

Supplementary Information: ST Engineering's Share Plans 2010

Performance Share Plan (PSP2010) and Restricted Share Plan (RSP2010)

The PSP2010 and RSP2010 were approved and adopted by shareholders at the EGM held in April 2010. As approved at the EGM, the maximum limit for share awards was reduced from 15% to 8%. It was also decided that the ST Engineering Share Option Plan would not be renewed.

According to the information provided on pages 132-133 of our 2018 Annual Report, the aggregate awards (both released and not released) and conditional awards under both plans since commencement to end of financial year 2018 amount to 50,890,214. This represents 1.6% of the outstanding issued shares as at the end of financial year 2018. The aggregate awards released since commencement to end of financial year 2018 amount to 30,198,270, representing 1.0% of the outstanding issued shares as at the end of financial year 2018.

The PSP2010 and RSP2010 share plans will expire in April 2020. Yearly share grants under the PSP2010 and RSP2010 do not exceed the internal annual limit of 1% of the total number of issued shares of the Company, set by the Executive Resource and Compensation Committee, and we expect the aggregate awards and conditional awards under both plans (both released and not released), including the last tranche to be granted in 1st half 2020, to remain well below 5%. The intention is for new/renewed share plans to be put up for shareholders' approval at the AGM in 2020.

With reference to the 2018 Annual Report, we have made changes to our executive remuneration structure after an extensive review done jointly with our independent remuneration consultant (Aon Hewitt Pte Ltd) to ensure market competitiveness and alignment with global companies' best practices. The review was also to ensure that remuneration paid to employees continue to be strongly linked to business achievements and individual performance.

With effect from 2018, the RSP share grants are still subject to individual performance and incorporate a time-based service condition with equal vesting over four years. In addition, for PSP share grants we have introduced earnings per share growth as a performance measure to drive sustainable earnings growth. For more information on our remuneration structure, please refer to pages 101-103 of the 2018 Annual Report.

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