3 Notwithstanding the provisions of Rule 11.1, no such adjustment shall be made if as a result, the Participant receives a benefit that a Shareholder does not receive.
- 11.4 Upon any adjustment made pursuant to this Rule 11, the Company shall notify the Participant (or his duly appointed personal representatives where applicable) in writing informing him (or his duly appointed personal representatives where applicable) of the class and/or number of Shares thereafter to be issued or transferred on the vesting of an Award. Any adjustment shall take effect upon such written notification being given.

### **12. ADMINISTRATION OF THE PLAN**

- 12.1 The Plan shall be administered by the Plan Committee in its absolute discretion with such powers and duties as may be conferred on it by the Board, provided that a member of the Plan Committee who is a Participant shall abstain from deliberation in respect of Awards granted or to be granted to him.
- 12.2 The Plan Committee shall have the power, from time to time, to make or vary such regulations (not being inconsistent with the Plan) for the implementation and administration of the Plan as it thinks fit including, but not limited to:
- (a) imposing restrictions on the number of Awards that may be Vested within each financial year; and
  - (b) amending Performance Targets if by so doing, it would be a fairer measure of performance for a Participant or for the Plan as a whole.
- 12.3 Neither the Plan nor the grant of Awards under the Plan shall impose on the Company or the Plan Committee any liability whatsoever in connection with:
- (a) the lapsing of any Awards pursuant to any provision of the Plan;
  - (b) the failure or refusal by the Plan Committee to exercise, or the exercise by the Plan Committee of, any discretion under the Plan; and/or
  - (c) any decision or determination of the Plan Committee made pursuant to any provision of the Plan.
- 12.4 Any decision of the Plan Committee made pursuant to any provision of the Plan (other than a matter to be certified by the Auditors) shall be final and binding (including any decisions pertaining to the number of Shares to be Vested) or to disputes as to the interpretation of the Plan or any rule, regulation, procedure thereunder or as to any rights under the Plan.

### **13. NOTICES**

- 13.1 Any notice required to be given by a Participant to the Company shall be sent or made to the registered office of the Company or such other address as may be notified by the Company to him in writing.

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## **APPENDIX 2 – RULES OF THE TEE INTERNATIONAL PERFORMANCE SHARE PLAN 2016**

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13.2 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 Plan Committee (or such person or persons as it may from time to time direct) on behalf of the Company and shall be delivered to him by (a) hand or sent to him at his home address according to the records of the Company and if sent by post, shall be deemed to have been given on the day following the date of posting, or (b) via an electronic copy to his email address according to the records of the Company.

### **14. MODIFICATIONS TO THE PLAN**

14.1 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 Plan Committee, except that:

- (a) any modification or alteration which shall alter adversely the rights attaching to any Award granted prior to such modification or alteration and which in the opinion of the Plan Committee, materially alters the rights attaching of any Award granted prior to such modification or alteration may only be made with the consent in writing of such number of Participants who, if their Awards were released to them in full, would thereby become entitled to Shares representing not less than three-quarters of the total voting rights (or such other requirements as may be prescribed by the SGX-ST) of all the Shares which would be allotted upon release in full of all 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, whereby Shareholders who are also holders of Awards shall be required to abstain from voting in respect of any resolution relating to such modification or alteration; and
- (c) no modification or alteration shall be made without the prior approval of the SGX-ST (as the case may be) or (if required) any other stock exchange on which the Shares are quoted and listed, and such regulatory authorities as may be necessary.

For the purposes of this Rule 14.1, the opinion of the Plan Committee as to whether any modification or alteration would alter adversely the rights attaching to any Award shall be final and conclusive.

14.2 Notwithstanding anything to the contrary contained in Rule 14, the Plan Committee may, at any time, by resolution (and without any other formality save for the approval of the SGX-ST, if required or such other regulatory authorities as may be 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 or such other regulatory authorities as may be necessary).

14.3 Written notice, in the manner set out in Rule 13, of any modification or alteration made in accordance with this Rule 14 shall be given to all Participants.

### **15. TERMS OF EMPLOYMENT UNAFFECTED**

15.1 The Plan or Award shall not form part of any contract of employment between any member of the Group and any Participant, and the rights and obligations of any individual under the terms of the office or employment with such company within the Group shall not be affected by his participation in the Plan or any right which he may have to participate in it or any Award which he may hold and the Plan or any Award shall afford such an individual no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason whatsoever.



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## **APPENDIX 2 – RULES OF THE TEE INTERNATIONAL PERFORMANCE SHARE PLAN 2016**

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15.2 The Plan shall not confer on any person any legal or equitable rights (other than those constituting the Awards themselves) against any member of the Group, directly or indirectly, or give rise to any cause of action at law or in equity against any member of the Group.

### **16. DURATION OF THE PLAN**

16.1 The Plan shall continue to be in force at the discretion of the Plan Committee, subject to a maximum duration of ten (10) years commencing on the Adoption Date. Subject to compliance with any applicable laws and regulations in Singapore, the Plan 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.

16.2 The Plan may be terminated at any time by the Plan Committee or by ordinary resolution of the Shareholders at a general meeting subject to all other relevant approvals which may be required and if the Plan is so terminated, no further Awards shall be offered by the Company hereunder.

16.3 Notwithstanding the expiry or termination of the Plan, any Awards made to Participants prior to such expiry or termination will continue to remain valid.

### **17. TAXES**

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

### **18. COSTS AND EXPENSES OF THE PLAN**

18.1 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 Awards 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.

18.2 Save for the taxes referred to in Rule 17 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, or transfer, of Shares pursuant to the release of any Awards shall be borne by the Company.

### **19. CONDITION OF AWARDS**

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

### **20. DISCLAIMER OF LIABILITY**

Notwithstanding any provisions herein contained and subject to the Companies Act, the Board, the Plan Committee and the Company shall not, under any circumstances, be held liable for any costs, losses, expenses and damages whatsoever and howsoever arising in respect of any matter under or in connection with the Plan, including but not limited to the Company's delay in issuing, or procuring the transfer of, the Shares or applying for or procuring the listing of the New Shares on the SGX-ST (or any other relevant stock exchange on which the Shares are quoted or listed).

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## APPENDIX 2 – RULES OF THE TEE INTERNATIONAL PERFORMANCE SHARE PLAN 2016

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### 21. DISCLOSURE IN ANNUAL REPORT

The Company shall make the following disclosures (as applicable) in its annual report for so long as the Plan continues in operation:

- (i) the names of the members of the Plan Committee administering the Plan;
  - (ii) in respect of the following Participants:
    - a. Participants who are Directors of the Company;
    - b. Participant who are Associates of Controlling Shareholders; and
    - c. Participants, other than those in sub-paragraphs (a) and (b) above, who have received Shares pursuant to the vesting of Awards granted under the Plan which, in aggregate, represent 5% or more of the aggregate of:
      - i. the total number of new Shares issued or issuable under the Plan; and
      - ii. the total number of existing Shares delivered or deliverable under the Plan,the following information:
      - i. the name of the Participant;
      - ii. the aggregate number of Shares comprised in Awards which have been granted to such Participant during the financial year under review;
      - iii. the aggregate number of Shares comprised in Awards which have been granted to such Participant since the commencement of the Plan to the end of the financial year under review;
      - iv. the aggregate number of Shares comprised in Awards which have been issued and/or transferred to such Participants pursuant to the Vesting of Awards under the Plan during the financial year under review and in respect of such Awards, the proportion of:
        - 1. new Shares issued; and
        - 2. existing Shares purchased for delivery, including the range of prices at which such Shares have been purchased, upon the Vesting of the Awards;
    - i. the aggregate number of Shares comprised in Awards which have not been released as at the end of the financial year under review; and
    - ii. the following particulars relating to Awards released under the Plan:
      - 1. the number of new Shares issued to such Participant during the financial year under review; and
      - 2. the number of existing Shares transferred to such Participant during the financial year under review; and
- (iii) such other information as may be required by the Listing Manual or the Companies Act,

provided that if any of the above requirements is not applicable, an appropriate negative statement shall be included in the annual report.

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## **APPENDIX 2 – RULES OF THE TEE INTERNATIONAL PERFORMANCE SHARE PLAN 2016**

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### **22. ABSTENTION FROM VOTING**

Shareholders who are eligible to participate in the Plan are to abstain from voting on any Shareholders' resolution relating to the Plan, including any resolution relating to (a) the implementation of the Plan; and (b) the participation by and grant of Awards to Associates of Controlling Shareholders.

### **23. DISPUTES**

Any disputes or differences of any nature arising hereunder shall be referred to the Plan Committee and its decision shall be final and binding in all respects.

### **24. GOVERNING LAW**

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

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### TEE INTERNATIONAL LIMITED

(Company Registration No. 200007107D)

(Incorporated in the Republic of Singapore)

**NOTICE IS HEREBY GIVEN** that an Extraordinary General Meeting (the “**EGM**”) of TEE INTERNATIONAL LIMITED (the “**Company**”) will be held on 27 September 2016 at 3.00 p.m. (or as soon thereafter following the conclusion or adjournment of the annual general meeting of the Company to be held at 2.30 p.m. on the same day and at the same place) at Albizia Room, Level 2, Jurong Country Club, 9 Science Centre Road, Singapore 609078 for the purpose of considering and, if thought fit, passing with or without any modifications, the following ordinary resolutions:

*All capitalised terms used in this Notice of EGM which are not defined herein shall, unless the context otherwise requires, have the same meanings ascribed to them in the Circular to shareholders of the Company dated 9 September 2016.*

#### **ORDINARY RESOLUTION 1: THE PROPOSED ADOPTION OF THE TEE INTERNATIONAL EMPLOYEE SHARE OPTION SCHEME 2016 (THE “SCHEME”)**

THAT:-

- (a) an employee share option scheme to be known as the “TEE International Employee Share Option Scheme 2016” (the “**Scheme**”), under which options (the “**Options**”) will be granted to such persons to subscribe for ordinary shares in the capital of the Company (the “**Shares**”) on such terms and conditions and in accordance with such rules as set out in the Company’s circular to Shareholders dated 9 September 2016 (the “**Circular**”), be and is hereby approved and adopted;
- (b) the directors of the Company (the “**Directors**”), and/or such committee comprising Directors duly authorised and appointed by the Board of the Company to administer the Scheme, be and are hereby authorised:
  - (i) to establish and administer the Scheme;
  - (ii) to modify and/or amend the Scheme from time to time provided that such modifications and/or amendments are effected in accordance with the Scheme Rules and to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the Scheme;
  - (iii) to offer and grant Options in accordance with the Scheme Rules and to allot and issue or deliver from time to time such number of new Shares (or treasury shares) required pursuant to the exercise of the Options under the Scheme (provided that the aggregate number of Shares available pursuant to the Scheme, the Plan (as defined below) and any other share-based schemes of the Company, shall not exceed 15% of the total number of issued Shares of the Company from time to time); and
  - (iv) to complete and do all acts and things (including executing such documents as may be required) as they may consider necessary, desirable or expedient to give effect to or for the purposes of this resolution or as they shall deem fit in the interests of the Company.

#### **ORDINARY RESOLUTION 2: THE PROPOSED GRANT OF OPTIONS AT A DISCOUNT UNDER THE SCHEME**

THAT subject to and contingent upon the passing of Ordinary Resolution 1, approval be and is hereby given for Options to be granted under the Scheme with Exercise Prices set at a discount not exceeding 20% of the Market Price for the Shares at the time of the grant of the Option (such Market Price to be determined in accordance with the Scheme Rules), provided that such discount does not exceed the relevant limits set by the Singapore Exchange Securities Trading Limited from time to time.

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### **ORDINARY RESOLUTION 3: THE PROPOSED ADOPTION OF THE TEE INTERNATIONAL PERFORMANCE SHARE PLAN 2016 (THE “PLAN”)**

THAT:-

- (a) a performance share plan to be known as the “TEE International Performance Share Plan 2016” (the “**Plan**”), under which awards (the “**Awards**”) of fully-paid Shares will be granted on such terms and conditions and in accordance with the Plan Rules, be and is hereby approved and adopted;
- (b) the Directors, and/or such committee comprising Directors duly authorised and appointed by the Board of the Company to administer the Plan, be and are hereby authorised:
  - (i) to establish and administer the Plan;
  - (ii) to modify and/or amend the Plan from time to time provided that such modifications and/or amendments are effected in accordance with the Plan Rules and to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the Plan;
  - (iii) to offer and grant Awards in accordance with the Plan Rules and to allot and issue or deliver from time to time such number of new Shares (or treasury shares) required pursuant to the vesting of the Awards under the Plan (provided that the aggregate number of Shares available pursuant to the Plan, the Scheme and any other share-based schemes of the Company, shall not exceed 15% of the total number of issued Shares of the Company from time to time); and
  - (iv) to complete and do all acts and things (including executing such documents as may be required) as they may consider necessary, desirable or expedient to give effect to or for the purposes of this resolution or as they shall deem fit in the interests of the Company.

### **ORDINARY RESOLUTION 4: THE PROPOSED PARTICIPATION OF MR. PHUA BOON KIN, AN ASSOCIATE OF MR. PHUA CHIAN KIN, A CONTROLLING SHAREHOLDER OF THE COMPANY, IN EACH OF THE SCHEME AND THE PLAN**

THAT subject to and contingent upon the passing of Ordinary Resolutions 1, 2 and 3, approval be and is hereby given for the participation of Mr. Phua Boon Kin, an Associate of Mr. Phua Chian Kin, a Controlling Shareholder of the Company, in the Scheme and/or the Plan.

By Order of the Board

**Ms. Yeo Ai Mei**  
**Ms. Lynn Wan Tiew Leng**  
Company Secretaries

Singapore  
9 September 2016

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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**Notes:**

1. A member of the Company entitled to attend and vote at EGM is entitled to appoint not more than two (2) proxies to attend and vote on his/her behalf. A proxy need not be a member of the Company.
2. If the appointor is a corporation, the Proxy Form must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
3. The instrument appointing a proxy must be deposited at the office of The Central Depository (Pte) Limited at 11 North Buona Vista Drive #06-07, The Metropolis Tower 2, Singapore 138589, not less than 48 hours before the time appointed for the EGM. The completion and return of the proxy form by a member will not prevent him from attending and voting in person at the EGM if he so wishes. In such event, the relevant Proxy Form will be deemed to be revoked.

**Personal data privacy:**

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



## IMPORTANT NOTES

1. If you have ordinary shares in the Company entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Cap. 289 of Singapore), you should insert that number of ordinary shares. If you have ordinary shares in the Company registered in your name in the Register of Members, you should insert that number of ordinary shares. If you have ordinary shares entered against your name in the Depository Register and ordinary shares registered in your name in the Register of Members, you should insert the aggregate number of ordinary shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the Proxy Form shall be deemed to relate to all the ordinary shares held by you.
2. With the exception of the relevant intermediary<sup>1</sup> (who may appoint more than two proxies), a member of the Company entitled to attend, speak and vote at the Meeting of the Company is entitled to appoint not more than two proxies to attend, speak and vote in his stead.
3. A proxy need not be a member of the Company.
4. Where a member appoints two proxies, the appointments shall be valid only if he specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy. In the case of a joint appointment of two proxies, the Chairman of the Meeting ("Chairman") will be a member's proxy by default if either or both of the proxies appointed does/do not attend the Meeting. In the case of an appointment of two proxies in the alternative, the Chairman will be a member's proxy by default if both of the proxies appointed do not attend the Meeting. In the case where the appointment of proxy/proxies is left blank, the Chairman will be a member's proxy by default.
5. The Proxy Form must be lodged at the office of The Central Depository (Pte) Limited at 11 North Buona Vista Drive #06-07, The Metropolis Tower 2, Singapore 138589, **not less than 48 hours before the time appointed for the Meeting.**
6. The Proxy Form must be signed under the hand of the appointer or of his attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its common seal or under the hand of an officer or attorney duly authorised.
7. Where an instrument appointing a proxy or proxies is signed on behalf of the appointer by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.
9. The submission of an instrument or form appointing a proxy by a member does not preclude him from attending and voting in person at the Meeting if he so wishes.

## GENERAL:

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

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<sup>1</sup> "Relevant intermediary" means:

- (i) a banking corporation licensed under the Banking Act (Cap. 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
- (ii) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) and who holds shares in that capacity; or
- (iii) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.