

# Letter to Shareholders

## UNITED OVERSEAS BANK LIMITED

(Incorporated in the Republic of Singapore)

Company Registration No. 193500026Z

### Directors:

Mr Wong Kan Seng (*Chairman and Independent Director*)  
Mr Wee Ee Cheong (*Deputy Chairman, Chief Executive Officer and Executive, Non-independent Director*)  
Mr Michael Lien Jown Leam (*Non-executive, Non-independent Director*)  
Mr Alvin Yeo Khirn Hai (*Independent Director*)  
Mr Wee Ee Lim (*Non-executive, Non-independent Director*)  
Mr Steven Phan Swee Kim (*Independent Director*)  
Dr Chia Tai Tee (*Independent Director*)  
Mrs Tracey Woon Kim Hong (*Independent Director*)  
Mr Dinh Ba Thanh (*Independent Director*)  
Ms Teo Lay Lim (*independent Director*)

### Registered Office:

80 Raffles Place  
UOB Plaza  
Singapore 048624

23 March 2022

To: The Shareholders of United Overseas Bank Limited

Dear Sir/Madam

## 1. Introduction

1.1 **Notice of 2022 AGM.** We refer to:

- (a) the Notice of Annual General Meeting (**Notice**) of United Overseas Bank Limited (**Company**) dated 23 March 2022 convening the 80<sup>th</sup> Annual General Meeting of the Company to be held on 21 April 2022 (**2022 AGM**);
- (b) Ordinary Resolution No. 12 relating to the proposed renewal of the Share Purchase Mandate (as defined below, as proposed in the Notice); and
- (c) Ordinary Resolution No. 13 relating to the proposed alterations to the UOB Restricted Share Plan (as proposed in the Notice).

1.2 **Letter to Shareholders.** The purpose of this Letter is to provide shareholders of the Company (**Shareholders**) with information relating to Ordinary Resolution Nos. 12 and 13 proposed in the Notice (collectively, the Proposals).

1.3 **SGX-ST.** The Singapore Exchange Securities Trading Limited (**SGX-ST**) takes no responsibility for the accuracy of any statements or opinions made or reports contained in this Letter.

1.4 **Advice to Shareholders.** Shareholders who are in any doubt as to the course of action they should take should consult their stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

1.5 **Legal Adviser.** Allen & Gledhill LLP is the legal adviser to the Company in relation to the proposed alterations to the UOB Restricted Share Plan.

## 2. The Proposed Renewal of the Share Purchase Mandate

2.1 **Background.** The mandate (**Share Purchase Mandate**) enabling the Company to purchase or otherwise acquire issued ordinary shares in the capital of the Company (**Shares**) was first approved by Shareholders on 29 April 2004 and was last renewed at the 79<sup>th</sup> Annual General Meeting held on 30 April 2021 (**2021 Share Purchase Mandate**).

The 2021 Share Purchase Mandate will expire on the date of the forthcoming 2022 AGM to be held on 21 April 2022. The approval of Shareholders is being sought for the renewal of the Share Purchase Mandate at the 2022 AGM.

2.2 **Rationale for the Proposed Renewal of the Share Purchase Mandate.** The proposed renewal of the Share Purchase Mandate would give the Company the flexibility to undertake the purchase or acquisition of its issued Shares as and when appropriate to:

- (a) manage the capital structure of the Company, with a view to achieving an efficient capital mix;
- (b) manage surplus capital, such that surplus capital and funds which are in excess of the Company's requirements may be returned to Shareholders in an expedient and cost-efficient manner; and
- (c) improve return on equity, which is one of the key objectives of the Company.

The issued Shares purchased or acquired pursuant to the Share Purchase Mandate may be held as treasury shares, which may be used for the purposes of any share scheme as may be implemented by the Company from time to time.

The Share Purchase Mandate will be exercised by the Directors only in circumstances where it is considered to be in the best interests of the Company. No purchase or acquisition of Shares will be made in circumstances which would or is likely to have a material adverse effect on the financial position of the Company and its subsidiaries (**Group**).

2.3 **Authority and Limits on the Share Purchase Mandate.** The authority and limits on the Share Purchase Mandate, if renewed at the 2022 AGM, are summarised below:

(a) **Maximum Number of Shares**

The total number of Shares that may be purchased or acquired by the Company pursuant to the Share Purchase Mandate is limited to that number of Shares representing not more than five per cent of the total number of issued Shares as at the date of the 2022 AGM at which this renewal of the Share Purchase Mandate is approved (**Approval Date**). Only Shares which are issued and fully paid-up may be purchased or acquired by the Company. The Shares which are held as treasury shares and subsidiary holdings (as defined in the Listing Manual of the SGX-ST (**Listing Manual**)) will be disregarded for the purposes of computing the five per cent limit.

As at 24 February 2022 (**Latest Practicable Date**), the Company had 1,671,990,453 Shares, excluding treasury shares, and no subsidiary holdings.

While the Share Purchase Mandate would authorise the purchase or acquisition of Shares up to the five per cent limit, Shareholders should note that the Company may not necessarily purchase or acquire or be able to purchase or acquire the full five per cent of its issued Shares (excluding treasury shares and subsidiary holdings) as authorised, or at all. In particular, no purchase or acquisition of the Shares would be made in circumstances which would have or may have a material adverse effect on the financial position of the Company.

(b) **Duration of Authority**

Purchases or acquisitions of Shares may be made, at any time and from time to time, on and from the Approval Date up to:

- (i) the date on which the next annual general meeting of the Company is held or required by law to be held;
- (ii) the date on which the purchases or acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated; or
- (iii) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied by the Company in a general meeting,

whichever is the earliest.

(c) **Manner of Purchase or Acquisition of Shares**

Purchases or acquisitions of Shares may be made by:

- (i) on-market purchases (**Market Purchases**) transacted on the SGX-ST, through one or more duly licensed dealers appointed by the Company for the purpose; and/or
- (ii) off-market purchases (**Off-Market Purchases**) effected otherwise than on a stock exchange, in accordance with an equal access scheme or schemes.

The purchases or acquisitions in connection with or in relation to any equal access scheme or schemes may be subject to such terms and conditions as the Directors may consider fit in the interests of the Company provided that such terms and conditions are not inconsistent with the relevant provisions of the Share Purchase Mandate, the Listing Manual and the Companies Act 1967 (**Companies Act**).

Off-Market Purchases must satisfy all the following conditions:

- (I) offers for the purchase or the acquisition of Shares shall be made to every person who holds Shares to purchase or to acquire the same percentage of their Shares;
- (II) all of those persons shall be given a reasonable opportunity to accept the offers made; and
- (III) the terms of the offers shall be the same, except that:
  - a. differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements; and
  - b. differences in the offers introduced solely to ensure that each person is left with a whole number of Shares,shall be disregarded.

If the Company wishes to make an Off-Market Purchase in accordance with an equal access scheme, it will issue an offer document containing at least the following information:

- (I) the terms and conditions of the offer;
- (II) the period and procedures for acceptances; and
- (III) the information required under Rules 883(2), (3), (4), (5) and (6) of the Listing Manual.

(d) **Maximum Purchase Price**

The purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) to be paid for a Share will be determined by the Directors. The purchase price to be paid for the Shares, as determined by the Directors, must not exceed 105 per cent of the Average Closing Price of the Shares, whether they are a Market Purchase or an Off-Market Purchase, in either case, excluding related expenses of the purchase or acquisition (**Maximum Price**).

For the above purposes:

**Average Closing Price** means the average of the last dealt prices of the Shares over the five consecutive market days on which the Shares were transacted on the SGX-ST immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted in accordance with the Listing Manual for any corporate action which occurs during the relevant five-day period and the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase; and

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

(e) **No Purchases during Certain Periods**

While the Listing Manual does not expressly prohibit any purchase or acquisition of shares by a listed company during any particular time or times, the Company will not undertake any purchase or acquisition of Shares pursuant to the proposed Share Purchase Mandate at any time after a price sensitive development has occurred or has been the subject of a decision until the price sensitive information has been publicly announced. In particular, the Company will not purchase or acquire any Shares through Market Purchases or Off-Market Purchases during the period of one month immediately preceding the announcement of the Company's half year and full year financial statements. The Company will also not purchase or acquire any Shares through Market Purchases or Off-Market Purchases during the period of two weeks immediately preceding the announcement of the Company's voluntary quarterly business updates for the first and third quarters of each financial year.

2.4 **Source of Funds.** The Companies Act permits the Company to purchase or acquire its own Shares out of capital, as well as from its distributable profits.

The Company intends to use its internal sources of funds to finance its purchase or acquisition of the Shares. The Directors do not propose to exercise the Share Purchase Mandate in a manner and to such extent that the liquidity and capital of the Group would be materially adversely affected.

2.5 **Reporting Requirements.** Pursuant to Rule 886 of the Listing Manual, the Company will report to the SGX-ST of any purchase or acquisition of Shares under the proposed Share Purchase Mandate as follows:

- (a) in the case of a Market Purchase, by 9:00am on the market day following the day on which it purchased the Shares; and
- (b) in the case of an Off-Market Purchase, by 9:00am on the second market day after the close of acceptances of the offer.

The announcement shall include, *inter alia*, details of the maximum number of Shares authorised for purchase, the date of purchase, the total number of Shares purchased, the number of Shares cancelled, the number of Shares held as treasury shares, the purchase price per Share or the highest and lowest prices paid for such Shares (as applicable), the total consideration (including stamp duties and clearing charges) paid or payable for the Shares, the cumulative number of Shares purchased to date, the number of issued Shares excluding treasury shares and subsidiary holdings after the purchase, the number of treasury shares held after the purchase and the number of subsidiary holdings after the purchase.

2.6 **Status of Purchased Shares.** Under the Companies Act, Shares purchased or acquired by the Company shall be deemed cancelled immediately upon purchase or acquisition (and all rights and privileges attached to the Shares will expire on cancellation) unless such Shares are held by the Company as treasury shares. Accordingly, in the event that the purchased Shares are cancelled, the total number of issued Shares will be reduced by the number of Shares so cancelled.

Depending on the needs of the Company, the Directors will decide whether the Shares purchased will be cancelled or kept as treasury shares, or partly cancelled and partly kept as treasury shares.

2.7 **Treasury Shares.** The Shares purchased or acquired may be held or dealt with as treasury shares. Some of the provisions on treasury shares under the Companies Act are summarised below:

(a) **Maximum Holdings**

The number of Shares held as treasury shares cannot at any time exceed 10 per cent of the total number of Shares. For this purpose, any Shares that are held by subsidiaries in the circumstances referred to in Sections 21(4B) and 21(6C) of the Companies Act shall be included in computing the 10 per cent limit.

(b) **Voting and Other Rights**

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

In addition, treasury shares are not entitled to dividends or other distribution of the Company's assets but fully-paid bonus shares may be allotted in respect of treasury shares and such bonus shares shall be treated for the purposes of the Companies Act as if they were purchased by the Company at the time they were allotted. Accordingly, such bonus shares may be held as treasury shares or dealt with in the manner described in paragraphs 2.7(c)(i) to 2.7(c)(v) below. A subdivision or consolidation of any treasury share is also allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

(c) **Disposal and Cancellation**

Where Shares purchased or acquired by the Company are held as treasury shares, the Company may at any time but subject always to the Singapore Code on Take-overs and Mergers (**Take-over Code**):

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

Under Rule 704(28) of the Listing Manual, an immediate announcement containing, *inter alia*, the following details must be made in respect of any sale, transfer, cancellation and/or use of the treasury shares (each, an **event**):

- (I) date and purpose of event;
- (II) number and value of treasury shares involved in the event;
- (III) number of treasury shares involved before and after the event; and
- (IV) percentage of the number of treasury shares against the total number of shares (of the same class as the treasury shares) which are listed on SGX-ST before and after the event.

2.8 **Financial Effects.** The financial effects on the Company and the Group arising from purchases or acquisitions of Shares which may be made pursuant to the proposed Share Purchase Mandate will depend on, *inter alia*, whether the Shares are purchased or acquired out of profits and/or capital of the Company, the aggregate number of Shares purchased or acquired and the consideration paid at the relevant time, and whether the Shares purchased or acquired are held in treasury or cancelled. The financial effects on the Group for the financial year ended 31 December 2021 are based on the assumptions set out below.

(a) **Purchase or Acquisition out of Capital or Profits**

Under the Companies Act, purchases or acquisitions of Shares by the Company may be made out of the Company's profits and/or capital so long as the Company is solvent.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, the amount available for the distribution of dividends by the Company will not be reduced.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration will correspondingly reduce the amount available for the distribution of dividends by the Company.

(b) **Number of Shares Acquired or Purchased**

The maximum number of Shares which can be purchased by the Company will depend on the number of Shares, excluding treasury shares and subsidiary holdings, of the Company as at the Approval Date.

Purely for illustrative purposes, on the basis of 1,671,990,453 Shares in issue, excluding treasury shares and subsidiary holdings, as at the Latest Practicable Date, and assuming that on or prior to the 2022 AGM (i) no further Shares are issued, (ii) no further Shares are purchased or acquired by the Company, or held as treasury shares, and (iii) no Shares are held as subsidiary holdings, not more than 83,599,522 Shares (representing five per cent of the Shares in issue, excluding treasury shares and subsidiary holdings, as at that date) may be purchased or acquired by the Company pursuant to the proposed Share Purchase Mandate.

(c) **Maximum Price Paid for Shares Acquired or Purchased**

Assuming that the Company purchases or acquires the maximum number of Shares, or 83,599,522 Shares, at the Maximum Price, the amount of funds required is approximately S\$2,855,759,672 based on S\$34.16 for one Share (being the price equivalent to five per cent above the Average Closing Price of the Shares immediately preceding the Latest Practicable Date) whether it is a Market Purchase or an Off-Market Purchase.

(d) **Illustrative Financial Effects**

For illustrative purposes only, on the basis of the assumptions set out in paragraphs 2.8(b) and 2.8(c), as well as the following:

- (i) the Share Purchase Mandate had been effective on 1 January 2021 and the Company had on 1 January 2021 purchased 83,599,522 Shares (representing five per cent of the total Shares in issue as at the Latest Practicable Date, excluding the Shares held in treasury and subsidiary holdings); and
- (ii) the purchase consideration was funded by the Company from excess funds deployed in the inter-bank market with an effective pre-tax yield of 0.30 per cent, being the inter-bank one-month offer rate as at 24 February 2022, and at the tax rate of 17 per cent,

the financial effects on the audited financial accounts of the Group for the financial year ended 31 December 2021 are set out below:

	Before Share purchases	After Share purchases <sup>(1)</sup>
Total Shareholders' equity (S\$'millions)	42,633	39,770
Number of issued and paid-up Shares ('000)	1,671,990	1,588,390
Weighted average number of issued and paid-up Shares ('000)	1,674,312	1,590,712
Net profit attributable to Shareholders (S\$'millions)	4,075	4,067
<b>Financial Ratios</b>		
Net Asset Value per Share (S\$) <sup>(2)</sup>	24.08	23.54
Earnings per Share – Basic (S\$) <sup>(3)</sup>	2.39	2.51
Return on Equity (%) <sup>(3)</sup>	10.2	10.9
Capital Adequacy Ratio (%)		
– Common Equity Tier 1	13.5	12.4
– Tier 1	14.4	13.3
– Total	16.6	15.6

**Notes:**

- (1) The above financial effects remain the same irrespective of whether:
  - (a) the purchases of Shares are effected out of capital or profits; and
  - (b) the Shares repurchased are held in treasury or cancelled.
- (2) Capital securities are excluded from the computation.
- (3) Calculated based on profit attributable to equity holders of the Company net of capital securities distributions.

The financial effects set out above are for illustrative purposes only. Although the Share Purchase Mandate would authorise the Company to purchase or acquire up to five per cent of the issued Shares (excluding the Shares held in treasury and subsidiary holdings), the Company may not necessarily purchase or acquire or be able to purchase or acquire any or all of the five per cent of the issued Shares (excluding the Shares held in treasury and subsidiary holdings). In addition, the Company may cancel all or part of the Shares repurchased and/or hold all or part of the Shares repurchased as treasury shares.

The Company will take into account both financial and non-financial factors (for example, stock market conditions and the performance of the Shares) in assessing the relative impact of a purchase or acquisition of Shares before execution.

- 2.9 **Details of Shares Purchased in the last 12 months.** The Company had repurchased 4,900,000 Shares at a total consideration of S\$129,350,151 in the 12 months preceding the Latest Practicable Date. The highest price paid and lowest price paid were S\$28.17 and S\$25.29 respectively.
- 2.10 **Listing Status of the Shares.** The Listing Manual requires a listed company to ensure that at least 10 per cent of the total number of issued shares (excluding preference shares, convertible equity securities and treasury shares) in a class that is listed be held by public shareholders. The “public”, as defined in the Listing Manual, refers to persons other than the directors, chief executive officer, substantial shareholders or controlling shareholders of a listed company and its subsidiaries, as well as associates (as defined in the Listing Manual) of such persons. As at the Latest Practicable Date, 1,266,175,349 Shares, or approximately 76 per cent of the total Shares (excluding the Shares held in treasury and subsidiary holdings), were held by public shareholders. Assuming the Company had purchased or acquired Shares from the public up to the full five per cent limit pursuant to the proposed Share Purchase Mandate on the Latest Practicable Date and these Shares had been held as treasury shares, the number of issued Shares held by public shareholders would be reduced to 1,182,575,827 Shares, or approximately 74 per cent of the total Shares (excluding the Shares held in treasury and subsidiary holdings).

Accordingly, the Company is of the view that there is a sufficient number of Shares in issue held by public shareholders which would permit the Company to purchase or acquire its Shares through Market Purchases up to the full five per cent limit pursuant to the Share Purchase Mandate without affecting the listing status of the Shares on the SGX-ST, and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or affect orderly trading.

2.11 **Shareholding Limits.** Under the Banking Act 1970 (**Banking Act**):

- (a) no person shall enter into any agreement or arrangement, whether oral or in writing and whether express or implied, to act together with any person with respect to the acquisition, holding or disposal of, or the exercise of rights in relation to, their interests in voting shares of an aggregate of five per cent or more of the total votes attached to all voting shares in a designated financial institution, without first obtaining the approval of the Minister designated for the purposes of the Banking Act (**Minister**) (**5% Limit**); and
- (b) no person shall be a substantial shareholder, a 12 per cent controller (as defined below) or a 20 per cent controller (as defined below) of a designated financial institution without first obtaining the approval of the Minister.

The Company will monitor purchases of Shares to ensure that the above limits will not be exceeded. For the purposes of the Banking Act:

**designated financial institution** means (i) a bank incorporated in Singapore; or (ii) a financial holding company;

**Substantial Shareholder** of a designated financial institution means a person who has a substantial shareholding in the designated financial institution. A person has a substantial shareholding in a designated financial institution if (i) he has an interest or interests in one or more voting shares in the designated financial institution; and (ii) the total votes attached to that share, or those shares, is not less than five per cent of the total votes attached to all the voting shares in the designated financial institution.

**total number of issued shares**, in relation to a company, does not include treasury shares;

**12 per cent controller** means a person, not being a 20 per cent controller, who alone or together with his associates, (i) holds not less than 12 per cent of the total number of issued shares in the designated financial institution; or (ii) is in a position to control voting power of not less than 12 per cent in the designated financial institution; and

**20 per cent controller** means a person who, alone or together with his associates, (i) holds not less than 20 per cent of the total number of issued shares in the designated financial institution; or (ii) is in a position to control voting power of not less than 20 per cent in the designated financial institution.

For the purposes of the Banking Act, the percentage of the total number of Shares held by a Shareholder (whose Shares were not the subject of a share purchase or acquisition by the Company) and the percentage voting rights of a Shareholder (whose Shares were not the subject of a share purchase or acquisition by the Company) immediately following any purchase or acquisition of Shares will increase should the Company hold in treasury or cancel the Shares purchased or acquired by the Company.

The Company wishes to draw the attention of Shareholders to the following consequences of a purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate, if the proposed renewal of the Share Purchase Mandate is approved by Shareholders:

**A purchase or acquisition of shares by the company may inadvertently cause the interest in the shares of any person to reach or exceed the 5 per cent limit or cause any person to become a 12 per cent controller or a 20 per cent controller.**

Shareholders whose shareholdings are close to the limits set out in the Banking Act **are advised to ensure that they are in compliance with the requirements of the Banking Act and take such action as may be necessary, including seeking the prior approval of the Minister for Finance** to continue to hold, on such terms as may be imposed by the Monetary Authority of Singapore, the number of Shares which they may hold in excess of any of such limits, as a consequence of a purchase or acquisition of Shares by the Company. **Shareholders who are in doubt as to the action that they should take should consult their professional advisers at the earliest opportunity.**

**2.12 Take-over Implications.** Appendix 2 to the Take-over Code contains the Share Buy-Back Guidance Note. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below:

**(a) Obligation to make a Take-over Offer**

If, as a result of any purchase or acquisition by the Company of its Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Take-over Code. If such increase results in a change of effective control, or, a Shareholder or group of Shareholders acting in concert acquiring or consolidating effective control of the Company, such Shareholder or group of Shareholders acting in concert could become obliged to make a take-over offer for the Company under Rule 14 of the Take-over Code.

**(b) Persons Acting in Concert**

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

In addition, the Take-over Code presumes certain persons to be acting in concert with each other unless the contrary is established. For example, the following individuals and companies will be presumed to be acting in concert with each other:

- (i) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts); and
- (ii) a company, its parent, subsidiaries and fellow subsidiaries, and their associated companies and companies of which such companies are associated companies, all with each other, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing companies for the purchase of voting rights. For this purpose, a company is an associated company of another company if the second company owns or controls at least 20 per cent but not more than 50 per cent of the voting rights of the first-mentioned company.



(c) **Effect of Rule 14 and Appendix 2**

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

In general terms, the effect of Rule 14 and Appendix 2 to the Take-over Code is that, unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring Shares, the voting rights of such Directors and their concert parties would increase to 30 per cent or more, or in the event that such Directors and their concert parties hold between 30 per cent and 50 per cent of the Company's voting rights, if the voting rights of such Directors and their concert parties would increase by more than one per cent in any period of six months. In calculating the percentage of voting rights of such Directors and their concert parties, treasury shares shall be excluded.

Under Appendix 2 to the Take-over Code, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder would increase to 30 per cent or more, or, if such Shareholder holds (and including) 30 per cent and 50 per cent of the Company's voting rights, the voting rights of such Shareholder would increase by more than one per cent in any period of six months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Purchase Mandate.

Based on the information in the Register of Shareholders as at the Latest Practicable Date, no Shareholder will be obliged to make a take-over offer for the Company under Rule 14 of the Take-over Code as a result of the purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate of the maximum limit of five per cent of its Shares.

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

### 3. **The Proposed Alterations to the UOB Restricted Share Plan**

3.1 **Background.** The UOB Restricted Share Plan (**Plan**) is a share incentive scheme which was put into effect for an initial duration of up to 10 years commencing on 7 August 2007 and expiring on 6 August 2017. At the 74<sup>th</sup> Annual General Meeting of the Company held on 21 April 2016, Shareholders' approval was sought and obtained for, *inter alia*, the extension of the Plan for a further period of 10 years from 7 August 2017 up to 6 August 2027 (both days inclusive). The Plan only allows for the delivery of Shares which are held by the Company as treasury shares pursuant to the vesting of awards granted under the Plan (**Awards** and each, an **Award**), and does not involve the issuance of new Shares.

3.2 **Proposed Alterations.** The rationale for the proposed alterations to the Rules is set out in paragraph 3.3 below. The Amended and Restated Rules of the Plan, incorporating the proposed alterations, are set out in the Appendix to this Letter and the proposed alterations are blacklined for Shareholders' ease of reference. The following is a summary of the principal proposed alterations:

- (a) **Name of the Plan.** It is proposed that the name of the Plan be changed from "UOB Restricted Share Plan" to "UOB Share Plan", and Rule 1 is proposed to be altered accordingly.
- (b) **Objectives of the Plan.** It is proposed that Rule 3(d) of the Plan which currently sets out that one of the objectives of the Plan is "to attract potential employees with relevant skills to contribute to the UOB Group of Companies (**Group**) to create value for the shareholders of the Company" be replaced with "to align compensation payment schedules with the time horizon of risk".
- (c) **Eligibility of Participants.** Eligibility to participate in the Plan is currently limited to employees of the Company and its subsidiaries, including executive directors (collectively, **Group Employees**), who have attained the age of 21 years and hold such rank as may be designated by the committee comprising Directors duly authorised and appointed by the Board of Directors to administer the Plan (**Committee**). Controlling shareholders of the Company and associates of such controlling shareholders, each as defined in the Listing Manual, are not eligible to participate in the Plan.

Rule 4 is proposed to be altered to:

- (i) allow non-executive directors of the Company and/or its subsidiaries (**Non-executive Directors**) to participate in the Plan, so as to enable grants of fully paid Shares to be made to Non-executive Directors as part of the directors' fees in lieu of cash; and
- (ii) additionally provide that the following persons shall not be eligible to participate in the Plan:
  - (I) substantial shareholders (as defined in the Securities and Futures Act 2001) of the Company<sup>1</sup> and associates of such substantial shareholders;
  - (II) any Director determined by the Committee in its absolute discretion to be a representative of a substantial shareholder on the Board of Directors of the Company<sup>2</sup>; and
  - (III) such other persons as the Committee in its discretion may determine.
- (d) **Listing Manual**
  - (i) Rule 7A.1 currently provides that the total number of Shares which may be delivered pursuant to Awards granted on any date, when added to:
    - (I) the total number of issued Shares delivered and/or to be delivered, and Shares vested and/or to be vested in the form of cash in lieu of Shares, pursuant to Awards granted under the Plan; and
    - (II) the number of new Shares allotted and issued and/or to be allotted and issued, issued Shares delivered and/or to be delivered, and Shares vested and/or to be vested in the form of cash in lieu of Shares, in respect of any other options or grants under share options schemes or share schemes, as the case may be,shall not exceed five per cent of the total number of issued Shares (excluding treasury shares) on the date preceding the date of the Award. In line with the amendments to Rule 845(1) of the Listing Manual which took effect on 31 March 2017, Rule 7A.1 is proposed to be altered to also specifically exclude subsidiary holdings (in addition to Shares held by the Company as treasury shares) in the denominator when calculating the Plan size limit. There is no change to the Plan size limit.
  - (ii) Rules 8.1 and 8.3, which relate to adjustments to Awards and the auditors' confirmation on such adjustments, are proposed to be altered to replace the respective references to "capitalisation of profits or reserves" and "capitalisation issue" as an adjustment event with references to "bonus" and "bonus issue", in line with the amendments to Rules 850(1) and (4) of the Listing Manual which took effect on 7 February 2020.
- (e) **Malus and Clawback Provisions.** In respect of a participant who is a Group Employee, the grant of each Award, each vesting of an Award, and each payment in lieu of Shares which would otherwise have been vested to the participant under the Plan is proposed to be subject to, and conditional upon, the Company's *malus* and clawback rights as provided for under the proposed new Rule 7.6. Under the proposed Rule 7.6, if any of the exceptional circumstances described therein occurs in relation to a participant who is a Group Employee, the Committee can cancel all or part of any Award granted under the Plan to the extent not yet vested, and exercise the right of clawback (**Clawback Right**) in respect of Shares which were vested and/or payment of cash received by the participant in lieu of Shares which would otherwise have been vested to the participant under the Plan (**Vested Shares**) within the clawback period, which is up to seven (7) years (as determined by the Committee and set out in the relevant Award letter) from the date on which the Award is granted under the Plan.

The exceptional circumstances are where:

- (i) the grant and/or vesting of a relevant Award was based (in whole or in part) on inaccurate financial statements (irrespective of when such inaccuracy was discovered and irrespective of who caused such inaccuracy, and whether such financial statements were audited or unaudited) and/or financial statements which are subsequently required to be restated (whether voluntarily or otherwise);

<sup>1</sup> Wee Ee Cheong, an executive director, and Wee Ee Lim, a Non-executive Director and a substantial shareholder of the Company, are both also substantial shareholders of the Company and associates of a controlling shareholder of the Company and are therefore not eligible to participate in the Plan.

<sup>2</sup> Michael Lien, a non-executive director who is determined by the Committee to be a representative of a substantial shareholder of the Company on the Board of Directors of the Company, will not be eligible to participate in the Plan (as proposed to be altered).

- (ii) the vesting of the Vested Shares (in the opinion of the Committee) would result or has resulted in a material adverse impact on the capital position of the Company;
- (iii) the participant (or any subordinate over whom such participant had, at the material time, oversight responsibilities) had, at any time, engaged in conduct that:
  - (I) directly or indirectly caused, resulted in and/or contributed to, or is likely (in the opinion of the Committee) to cause, result in and/or contribute to (whether directly or indirectly):
    - a. any financial loss or reputational harm to the Group or any company within the Group;
    - b. the need for a restatement of the financial results or financial statements (whether audited or unaudited) of the Group or any company within the Group;
    - c. any adverse change in the risk profile or rating of the Group or any company within the Group;
    - d. the Company or any company within the Group being censured, fined or otherwise penalised for a breach of any law or regulation or any order or notice issued by a regulatory body; and/or
    - e. material financial loss to customer(s);
  - (II) materially breached the risk limits set by the Company or any company within the Group in respect of the Group's business from time to time; or
  - (III) is otherwise detrimental to the Group or any company within the Group, and/or detrimental to the business conducted by the Group or any company within the Group;
- (iv) the participant had, at any time, engaged in any misconduct or committed any malfeasance, fraud or breach of trust or duty in relation to the Group or any company within the Group; and
- (v) any other exceptional circumstance as may be determined by the Committee at its absolute discretion.

The Committee has the sole and absolute discretion to determine the amount which the participant is required to return to the Company, subject to a limit being the aggregate of the following:

- (I) in respect of such of the Vested Shares in relation to which the participant received cash in lieu, the aggregate payments received by such participant (in lieu of such Shares which would otherwise have vested to the participant under the Plan) prior to the date on which the Committee makes the determination to exercise the Clawback Right (**Clawback Determination Date**);
- (II) in respect of all other Vested Shares:
  - a. the aggregate market value of all such Vested Shares on the respective vesting date(s) of such Vested Shares;
  - b. the aggregate value of all cash distributions and cash dividends which have been paid by the Company in respect of such Vested Shares prior to the Clawback Determination Date (whether received by the participant or not); and
  - c. the aggregate prevailing value of all dividends-in-specie, bonus shares, rights issues and other rights or benefits (other than the distributions and cash dividends referred to in sub-paragraph (2) above) which have been distributed in respect of, derived from or attributable to, such Vested Shares prior to the Clawback Determination Date (whether received by the participant or not).

The Clawback Right is in addition to, and without prejudice to, any right or remedy that the Company has vis-à-vis a participant who is/was a Group Employee (whether under the Plan, contract, tort or any other theory of law).

- (f) **Consequential and Other Alterations.** Consequential alterations following from the proposed alterations described above, and alterations to streamline and rationalise certain other provisions and to facilitate the administration and implementation of the Plan, and to take into account the changes to relevant legislation and the Listing Manual, are also being proposed to the Rules of the Plan. These alterations include:
- (i) expanding on the definition of “Participant” in Rule 2 to also include, where applicable, the personal representative of a Group Employee or Non-executive Director who has been granted an Award;
  - (ii) specifically providing in Rule 5.7 the consequential outcome that if a participant shall do, suffer or permit any such act or thing as a result of which he would or might be deprived of any rights under an Award without the prior approval of the Committee, that Award shall immediately lapse;
  - (iii) providing in new Rules 10.4 to 10.9 a framework governing the use of security device(s) designated by the Company for use in conjunction with the Plan, to facilitate the administration and implementation of the Plan by means of such security device(s); and
  - (iv) other alterations being proposed under this category, which are blacklined in the Appendix to this Letter.

3.3 **Rationale.** The rationale for the proposed alterations to the Plan are as follows:

- (a) to amend the name of the Plan to reflect the broadened scope of the Plan (as proposed to be altered), which will allow Awards, without performance or vesting conditions, to be granted to Non-executive Directors as part of their directors’ fees in lieu of cash;
- (b) the Company is taking the opportunity to:
  - (i) remove one of the existing objectives of the Plan as set out in Rule 3(d) for better harmonisation with the current remuneration practices of the Group. The stated objective “to attract potential employees with relevant skills to contribute to the Group to create value for the shareholders of the Company” is less relevant now. This is because whilst share awards were formerly used as an additional remuneration tool on top of an employee’s fixed and variable pay, following a change in allocation of remuneration components, share awards now instead form part of the variable pay of an employee; and
  - (ii) update the objectives of the Plan by introducing a new stated objective which is “to align compensation payment schedules with the time horizon of risk” in line with the principles promulgated by the Financial Stability Board;
- (c) to enable grants of Awards to be made to eligible Non-executive Directors as part of their directors’ fees in lieu of cash, so as to better align the interests of such Non-executive Directors with the long-term interests of the Shareholders and the Company. It is currently intended for Awards to be granted to certain eligible Non-executive Directors of the Company in respect of their directors’ fees for the year ended 31 December 2021, subject to Shareholders’ approval for the proposed alterations to the Plan and the aforementioned directors’ fees. The number of Shares to be awarded to eligible Non-executive Directors will be determined by reference to the volume-weighted average price of the Shares over 10 trading days immediately after the Company’s AGM, rounded up to the nearest 100 shares. Please refer to the Corporate Governance Statement in the Annual Report of the Company for the financial year ended 31 December 2021 (**Annual Report 2021**) for more information. Information on the interests of Directors in Shares may also be found at page 123 of the Annual Report 2021;
- (d) to exclude Group Employees who are substantial shareholders of the Company, associates of such substantial shareholders and/or any Director determined by the Committee in its absolute discretion that such Director is a representative of a substantial shareholder on the Board of Directors of the Company, from participation in the Plan<sup>3</sup>. By virtue of the size of their shareholdings, such substantial shareholders and their associates would already have a vested interest in the long-term interests of the Group, and their interests are therefore already aligned with the long-term interests of the Shareholders and the Company;
- (e) to clarify that the Committee can exclude such other persons as the Committee in its discretion may determine from participation in the Plan;

3 Rule 4.3 currently excludes Group Employees who are controlling shareholders of the Company and associates of such controlling shareholders from participation in the Plan.

- (f) to set out the *malus* and Clawback Rights exercisable by the Company under the Plan, which are applicable to Group Employees but not Non-executive Directors, in order to, *inter alia*, reduce incentives towards inappropriate risk-taking, facilitate adjustments to employee remuneration in the stated exceptional circumstances and to address misconduct risk; and
- (g) to streamline and rationalise certain provisions and to facilitate the administration and implementation of the Plan, and to take into account the changes to relevant legislation and the Listing Manual.

3.4 **SGX-ST.** The clearance by the SGX-ST of this Letter shall not be taken as an indication of the merits of the proposed alterations to the Plan, the Shares, the Company and/or its subsidiaries.

#### 4. Substantial Shareholders' Interests

The interests of the Substantial Shareholders of the Company in the Shares as at the Latest Practicable Date, as recorded in the Register of Substantial Shareholders, were as follows:

Substantial shareholder	Shareholdings	Other shareholdings	Total Interest	
	registered in the name of substantial shareholders	in which substantial shareholders were deemed to have an interest	No. of shares	%*
Lien Ying Chow Private Limited	–	86,686,453 <sup>(1)</sup>	86,686,453	5.18
Wah Hin and Company Private Limited	86,676,076	10,377	86,686,453	5.18
Wee Cho Yaw	21,599,798	287,113,587 <sup>(2)</sup>	308,713,385	18.46
Wee Ee Cheong	3,081,455	173,663,415 <sup>(2)</sup>	176,744,870	10.57
Wee Ee Chao	160,231	137,847,174 <sup>(2)</sup>	138,007,405	8.25
Wee Ee Lim	1,831,903	173,266,519 <sup>(2)</sup>	175,098,422	10.47
Wee Investments (Pte) Limited	133,278,205	194,119	133,472,324	7.98

\* Percentage was calculated based on 1,671,990,453 Shares, being the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable date.

Notes:

(1) Lien Ying Chow Private Limited was deemed to have an interest in the 86,686,453 Shares in which Wah Hin and Company Private Limited has an interest.

(2) Wee Cho Yaw, Wee Ee Cheong, Wee Ee Chao and Wee Ee Lim were each deemed to have an interest in Wee Investments (Pte) Limited's total direct and deemed interests of 133,472,324 Shares.

#### 5. Directors' Recommendations and Abstentions from Voting

5.1 **Proposed Renewal of the Share Purchase Mandate.** The Directors are of the opinion that the renewal of the Share Purchase Mandate is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of Ordinary Resolution No. 12, being the Ordinary Resolution relating to the proposed renewal of the Share Purchase Mandate to be proposed at the 2022 AGM.

5.2 **Proposed Alterations to the UOB Restricted Share Plan.** Messrs Wee Ee Cheong, Wee Ee Lim and Michael Lien are of the opinion that the proposed alterations to the Plan are in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of Ordinary Resolution No. 13, being the Ordinary Resolution relating to the proposed alterations to the Plan to be proposed at the 2022 AGM.

All the other Directors will be eligible to participate in the Plan as proposed to be altered. Accordingly, all the other Directors:

- (a) have refrained from making any voting recommendation to Shareholders in respect of Ordinary Resolution No. 13; and
- (b) will abstain from voting their Shares (if any) on Ordinary Resolution No. 13.

Each of the Directors (other than Messrs Wee Ee Cheong, Wee Ee Lim and Michael Lien) and their respective associates will also decline to accept appointment as proxy for any Shareholder to vote in respect of Ordinary Resolution No. 13, unless the Shareholder concerned shall have given instructions in his Proxy Form as to the manner in which his votes are to be cast in respect of Ordinary Resolution No. 13.

Any Shareholder who is eligible to participate in the Plan (as proposed to be altered) must abstain from voting in respect of Ordinary Resolution No. 13. Such Shareholder should also not accept nominations to act as proxy, corporate representative or attorney to vote in respect of Ordinary Resolution No. 13 unless the Shareholder concerned shall have been given instructions in his Proxy Form as to the manner in which his votes are to be cast in respect of Ordinary Resolution No. 13.

## **6. Inspection of Documents**

The Annual Report 2021 and this Letter may be accessed at the Company's website at [www.UOBgroup.com/AR2021](http://www.UOBgroup.com/AR2021) and [www.UOBgroup.com/investor-relations/agg-and-egg](http://www.UOBgroup.com/investor-relations/agg-and-egg) respectively from the date hereof up to and including the date of the 2022 AGM.

## **7. Directors' Responsibility Statement**

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

Yours faithfully  
for and on behalf of the Board of Directors of  
**UNITED OVERSEAS BANK LIMITED**

Mr Wong Kan Seng  
Chairman



**UNITED OVERSEAS BANK LIMITED**

(Incorporated in Singapore)

Company Registration No. 193500026Z

**AMENDED AND RESTATED RULES OF THE UOB RESTRICTED SHARE PLAN**

(revised as at ~~21 April 2016~~ Incorporating amendments up to 21 April 2022)

# Table of Contents

Contents.....	Page
1. NAME OF THE PLAN.....	1
2. DEFINITIONS.....	1
3. OBJECTIVES OF THE PLAN.....	4
4. ELIGIBILITY OF PARTICIPANTS.....	4
5. GRANT OF AWARDS.....	4
6. EVENTS PRIOR TO THE VESTING DATE.....	5
7. VESTING OF AWARDS.....	7
7A. LIMITATION ON THE SIZE OF THE PLAN.....	11
8. ADJUSTMENT EVENTS.....	11
9. ADMINISTRATION OF THE PLAN.....	12
10. NOTICES.....	12
11. MODIFICATIONS TO THE PLAN.....	14
12. TERMS OF EMPLOYMENT UNAFFECTED.....	14
13. DURATION OF THE PLAN.....	14
14. TAXES.....	14
15. COSTS AND EXPENSES OF THE PLAN.....	14
16. INDEMNITY AND DISCLAIMER OF LIABILITY.....	15
16A. DISCLOSURES IN ANNUAL REPORTS.....	15
16B. COLLECTION, USE AND DISCLOSURE OF PERSONAL DATA.....	16
17. DISPUTES.....	16
18. GOVERNING LAW.....	16
19. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 2001.....	16



# Amended and Restated Rules of the UOB Restricted Share Plan

(Incorporating amendments up to 21 April 2022)

## 1. NAME OF THE PLAN

The Plan shall be called the “~~UOB Restricted Share Plan~~”.

## 2. DEFINITIONS

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

- “Act” : The Companies Act 1967, Chapter 50 of Singapore.
- “Adoption Date” : The date on which the Plan is adopted by the Board of Directors of the Company.
- “Auditors” : The auditors of the Company for the time being.
- “Award” : ~~A contingent~~An award of Ordinary Shares granted under Rule 5.
- “Award Date” : The date on which the Award is granted pursuant to Rule 5.
- “Award Letter” : A letter in such form as the Committee shall approve confirming an Award granted to a Participant.
- “Award Shares” : The Ordinary Shares which are the subject of an Award.
- “CDP” : The Central Depository (Pte) Limited.
- “Clawback Determination Date” : Has the meaning given to it in Rule 7.6.4.
- “Clawback Notification Date” : Has the meaning given to it in Rule 7.6.4(a).
- “Clawback Period” : Has the meaning given to it in Rule 7.6.2(b).
- “Clawback Right” : Has the meaning given to it in Rule 7.6.2(b).
- “Committee” : A committee comprising Directors duly authorised and appointed by the Board of Directors of the Company to administer the Plan.
- “Communication” : Any correspondence relating to an Award, including the Award Letter, and/or made or to be made under the Plan, individually or collectively.
- “Company” : United Overseas Bank Limited, a company incorporated in Singapore.
- “Constitution” : The Constitution of the Company, as amended from time to time.
- “Depository Agent” : Has the meaning given to it in the Securities and Futures Act 2001.
- “Directors” : Directors of the Company and each, a “**Director**”.
- “Fair Market Value” : **In relation to an Ordinary Share, on any day:**
- (a) the average closing price of an Ordinary Share on the Stock Exchange over the three (3) immediately preceding Market Days on which the Ordinary Shares are transacted on the Stock Exchange; or

	(b)	if the Committee is of the opinion that the Fair Market Value as determined in accordance with (a) above is not representative of the value of an Ordinary Share, such price as the Committee may determine, such determination to be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.
“Group”	:	The Company and its subsidiaries.
“Group Employee”	:	Any employee of the Group (including any Group Executive Director) selected by the Committee to participate in the Plan in accordance with Rule 4.1.
“Group Executive Director”	:	A director of the Company and/or any of its subsidiaries, as the case may be, who performs an executive function.
“Listing Manual”	:	The listing manual of the Stock Exchange.
“Market Day”	:	A day on which the Stock Exchange is open for trading in securities.
“Non-executive Director”	:	<u>A director of the Company and/or any of its subsidiaries, as the case may be, other than a Group Executive Director, selected by the Committee to participate in the Plan in accordance with Rule 4.1.</u>
“Ordinary Shares”	:	Ordinary shares in the capital of the Company.
“Participant”	:	<u>A Group Employee or Non-executive Director who has been granted an Award (including where applicable, the executor or personal representative of such Group Employee or Non-executive Director).</u>
“per cent.”	:	Per centum or percentage.
“Performance-related Award”	:	An Award in relation to which a Performance Condition is specified.
“Performance Condition”	:	In relation to a Performance-related Award, the condition specified on the Award Date in relation to that Award.
“Performance Period”	:	In relation to a Performance-related Award, a period, the duration of which is to be determined by the Committee on the Award Date, during which the Performance Condition is to be satisfied.
“Plan”	:	The UOB Restricted-Share Plan, as the same may be modified or altered from time to time.
“Record Date”	:	<u>The date fixed by the Company for the purposes of determining entitlements to dividends or other distributions to, or rights of, holders of Ordinary Shares.</u>
“Recoverable Monies”	:	<u>Has the meaning given to it in Rule 7.6.2(b).</u>
“Rules”	:	<u>These rules of the Plan, as the same may be modified or altered from time to time.</u>
“Security Device”	:	<u>Any smartcard, digital certificate, digital signature, encryption device, electronic key, logon identifier, password, personal identification number, and/or other code or any access procedure incorporating any one or more of the foregoing, designated by the Company for use in conjunction with the Plan.</u>
“Stock Exchange”	:	The Singapore Exchange Securities Trading Limited and any other stock exchange on which the Ordinary Shares are quoted or listed.

“Vesting”	:	In relation to Award Shares, the absolute entitlement to all or some of those Award Shares and upon which such Award Shares shall be delivered in accordance with Rule 7 and “Vest” and “Vested” shall be construed accordingly.
“Vesting Date”	:	In relation to Award Shares, each date on which those Award Shares are to be Vested, as determined by the Committee and notified to the relevant Participant pursuant to Rule 7.5.
“Vesting Period”	:	In relation to an Award, each period (if any), the duration of which is to be determined by the Committee on the Award Date, after the expiry of which the relevant number of Award Shares which are subject to the applicable period shall be Vested to the relevant Participant on the relevant Vesting Date, subject to Rule 7.
“Vested Shares”	:	<u>Has the meaning given to it in Rule 7.6.2(b).</u>
“Vested Value”	:	<u>In relation to Vested Shares, has the meaning given to it in Rule 7.6.4(b)(ii).</u>
“in writing” or “written”	:	<u>Written or produced by any substitute for writing or partly one and partly another and shall include any representation or reproduction of words, symbols or other information which may be displayed in a visible form, whether in a physical document or in an electronic communication or form or otherwise howsoever.</u>
“year”	:	<u>Calendar year, unless otherwise stated.</u>
“\$”	:	Singapore dollar.

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

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

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

### 3. OBJECTIVES OF THE PLAN

The Plan is a share incentive scheme, and will also enable grants of fully paid Shares to be made to Non-executive Directors as part of their directors’ fees in lieu of cash. The Plan will help to achieve the following positive objectives:

- (a) to align the interests of Participants with the long-term interests of the shareholders of the Company;
- (b) to retain key employees of the Group whose contributions are essential to the long-term growth and profitability of the Group;
- (c) to instil loyalty to, and a stronger identification by Participants with the long-term prosperity of, the Group;
- (d) to attract potential employees with relevant skills to contribute to the Group to create value for the shareholders of the Company to align compensation payment schedules with the time horizon of risks; and/or
- (e) to deliver compensation in a manner that drives the long-term performance of the Group.

#### 4. ELIGIBILITY OF PARTICIPANTS

4.1 Subject to Rule 4.3, the following persons shall be eligible to participate in the Plan at the absolute discretion of the Committee:

(a) Group Employees (excluding controlling shareholders of the Company and associates of such controlling shareholders, each as defined in the Listing Manual) who have attained the age of 21 years and hold such rank as may be designated by the Committee from time to time, shall be eligible to participate in the Plan at the absolute discretion of the Committee; and

(b) Non-executive Directors.

4.2 Unless otherwise determined by the Committee, there shall be no restriction on a Group Employee or a Non-executive Director, (while he is a Participant,) to concurrently participate in any other share option or share incentive schemes implemented by the Company and its subsidiaries.

4.3 The following persons shall not be eligible to participate in the Plan:

(a) controlling shareholders of the Company (as defined in the Listing Manual);

(b) substantial shareholders of the Company (as defined in the Securities and Futures Act 2001);

(c) associates (as defined in the Listing Manual) of a controlling shareholder and/or substantial shareholder of the Company;

(d) any Director determined by the Committee in its absolute discretion to be a representative of a substantial shareholder on the Board of Directors of the Company; and

(e) such other persons as the Committee in its discretion may determine.

#### 5. GRANT OF AWARDS

5.1 The Committee may grant Awards to Group Employees and/or Non-executive Directors (as part of their directors' fees in lieu of cash), in each case, as the Committee may select, at any time during the period when the Plan is in force.

5.2 The number of Award Shares to be granted to a Participant in accordance with the Plan shall be determined at the discretion of the Committee, which may take into account such criteria as it considers fit, including (but not limited to):

(a) in the case of a Group Employee, such as his rank, job performance, years of service and potential for future development, his contribution to the success and development of the Group and (in the case of a Performance-related Award) the degree of difficulty of fulfilling the Performance Condition within the Performance Period; and

(b) in the case of a Non-executive Director, such number of Award Shares as shall form part of his director's fees in lieu of cash.

5.3 The Committee shall decide in relation to an Award:

(a) the Participant;

(b) the Award Date;

(c) the number of Award Shares;

(d) in the case of a Performance-related Award:

(i) the Performance Condition;

(ii) the Performance Period; and

(iii) the extent to which the Award Shares shall Vest on the Performance Condition being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the Performance Period;

- (e) the Vesting Period(s), if any; and
- (f) the Vesting Date(s);
- (g) the Clawback Period, if any; and
- (fh) any other condition which the Committee may determine in relation to that Award.

In relation to Awards granted to Non-executive Directors as part of the directors' fees in lieu of cash, the Committee may not specify any Performance Condition and/or impose any Vesting Period.

5.4 In the case of a Performance-related Award, if anything happens which causes the Committee to conclude that:

- (a) a changed Performance Condition would be a fairer measure of performance; or
- (b) the Performance Condition should be waived,

the Committee may amend or waive the Vesting Period(s), the Performance Period, the Performance Condition, the extent to which the Award Shares shall Vest on the Performance Condition being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the Performance Period in respect of that Award and/or any other condition applicable to an Award, and shall notify the Participant of such change or waiver.

5.5 As soon as reasonably practicable after making an Award the Company shall send to each Participant an Award Letter specifying in relation to the Award:

- (a) the Award Date;
- (b) the number of Award Shares;
- (c) in the case of a Performance-related Award:
  - (i) the Performance Condition;
  - (ii) the Performance Period; and
  - (iii) the extent to which the Award Shares shall Vest on the Performance Condition being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the Performance Period;
- (d) the Vesting Period(s), if any; and
- (e) the Vesting Date(s);
- (f) the Clawback Period, if any; and
- (eg) any other condition which the Committee may determine in relation to that Award.

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

5.7 An Award shall be personal to the Participant to whom it is granted and, prior to the transfer/delivery to the Participant of the Award Shares, the Participant shall not transfer, charge, assign, pledge or otherwise dispose of, in whole or in part, any Award except with the prior approval of the Committee and if a Participant shall do, suffer or permit any such act or thing as a result of which he would or might be deprived of any rights under an Award without the prior approval of the Committee, that Award shall immediately lapse.

## 6. EVENTS PRIOR TO THE VESTING DATE

6.1 An Award granted to a Participant who is a Group Employee shall, to the extent not yet Vested, immediately lapse without any claim whatsoever against the Company and/or the Group upon:

- (a) the Participant ceasing to be in the employment of the relevant member of the Group for any reason whatsoever (other than as specified in Rule 6.2(b), (c), ~~and (d)~~ and (e));

- (b) the misconduct on the part of a Participant as determined by the Committee in its absolute discretion;
- (c) an order being made or a resolution passed for the winding-up of the Company on the basis, or by reason, of its insolvency; or
- (d) any breach of the Rules by the Participant.

6.2 In respect of an Award granted to a Participant who is a Group Employee, in any of the following events, namely:

- (a) the bankruptcy of ~~at~~the Participant or the happening of any other event which results in his being deprived of the legal or beneficial ownership of the Award;~~or~~
- (b) the retirement of ~~at~~the Participant;~~or~~
- (c) the Participant ceasing to be employed by the relevant member of the Group by reason of (i) ill health, injury or disability (in each case, evidenced to the satisfaction of the Committee) or death, (ii) redundancy, or (iii) any other reason approved in writing by the Committee;~~or~~
- (d) the Participant ceasing to be in the employment of the relevant member of the Group by reason of:
  - (i) 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;  
or
  - (ii) ~~(where applicable)~~his transfer of employment between members of the Group; or
  - (iii) any other event approved by the Committee; or
- (e) any other event approved by the Committee,

the Committee may, in its discretion determine whether an Award then held by such Participant, to the extent not yet Vested, shall lapse or that all or any part of such Award shall be preserved. If the Committee determines that an Award shall lapse, then such Award shall lapse without any claim whatsoever against the Company. If the Committee determines that all or any part of an Award shall be preserved, the Committee shall decide as soon as reasonably practicable following such event either to Vest some or all of the Award Shares or to preserve all or part of any Award until the end of the Performance Period (if any) and/or each Vesting Period (if any) and subject to the provisions of the Plan. In exercising its discretion, the 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, in the case of a Performance-related Award, the extent to which the Performance Condition has been satisfied.

6.3 For the purpose of Rules 6.1 and 6.2, a Participant who is a Group Employee shall be deemed to have ceased to be employed by the relevant company within the Group with effect from the day immediately following the last day of his employment with such company.

6.4 In respect of an Award granted to a Participant who is a Group Employee, iff before a Vesting Date, any of the following occurs:

- (a) a take-over offer for the Ordinary Shares becomes or is declared unconditional; or
- (b) an amalgamation or a compromise or arrangement proposed for the purposes of, or in connection with, a proposal or scheme for the reconstruction of the Company or its amalgamation with another company or companies being approved by shareholders of the Company and/or sanctioned by the court under the Act;
- (c) an order being made or a resolution passed for the winding-up of the Company (other than as provided in Rule 6.1(c));  
or
- (d) a proposal to sell all or substantially all of the assets of the Company,

the Committee may, at its discretion:

- (i) amend or waive the Vesting Period(s) and/or any condition applicable to an Award and, in the case of a Performance-related Award, the Performance Period and/or the Performance Condition and/or the extent to which the Award Shares shall Vest on the Performance Condition being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the Performance Period in respect of that Award, and shall notify the Participant of such change or waiver; and/or
- (ii) determine whether or not any Award shall Vest, and will take into account all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that Participant. If the Committee decides that any Award shall Vest, then in determining the number of Award Shares to be Vested, the Committee will (if applicable) have regard to the proportion of the Vesting Period(s) which has elapsed and, in the case of a Performance-related Award, the extent to which the Performance Condition has been satisfied. Where Awards have Vested, the Committee will, as soon as practicable after the Awards have Vested, procure the transfer to each Participant of the number of Ordinary Shares so determined in accordance with Rule 7. If the Committee so determines, the Vested Awards may be satisfied in cash as provided in Rule 7.

## 7. VESTING OF AWARDS

### 7.1 Review of Performance Condition in relation to Performance-related Awards

- 7.1.1 In relation to each Performance-related Award, the Committee shall, as soon as reasonably practicable after the end of the relevant Performance Period, review the Performance Condition specified in respect of such Award and determine at its discretion:
  - (a) whether the Performance Condition has been satisfied and if so, the extent to which it has been satisfied;
  - (b) whether any other condition applicable to such Award has been satisfied; and
  - (c) in relation to the relevant Participant, the number of Award Shares that shall Vest.
- 7.1.2 ~~The Committee shall have the discretion to determine~~In determining whether the Performance Condition has been satisfied (whether fully or partially) or exceeded, ~~and in making any such determination,~~ the Committee may make reference to the audited results of the Company or the Group (as the case may be), taking into account such factors as the Committee may determine to be relevant, such as changes in accounting methods, taxes and extraordinary events. Further, the Committee has the right to amend the Performance Condition if the Committee decides that a changed performance target would be a fairer measure of performance. If the Committee determines that the Performance Condition and/or any other condition applicable to that Award has not been satisfied (whether fully or partially) or (subject to Rule 6) if the relevant Participant has not continued to be a Group Employee from the Award Date up to the end of the relevant Performance Period, that Award shall lapse.
- 7.1.3 In relation to a Performance-related Award which is not subject to any Vesting Period, subject to Rules 6, 7.1.1 and 7.1.2 and provided that the relevant Participant has continued to be a Group Employee from the Award Date up to the end of the Performance Period, the number of Award Shares determined by the Committee under Rule 7.1.1(c) shall Vest on the Vesting Date relating thereto. Such part of an Award not Vested shall lapse.
- 7.1.4 In relation to a Performance-related Award which is subject to a Vesting Period or Vesting Periods, the provisions of Rule 7.2 shall apply to the Vesting of the Award Shares.

### 7.2 Vesting Period(s)

In relation to an Award granted to a Participant who is a Group Employee and which is subject to a Vesting Period or Vesting Periods, subject to Rules 6, 7.1.1 (where applicable) and 7.1.2 (where applicable) and provided that the relevant Participant has continued to be a Group Employee from the Award Date up to the end of the Performance Period and thereafter at the end of each Vesting Period and, in the opinion of the Committee, the job performance of the relevant Participant has been satisfactory, the Award Shares shall Vest on the relevant Vesting Date(s).

### 7.3 Delivery of Award Shares

- 7.3.1 Award Shares which have Vested pursuant to Rule 7.1 or Rule 7.2 shall be delivered by way of transfer to the Participant of the relevant number of Ordinary Shares:
  - (a) in the case of a Group Employee, on a Market Day falling as soon as practicable after the relevant Vesting Date; or

(b) in the case of a Non-executive Director, on a Market Day falling as soon as practicable after the later of (i) the relevant Vesting Date and (ii) the date on which Shareholders approve the relevant directors' fees.

7.3.2 Only Ordinary Shares which are held by the Company as treasury shares may be delivered to a Participant pursuant to the Vesting of any Award.

7.3.3 Ordinary Shares which are transferred to a Participant pursuant to the Vesting of any Award shall be transferred to CDP to the credit of the securities account of that Participant maintained with CDP or the securities sub-account of that Participant maintained with a Depository Agent (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), or by a despatch of the relevant share certificate to the Participant by ordinary post or such other mode of delivery as the Company may deem fit.

#### 7.4 Ranking of Award Shares

The Ordinary Shares transferred to the Participant shall:

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

In this Rule 7.4, "**Record Date**" means the date fixed by the Company for the purposes of determining entitlements to dividends or other distributions to or rights of holders of Ordinary Shares.

Any subsequent dealings by the Participant in the Ordinary Shares transferred to him under this Plan shall be subject to any applicable laws and/or, for so long as the Participant remains an employee of the Group, Group policies and guidelines on personal trading in securities.

#### 7.5 Cash Awards

The Committee may, in exceptional circumstances at their absolute discretion, determine to Vest an Award, wholly or partly, in the form of cash rather than Ordinary Shares which would otherwise have Vested on the relevant Vesting Date, in which event the Company shall pay to the Participant as soon as practicable after such Vesting Date, in lieu of all or part of such Ordinary Shares, the aggregate Fair Market Value of such Ordinary Shares on such Vesting Date. For the purposes of Rule 7.6, an Award Share shall be deemed to have been Vested to such Participant if such Participant had received payment of cash in lieu of such Ordinary Share pursuant to this Rule 7.5.

#### 7.6 Malus and Clawback Rights

7.6.1 In respect of a Participant who is a Group Employee, the grant of each Award, each Vesting of an Award, and each payment in lieu of Ordinary Shares which would otherwise have been Vested to the Participant is subject to, and conditional upon, the Company's rights as set out in this Rule 7.6. For the avoidance of doubt, this Rule 7.6 (and the Company's rights thereunder) shall apply to every Award granted to a Participant who is a Group Employee (but not to an Award granted to a Participant who is a Non-executive Director), without need for a reference to this Rule 7.6 in the Award Letter or for the Committee to decide that this Rule 7.6 shall apply (whether pursuant to Rule 5.3 or otherwise).

7.6.2 If the Committee in its sole and absolute discretion determines that any of the exceptional circumstances enumerated in Rule 7.6.3 has occurred in relation to a Participant who is a Group Employee, then:

- (a) without prejudice to the provisions of Rule 6.1, the Committee may cancel all or part of any Award to the extent not yet Vested to such Participant; and
- (b) in respect of the Award Shares which were Vested to such Participant within the period of up to 7 years (as determined by the Committee and set out in the relevant Award Letter) from the Award Date of such Award Shares ("Clawback Period") (such Award Shares Vested during the Clawback Period, the "Vested Shares"), the Company has the right ("Clawback Right") to compel or otherwise require a Participant to (and the Participant shall) pay to the Company such amount(s) as determined by the Committee ("Recoverable Monies") up to the aggregate of:



- (i) in respect of such of the Vested Shares in relation to which the Participant received cash in lieu, the aggregate payments received by such Participant in lieu of such Vested Shares pursuant to Rule 7.5 prior to the Clawback Determination Date; and
- (ii) in respect of all other Vested Shares:
  - (1) the Vested Value of all such Vested Shares;
  - (2) the aggregate value of all cash distributions and cash dividends which have been paid by the Company in respect of such Vested Shares prior to the Clawback Determination Date (whether received by the Participant or not); and
  - (3) the aggregate prevailing value of all dividends-in-specie, bonus shares, rights issues and other rights or benefits (other than the distributions and cash dividends referred to in Rule 7.6.2(b)(ii)(2)) which have been distributed in respect of, derived from or attributable to, such Vested Shares prior to the Clawback Determination Date (whether received by the Participant or not).

subject to, in accordance with, and as more fully set out in, Rules 7.6.4 and 7.6.5.

7.6.3 The exceptional circumstances referred to in Rule 7.6.2 are as follows:

- (a) the grant of any Award to the Participant; and/or the Vesting of the Vested Shares to the Participant, was based (in whole or in part) on inaccurate financial statements (irrespective of when such inaccuracy was discovered and irrespective of who caused such inaccuracy, and whether such financial statements were audited or unaudited) and/or financial statements which are subsequently required to be restated (whether voluntarily or otherwise);
- (b) the Vesting of the Vested Shares (in the opinion of the Committee) would result or has resulted in a material adverse impact on the capital position of the Company;
- (c) the Participant (or any subordinate over whom such Participant had, at the material time, oversight responsibilities) had, at any time, engaged in conduct that:
  - (i) directly or indirectly caused, resulted in and/or contributed to, or is likely (in the opinion of the Committee) to cause, result in and/or contribute to (whether directly or indirectly):
    - (1) any financial loss or reputational harm to the Group or any company within the Group;
    - (2) the need for a restatement of the financial results or financial statements (whether audited or unaudited) of the Group or any company within the Group;
    - (3) any adverse change in the risk profile or rating of the Group or any company within the Group;
    - (4) the Company or any company within the Group being censured, fined or otherwise penalised for a breach of any law or regulation or any order or notice issued by a regulatory body; and/or
    - (5) material financial loss to customer(s);
  - (ii) materially breached the risk limits set by the Company or any company within the Group in respect of the Group's business from time to time; or
  - (iii) is otherwise detrimental to the Group or any company within the Group, and/or detrimental to the business conducted by the Group or any company within the Group;

- (d) the Participant had, at any time, engaged in any misconduct or committed any malfeasance, fraud or breach of trust or duty in relation to the Group or any company within the Group; and
- (e) any other exceptional circumstance as may be determined by the Committee at its absolute discretion.

7.6.4 Following the Committee making the determination to exercise the Clawback Right (the date on which the determination is made shall be referred to as the “Clawback Determination Date”), the Clawback Right shall be exercised in the manner set out in this Rule 7.6.4.

- (a) The Committee shall, in its sole and absolute discretion, determine (1) the limit on the quantum of the Recoverable Monies pursuant to Rule 7.6.2(b), and (2) the quantum of the Recoverable Monies. The Committee shall then, within 60 calendar days of the Clawback Determination Date, issue a written notice to the Participant of the following (and the Participant shall be required to comply with all directions issued as part of or pursuant to such notice):
  - (i) the Clawback Determination Date;
  - (ii) the quantum of the Recoverable Monies, which amount shall be due and payable to the Company in accordance with such notice;
  - (iii) the method of payment or transfer of the Recoverable Monies to the Company, and who shall bear the fees associated with such payment or transfer (if any);
  - (iv) the date by which the Participant has to pay or transfer the Recoverable Monies to the Company; and
  - (v) the interest that will accrue if the Participant fails to pay or transfer to the Company the whole of the Recoverable Monies by the date stipulated in such notification (if the Committee so decides in its sole and absolute discretion to impose such interest).

The date of such notice by the Committee to the Participant shall be the “Clawback Notification Date”.

- (b) For the purposes of:
  - (i) Rule 7.6.2(b)(i), the total of the payments made shall be calculated as follows:
    - (1) this amount shall be equal to the total cash paid (prior to the Clawback Determination Date) to the relevant Participant pursuant to Rule 7.5 in lieu of any of the Ordinary Shares; and
    - (2) the amount referred to in sub-paragraph (1) above shall be the aggregate cash paid (prior to the Clawback Determination Date) to the relevant Participant pursuant to Rule 7.5 *simpliciter* and shall therefore not be adjusted for inflation, without prejudice to the interest payable by such Participant pursuant to Rule 7.6.4(a); and
  - (ii) Rule 7.6.2(b)(ii)(1), the “Vested Value” of the Vested Shares means the aggregate of the Fair Market Value on the respective Vesting Date(s) of such Vested Shares or, in the case of Ordinary Shares which Vested pursuant to Rule 6.2 or Rule 6.4, the respective date(s) of Vesting of such Vested Shares.
- (c) The Company may exercise its Clawback Right more than once, provided that the Recoverable Monies as determined by the Committee for the purposes of such subsequent exercise shall not include any amount which has been paid or which is payable to the Company pursuant to the Company’s previous exercise(s) of its Clawback Right in respect of the Vested Shares which are the subject of such subsequent exercise.
- (d) The Participant acknowledges and agrees that:
  - (i) the Participant shall have no right under any circumstances to recover any part of any amount which has been paid or transferred to the Company;
  - (ii) under no circumstances will the amount of money that is payable by the Participant to the Company pursuant to Rule 7.6.4 be reduced in any way; and

(iii) any part of the Recoverable Monies which the Participant has failed to pay or transfer to the Company in accordance with a notice issued by the Committee pursuant to Rule 7.6.4(a) shall, together with the interest accrued in accordance with such notice, be a debt due and payable by such Participant to the Company.

(e) The Participant shall not have any right of dispute, set-off, deduction or withholding against the Company. The Company, by contrast, shall have a right to set-off any sum or liability owed by the Company to the Participant, whether arising under the Plan or otherwise, and whether as damages or otherwise.

(f) The quantum of the Recoverable Monies shall be quoted and payable in Singapore dollars or such other currency (and using such exchange rate) as may be determined by the Committee in its sole and absolute discretion.

7.6.5 (a) For the avoidance of doubt, the Clawback Right is enforceable against all Participants who are/were Group Employees (including Participants whose Awards have fully Vested and Participants who have ceased to be employed by a company within the Group). Awards granted to Non-executive Directors (as part of their directors' fees in lieu of cash) are not subject to the Clawback Right.

(b) The Clawback Right is in addition to, and without prejudice to, any right or remedy that the Company has vis-à-vis a Participant who is/was a Group Employee (whether under the Plan, contract, tort or any other theory of law).

## **7A. LIMITATION ON THE SIZE OF THE PLAN**

7A.1 The total number of Ordinary Shares which may be delivered pursuant to Awards granted under the Plan on any date, when added to:

(a) the total number of issued Ordinary Shares delivered and/or to be delivered, and Ordinary Shares Vested and/or to be Vested in the form of cash in lieu of Ordinary Shares, pursuant to Awards granted under the Plan; and

(b) the number of new Ordinary Shares allotted and issued and/or to be allotted and issued, issued Ordinary Shares delivered and/or to be delivered, and Shares vested and/or to be vested in the form of cash in lieu of Ordinary Shares, in respect of any other options or grants under share option schemes or share schemes, as the case may be,

shall not exceed five per cent of the total number of issued Ordinary Shares (excluding Ordinary Shares held by the Company as treasury shares and subsidiary holdings (as defined in the Listing Manual)) (or such other limit as may be prescribed by the Stock Exchange) of the Company on the date preceding the date of the relevant Award.

7A.2 Award Shares which have lapsed for any reason whatsoever may be the subject of further Awards granted by the Committee under the Plan.

## **8. ADJUSTMENT EVENTS**

8.1 If a variation in the ordinary share capital of the Company (whether by way of a ~~capitalisation of profits or reserves~~ ~~bonus~~ or rights issue, reduction, subdivision, consolidation, distribution or otherwise) shall take place or if the Company shall make a capital distribution or a declaration of a special dividend (whether in cash or in specie), then the Committee may, in its discretion, determine whether:

(a) the number of Award Shares to the extent not yet Vested; and/or

(b) the number of Ordinary Shares in respect of which future Awards may be granted under the Plan,

shall be adjusted and if so, the manner in which such adjustments should be made, provided always that the adjustment will not result in a Participant receiving a benefit that a shareholder of the Company does not receive.

8.2 Unless the Committee considers an adjustment to be appropriate, the issue of securities as consideration for an acquisition or a private placement of securities, or the cancellation of issued Ordinary Shares purchased or acquired by the Company during the period when a share purchase mandate granted by shareholders of the Company (including any renewal of such mandate) is in force, shall not normally be regarded as a circumstance requiring adjustment.

8.3 Notwithstanding the provisions of Rule 8.1, any adjustment (except in relation to a ~~capitalisation~~ ~~bonus~~ 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.

8.4 Upon any adjustment required to be made pursuant to this Rule 8, the Company shall notify the Participant (or his duly appointed personal representatives where applicable) in writing and deliver to him (or his duly appointed personal representatives where applicable) a statement setting forth the number of Ordinary Shares which are the subject of the adjusted Award. Any adjustment shall take effect upon such written notification being given or on such date as may be specified in such written notification.

## **9. ADMINISTRATION OF THE PLAN**

9.1 The Plan shall be administered by the Committee. No member of the Committee shall participate in any deliberation or decision in respect of Awards to be granted to him or held by him.

9.2 The Committee shall have the power, from time to time, to make and vary such arrangements, guidelines and/or regulations (not being inconsistent with the Plan) for the implementation and administration of the Plan, to give effect to the provisions of the Plan and/or to enhance the benefit of the Awards to the Participants, as it may think fit, provided always that no arrangements, guidelines and/or regulations shall be made or varied (i) to the advantage of Participants except with the prior approval of Company's shareholders in general meeting (as set out in Rule 11.1) and (ii) without the prior approval of Stock Exchange and such other regulatory authorities as may be necessary. Any matter pertaining or pursuant to the Plan and any dispute and uncertainty as to the interpretation of the Plan or any rule, regulation or procedure thereunder or any rights under the Plan shall be determined by the Committee.

9.3 Each Participant acknowledges and agrees that the Committee may sub-contract, delegate or outsource part or all of the administration of the Plan to such third party as it may decide. Whilst the Committee shall exercise due care in the selection of the third party, the Committee and the Company shall in no event whatsoever be liable for the acts or omissions of the third party.

9.4 Neither the Plan nor the grant of Awards under the Plan shall impose on the Company, its Board of Directors or the Committee or any of its members 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 Committee to exercise, or the exercise by the Committee of, any discretion under the Plan; and/or
- (c) any decision or determination of the Committee made pursuant to any provision of the Plan.

9.5 Any decision or determination of the Committee made pursuant to any provision of the Plan (other than a matter to be certified by the Auditors) shall be final, binding and conclusive (including for the avoidance of doubt, any decisions pertaining to disputes as to the interpretation, administration and/or application of the Plan or any rule, regulation or procedure hereunder or as to any rights under the Plan). The Committee acts in its absolute discretion and shall not be required to furnish any reason for any decision or determination made by it.

9.6 For the purpose of giving effect to the provisions of the Plan, each Participant hereby irrevocably appoints the Company or its authorised officer or agent to be the Participant's true and lawful attorney, to execute or do all acts, deeds matters and things in connection with any Award granted in the Participant's favour and at the expense of the Participant.

## **10. NOTICES**

10.1 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 addresses (including electronic mail addresses) or facsimile number, and marked for the attention of the Committee, as may be notified by the Company to him in writing.

10.2 Any notices or documents required to be given to a Participant or any Communication shall be delivered to him by hand or sent to him at his home address, electronic mail address or facsimile number according to the records of the Company or the last known address, electronic mail address or facsimile number of the Participant.

10.3 Any notice or other Communication from a Participant to the Company shall be irrevocable, and shall not be effective until received by the Company. Any notice or other communication from the Company to a Participant shall be deemed to be received by that Participant, when left at the address specified in Rule 10.2 or, if sent by post, on the day following the date of posting or, if sent by electronic mail or facsimile transmission, on the day of despatch.

10.4 Any Communication under the Plan may be communicated electronically through the use of a Security Device, or through an electronic page, site, or environment designated by the Company which is accessible only through the use of a Security Device, and such Communication shall thereby be deemed to have been sent by the designated holder of such Security Device.

10.5 The Company may accept and act upon any Communication issued and/or transmitted through the use of the Participant's Security Device pursuant to Rule 10.4 (whether actually authorised by the Participant or not) as his authentic and duly authorised Communication and the Company shall be under no obligation to investigate the authenticity or authority of persons effecting the Communication or to verify the accuracy and completeness of the Communication and the Company may treat the Communication as valid and binding on the Participant, notwithstanding any error, fraud, forgery, lack of clarity or misunderstanding in the terms of such Communication.

10.6 All Communications issued and/or transmitted through the use of a Participant's Security Device pursuant to Rule 10.4 (whether authorised by the Participant or not) are irrevocable and binding on the Participant upon transmission to the Company and the Company shall be entitled to effect, perform or process such Communications without the Participant's further consent and without any further reference or notice to the Participant.

10.7 It shall be the Participant's sole responsibility to ensure that all information contained in a Communication is complete, accurate, current, true and correct.

10.8 A Participant shall ensure (and shall take all necessary precautions to ensure) that:

- (a) he complies with the Company's procedural and/or operational guidelines relating to Security Devices;
- (b) all his Security Devices are kept completely confidential and secure; and
- (c) there is no unauthorised use or abuse of any of his Security Devices.

10.9 A Participant shall notify and/or contact the Company immediately if he becomes aware, has reason to believe, or suspects that any Security Device has become compromised, including but not limited to where:

- (a) the security or integrity of any Security Device may have been compromised;
- (b) such Security Device has become known or been revealed to any other person;
- (c) there has been unauthorised use of the Security Device; and/or
- (d) such Security Device is lost, damaged, defective or stolen,

and the Participant shall immediately cease to use such compromised Security Device until further notice from the Company. The Participant shall be bound by all Communications and transactions resulting from any Communications made which are referable to any compromised Security Device until such time as the Company has received a notification from the Participant under this Rule 10.9.

10.104 The Company's records of the Communications, and its record of any transactions maintained by any relevant person authorised by the Company relating to or connected with the Plan, whether stored in electronic or printed form, shall be binding and conclusive on a Participant and shall be conclusive evidence of such Communications and/or transactions. All such records shall be admissible in evidence and the Participant shall not challenge or dispute the admissibility, reliability, accuracy or the authenticity of the contents of such records merely on the basis that such records were incorporated and/or set out in electronic form or were produced by or are the output of a computer system, and the Participant waives any of his/her rights (if any) to so object.

10.115 Any provision in these Rules or any regulation of the Committee requiring a Communication to be signed by a Participant may be satisfied in the case of an electronic Communication, by the execution of any on-line act, procedure or routine designated by the Company to signify the Participant's intention to be bound by such Communication.

## 11. MODIFICATIONS TO THE PLAN

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

- (a) the definitions of “Committee”, “Group”, “Group employee”, “Group executive Director”, “Non-executive Director” and “Participant” and the provisions of Rules 4.1, 4.3, 5.6, 5.7, 7.4, 7A and 9 and this Rule 11 shall not be altered to the advantage of Participants except with the prior approval of Company’s shareholders in general meeting; and
- (b) no modification or alteration shall be made without the prior approval of Stock Exchange and such other regulatory authorities, as may be necessary.

For the avoidance of doubt, nothing in this ~~rule~~Rule 11.1 shall affect the right of the Committee under any other provision of the Plan to amend or adjust any Award.

11.2 Notwithstanding anything to the contrary contained in Rule 11.1, the Committee may at any time by resolution (and without any other formality, save for the prior approval of the Stock Exchange) amend or alter the Plan in any way to the extent necessary or desirable, in the opinion of the Committee, to cause the Plan to comply with, or take into account, any statutory provision (or any amendment or modification thereto, including amendment of or modification to the Act) or the provision or the regulations of any regulatory or other relevant authority or body (including the Stock Exchange).

11.3 Written notice of any modification or alteration made in accordance with this Rule 11 shall be given to all Participants.

## 12. TERMS OF EMPLOYMENT UNAFFECTED

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

## 13. DURATION OF THE PLAN

13.1 The Plan shall continue to be in force at the absolute discretion of the Committee, subject to a maximum period of ten (10) years commencing on the Adoption Date, provided always that the Plan may continue beyond the above stipulated period with the approval of the Company’s shareholders by ordinary resolution in general meeting (if applicable) and of any relevant authorities which may be required\*.

13.2 The Plan may be suspended or terminated at any time by the Committee, subject to all relevant approvals which may be required and if the Plan is so suspended or terminated, no further Awards shall be granted by the Committee hereunder.

13.3 The suspension, expiry or termination of the Plan shall not affect the rights of Participants in relation to any Awards which have been granted prior to such suspension, expiry or termination, whether such Awards have Vested (whether fully or partially) or not.

## 14. TAXES

All taxes (including income tax) arising from the grant or Vesting of any Award granted to any Participant under the Plan shall be borne by that Participant.

## 15. COSTS AND EXPENSES OF THE PLAN

15.1 Each Participant shall be responsible for all fees of CDP relating to or in connection with the transfer of any Ordinary Shares pursuant to the Vesting of any Award in CDP’s name, the deposit of share certificate(s) with CDP, the Participant’s securities account with CDP, or the Participant’s securities sub-account with a Depository Agent, or such other securities account or securities sub-account, in each case, as may be designated by the Participant.

15.2 Save for the taxes referred to in Rule 14 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 transfer, of Ordinary Shares pursuant to the Vesting of any Award shall be borne by the Company.

\* The Plan was put into effect for an initial duration of up to 10 years commencing on 7 August 2007 and expiring on 6 August 2017. At the 74th annual general meeting of the Company held on 21 April 2016, shareholders approved the extension of the duration of the Plan for a further period of 10 years from 7 August 2017 up to 6 August 2027 (both days inclusive).

## 16. INDEMNITY AND DISCLAIMER OF LIABILITY

- 16.1 Each Participant shall indemnify the Company in full (without any deduction, set-off or counterclaim) at all times against all claims and demands, actions or proceedings, loss and expenses (including legal costs on a full indemnity basis) and all other liabilities incurred or suffered by the Company in any manner arising out of or in connection with the Participant's access/use of the system supporting the administration of the Plan and/or the Participant's breach of any terms of use thereof.
- 16.2 Notwithstanding any provisions herein contained, the Committee and the Company and the Company's directors and employees shall not under any circumstances be held liable for any costs, losses, expenses and damages whatsoever and howsoever arising in any event, including but not limited to the Company's delay in procuring the transfer of, the Award Shares.
- 16.3 In no event shall the Committee and the Company be liable to any Participant or any other party for any damage, loss, expense or cost (including legal fees) whatsoever (including without limitation, any direct, indirect, special, incidental or consequential damage, loss of profits, loss of opportunity) arising in connection with :
- (a) any Participant's access to, use of or the inability to access or use the system supporting the administration of the Plan or use of or reliance on the contents of any relevant website;
  - (b) any loss or abuse or unauthorised disclosure of information;
  - (c) any failure of performance, system, server or connection failure, error, omission, interruption, breach of security, computer virus, malicious code, corruption, delay in operation or transmission, transmission error or unavailability of access to any system supporting the administration of the Plan;
  - (d) any use of or access to any websites linked to the system supporting the administration of the Plan;
  - (e) any service, product, information, data, software, or other materials obtained from the system supporting the administration of the Plan or from websites linked to the system supporting the administration of the Plan; and/or
  - (f) breach or violation of any third party rights, including but not limited to the violation of any proprietary or intellectual property rights.

## 16A. DISCLOSURES IN ANNUAL REPORTS

The following disclosures or the appropriate negative statements (as applicable) will be made by the Company in its annual report for so long as the Plan continues in operation:

- (a) the names of the members of the Committee; and
- (b) in respect of the following Participants of the Plan:
  - (i) Directors; and
  - (ii) Participants (other than those in sub-paragraph (i) above) who have received Ordinary Shares pursuant to the Vesting of Awards granted under the Plan which, in aggregate, represent five per cent. or more of the aggregate of the total number of Ordinary Shares available under the Plan and any other share option schemes or share schemes,

the following information:

- (1) the name of the Participant;
  - (2) the number of Ordinary Shares delivered to such Participant during the financial year under review;
- (c) in relation to the Plan, the following particulars:
- (2i) the aggregate number of Award Shares which have been granted under the Plan during the financial year under review;

- (3ii) the aggregate number of Award Shares which have been granted under the Plan since the commencement of the Plan to the end of the financial year under review;
  - (4iii) the aggregate number of Award Shares which have Vested under the Plan since the commencement of the Plan to the end of the financial year under review; and
  - (5iv) the aggregate number of Award Shares granted under the Plan which have not Vested, as at the end of the financial year under review; and
- (d) any other information as may be required to comply with any applicable law or regulation, including the listing rules of any applicable stock exchange.

## **16B. COLLECTION, USE AND DISCLOSURE OF PERSONAL DATA**

For the purposes of implementing and administering the Plan, and in order to comply with any applicable laws, listing rules, regulations and/or guidelines, the Company will collect, use and disclose the personal data of the Participants, as contained in each Award Letter and/or any other Communication, and/or which is otherwise collected from the Participants (or their authorised representatives). By participating in the Plan, each Participant consents to the collection, use and disclosure of his personal data for all such purposes, including disclosure of data to related corporations of the Company and/or third parties who provide services to the Company (whether within or outside Singapore), and to the collection, use and further disclosure by such parties for such purposes. Each Participant also warrants that where he discloses the personal data of third parties to the Company in connection with this Plan, he has obtained the prior consent of such third parties for the Company to collect, use and disclose their personal data for the abovementioned purposes, in accordance with any applicable laws, regulations and/or guidelines. Each Participant shall indemnify the Company and each member of the Committee in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Participant's breach of this warranty.

## **17. DISPUTES**

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

## **18. GOVERNING LAW**

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

## **19. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 2001, CHAPTER 53B**

No person other than the Company or a Participant shall have any right to enforce any provision of the Plan or any Award by virtue of the Contracts (Rights of Third Parties) Act 2001, ~~Chapter 53B~~ of Singapore.



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