



**SIA ENGINEERING
COMPANY**

SIA ENGINEERING COMPANY LIMITED

(Incorporated in the Republic of Singapore)
Company Registration No. 198201025C

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 35th Annual General Meeting of SIA Engineering Company Limited (the "**Company**") will be held at Orchard Grand Ballroom, Level 3, Orchard Hotel Singapore, 442 Orchard Road, Singapore 238879 on Thursday, 20 July 2017 at 10.00 a.m. to transact the following business:

ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and Audited Financial Statements for the financial year ended 31 March 2017 and the Auditors' Report thereon.
2. To declare a final ordinary dividend of 9.0 cents per ordinary share and a special dividend of 5.0 cents per ordinary share for the financial year ended 31 March 2017.
3. To re-elect the following Directors who are retiring by rotation pursuant to Article 90 of the Constitution of the Company and who, being eligible, offer themselves for re-election as Directors pursuant to Article 91 of the Constitution of the Company:
 - 3.1 Mr Ng Chin Hwee
 - 3.2 Ms Christina Hon Kwee Fong (Mrs Christina Ong)
 - 3.3 Mr Tong Chong Heong
4. To re-elect the following Directors who are retiring pursuant to Article 96 of the Constitution of the Company and who, being eligible, offer themselves for re-election as Directors:
 - 4.1 Mr Tang Kin Fei
 - 4.2 Dr Raj Thampuran
 - 4.3 Mr Wee Siew Kim
 - 4.4 Mr Png Kim Chiang
5. To approve the Directors' fees of up to S\$1,500,000 for the financial year ending 31 March 2018 (FY2016/17: up to S\$1,134,000).
6. To re-appoint KPMG LLP as the Auditors of the Company and to authorise the Directors to fix their remuneration.

SPECIAL BUSINESS

7. To consider and if thought fit, to pass, with or without modifications, the following resolutions which will be proposed as Ordinary Resolutions:

7.1 That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore (the "**Companies Act**"), authority be and is hereby given to the Directors of the Company to:

- (a) (i) issue shares of the Company ("**shares**") whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

provided that:

- (1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a *pro rata* basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 10% of the total number of issued shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below);

- (2) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the purpose of determining the aggregate number of shares that may be issued under subparagraph (1) above, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed, after adjusting for:
- (i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and
 - (ii) any subsequent bonus issue or consolidation or subdivision of shares,

and, in sub-paragraph (1) above and this sub-paragraph (2), "subsidiary holdings" has the meaning given to it in the Listing Manual of the SGX-ST (the "**Listing Manual**");

- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and
- (4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

7.2 That the Directors of the Company be and are hereby authorised to:

- (a) grant awards in accordance with the provisions of the SIAEC Performance Share Plan 2014 and/or the SIAEC Restricted Share Plan 2014; and
- (b) allot and issue from time to time such number of fully paid ordinary shares as may be required to be issued pursuant to the vesting of awards under the SIAEC Performance Share Plan 2014 and/or the SIAEC Restricted Share Plan 2014,

provided that:

- (1) the aggregate number of (i) new ordinary shares allotted and issued and/or to be allotted and issued, (ii) existing ordinary shares (including ordinary shares held in treasury) delivered and/or to be delivered, and (iii) ordinary shares released and/or to be released in the form of cash in lieu of ordinary shares, pursuant to the SIAEC Performance Share Plan 2014 and the SIAEC Restricted Share Plan 2014, shall not exceed 5% of the total number of issued ordinary shares (excluding treasury shares and subsidiary holdings) from time to time;
- (2) the aggregate number of ordinary shares under awards to be granted pursuant to the SIAEC Performance Share Plan 2014 and the SIAEC Restricted Share Plan 2014 respectively during the period (the “**Relevant Year**”) commencing from this Annual General Meeting and ending on the date of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier, shall not exceed 0.5% of the total number of issued ordinary shares (excluding treasury shares and subsidiary holdings) from time to time (the “**Yearly Limit**”); and
- (3) if the Yearly Limit is not fully utilised during the Relevant Year, any unutilised portion of the Yearly Limit may be used for the grant of awards under the SIAEC Performance Share Plan 2014 and the SIAEC Restricted Share Plan 2014 in subsequent years for the duration of the SIAEC Performance Share Plan 2014 and the SIAEC Restricted Share Plan 2014 respectively,

and in this Resolution, “subsidiary holdings” has the meaning given to it in the Listing Manual.

7.3 That:

- (a) approval be and is hereby given, for the purposes of Chapter 9 of the Listing Manual (“**Chapter 9**”), for the Company, its subsidiaries and associated companies that are “entities at risk” (as that term is used in Chapter 9), or any of them to enter into any of the transactions falling within the types of interested person transactions described in the Appendix to the Letter to Shareholders dated 28 June 2017 (the “**Letter**”) with any party who is of the class of interested persons

described in the Appendix to the Letter, provided that such transactions are made on normal commercial terms and in accordance with the review procedures for such interested person transactions;

- (b) the approval given in paragraph (a) above (the “**IPM Mandate**”) shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company; and
- (c) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required), as they and/or he may consider expedient or necessary or in the interests of the Company to give effect to the transactions contemplated and/or authorised by the IPM Mandate and/or this Resolution.

7.4 That:

- (a) for the purposes of Sections 76C and 76E of the Companies Act, the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued ordinary shares of the Company (“**Shares**”) not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:
 - (i) market purchase(s) on the SGX-ST; and/or
 - (ii) off-market purchase(s) (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws and regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the “**Share Buy Back Mandate**”);

- (b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors pursuant to the Share Buy Back Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:
- (i) the date on which the next Annual General Meeting of the Company is held;
 - (ii) the date by which the next Annual General Meeting of the Company is required by law to be held; and
 - (iii) the date on which purchases and acquisitions of Shares pursuant to the Share Buy Back Mandate are carried out to the full extent mandated;
- (c) in this Resolution:

“Average Closing Price” means the average of the last dealt prices of a Share for the five consecutive trading days on which the Shares are transacted on the SGX-ST immediately preceding the date of market purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the off-market purchase, and deemed to be adjusted in accordance with the listing rules of the SGX-ST for any corporate action which occurs after the relevant five-day period;

“date of the making of the offer” means the date on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from holders of Shares, stating therein 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;

“Maximum Limit” means that number of issued Shares representing 2% of the total number of issued Shares as at the date of the passing of this Resolution (excluding treasury shares and subsidiary holdings (as defined in the Listing Manual of the SGX-ST)); and

“Maximum Price”, in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) which shall not exceed, whether pursuant to a market purchase or an off-market purchase, 105% of the Average Closing Price of the Shares; and

- (d) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they and/or he/she may consider expedient or necessary or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Resolution.

By Order of the Board

DEVIKA RANI DAVAR

LU LING LING

Joint Company Secretaries

28 June 2017

Singapore

CLOSURE OF BOOKS

NOTICE IS HEREBY GIVEN that, subject to the approval of shareholders being obtained at the 35th Annual General Meeting of the Company for the payment of the final ordinary dividend and the special dividend (the **"Proposed Dividends"**), the Share Transfer Books and the Register of Members of the Company will be closed on 28 July 2017 for the preparation of dividend warrants.

Duly completed and stamped transfers (together with all relevant documents of or evidencing title) received by the Company's Share Registrar, M & C Services Private Limited, at 112 Robinson Road #05-01, Singapore 068902, up to 5.00 p.m. on 27 July 2017 will be registered to determine shareholders' entitlements to the Proposed Dividends. Subject as aforesaid, shareholders whose Securities Accounts with The Central Depository (Pte) Limited ("**CDP**") are credited with ordinary shares of the Company as at 5.00 p.m. on 27 July 2017 will be entitled to the Proposed Dividends. The Company will pay the Proposed Dividends to CDP, which will, in turn, distribute the entitlements to the Proposed Dividends to CDP account-holders in accordance with its normal practice.

The Proposed Dividends, if approved by shareholders, will be paid on 8 August 2017.

EXPLANATORY NOTES:

1. In relation to Ordinary Resolution Nos. 3.1, 3.2 and 3.3, Mr Ng Chin Hwee, Ms Christina Hon Kwee Fong (Mrs Christina Ong) and Mr Tong Chong Heong will be retiring from office at the Annual General Meeting pursuant to Article 90 of the Constitution of the Company and will be standing for re-election at the Annual General Meeting. Mr Ng will, upon re-election, continue to serve as a member of the Board Safety & Risk Committee and the Nominating Committee. Mrs Ong will, upon re-election, continue to serve as the Chairman of the Nominating Committee and a member of the Audit Committee. Mr Tong will, upon re-election, continue to serve as the Chairman of the Board Safety & Risk Committee and a member of the Compensation & HR Committee. Mr Ng is considered a non-independent Director, and Mrs Ong and Mr Tong are considered independent Directors. Please refer to the sections on Board of Directors and Corporate Governance in the Annual Report FY2016/17 for information on Mr Ng, Mrs Ong and Mr Tong.
2. In relation to Ordinary Resolution Nos. 4.1, 4.2, 4.3 and 4.4, Article 96 of the Constitution of the Company permits the Directors to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors. Any Director so appointed shall hold office only until the next following Annual General Meeting, and shall then be eligible for re-election. Mr Tang Kin Fei was appointed on 8 May 2017, Dr Raj Thampuran was appointed on 1 September 2016, Mr Wee Siew Kim was appointed on 8 May 2017 and Mr Png Kim Chiang (the Chief Executive Officer of the Company) was appointed on 1 November 2016, and they are each therefore seeking re-election at the forthcoming 35th Annual General Meeting pursuant to Article 96. Mr Tang will, upon-election, continue to serve as the Deputy Chairman of the Board and a member of the Audit Committee and the Board Safety & Risk Committee. Dr Thampuran will, upon re-election, continue to serve as a member of the Audit Committee. Mr Wee will, upon re-election, continue to serve as a member of the Board Safety & Risk Committee and the Compensation & HR Committee. Mr Tang, Dr Thampuran and Mr Wee are considered independent Directors. Please refer to the sections on Board of Directors and Corporate Governance in the Annual Report FY2016/17 for information on Mr Tang, Dr Thampuran, Mr Wee and Mr Png.

3. Ordinary Resolution No. 5, if passed, will facilitate the payment of Directors' fees during the financial year in which the fees are incurred, that is, during FY2017/18. The amount of the Directors' fees is computed based on the anticipated number of Board meetings for FY2017/18, assuming full attendance by all Directors. The amount also includes an additional 5% to cater for unforeseen circumstances, for example, the appointment of an additional Director, additional unscheduled Board meetings, additional appointments to Board Committees and/or the formation of additional Board Committees. The increase in Directors' fees is proposed following a remuneration review conducted by the Company's external consultant, Carrots Consulting Pte Ltd, and is necessary in order to attract, retain and motivate high calibre non-executive Directors and ensure that the non-executive Directors' compensation is market-competitive and commensurate with their responsibilities and accountabilities. The increase is also to accommodate the appointment of additional Directors, namely, Mr Tang Kin Fei (Deputy Chairman) and Mr Wee Siew Kim, on 8 May 2017, as well as an increase in the number of appointments to Board Committees. In the event that the amount proposed is insufficient, approval will be sought at the next Annual General Meeting for payments to meet the shortfall.

As disclosed on page 33 of the Annual Report FY2016/17, Directors' fees due to Mr Goh Choon Phong and Mr Ng Chin Hwee will be paid to and retained by Singapore Airlines Limited ("SIA"), the holding company of the Company. Mr Goh and Mr Ng hold executive positions in SIA. As disclosed on page 33 of the Annual Report FY2016/17, Mr Png Kim Chiang is the Chief Executive Officer of the Company and does not receive any Directors' fees.

4. Ordinary Resolution No. 7.1, if passed, will empower the Directors to issue shares, make or grant instruments convertible into shares and to issue shares pursuant to such instruments up to a number not exceeding 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) with a sub-limit of 10% for issues other than on a *pro rata* basis. The 10% sub-limit for non-*pro rata* issues is lower than the 20% sub-limit allowed under the Listing Manual. The Directors believe that the lower sub-limit of 10% would sufficiently address the Company's present need to maintain flexibility while taking into account shareholders' concerns against dilution. For the purpose of determining the aggregate number of shares which may be issued, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) at the time this Ordinary Resolution is passed, after adjusting for (a) new shares arising from the conversion or exercise of any convertible instruments or share options or vesting of share awards which are outstanding at the time this Ordinary Resolution is passed; and (b) any subsequent bonus issue or consolidation or subdivision of shares. For the avoidance of doubt, shareholders' approval will be required for any consolidation or subdivision of shares. As at 1 June 2017 (the "**Latest Practicable Date**"), the Company had 4,726,952 treasury shares and no subsidiary holdings.

5. Ordinary Resolution No. 7.2, if passed, will empower the Directors to grant awards pursuant to the SIAEC Performance Share Plan 2014 and the SIAEC Restricted Share Plan 2014, and to allot and issue ordinary shares of the Company pursuant to the SIAEC Performance Share Plan 2014 and the SIAEC Restricted Share Plan 2014. The total number of ordinary shares which may be delivered pursuant to awards granted under the SIAEC Performance Share Plan 2014 and the SIAEC Restricted Share Plan 2014 (whether in the form of ordinary shares or in the form of cash in lieu of ordinary shares) shall not exceed 5% of the total number of issued ordinary shares (excluding treasury shares and subsidiary holdings) from time to time. In addition, Ordinary Resolution 7.2 will provide that the total number of ordinary shares under awards to be granted pursuant to the SIAEC Performance Share Plan 2014 and the SIAEC Restricted Share Plan 2014 from this Annual General Meeting to the next Annual General Meeting (the "**Relevant Year**") shall not exceed 0.5% of the total number of issued ordinary shares (excluding treasury shares and subsidiary holdings) from time to time (the "**Yearly Limit**"), provided that if the Yearly Limit is not fully utilised during the Relevant Year, any unutilised portion of the Yearly Limit may be used by the Directors to make grants of awards under the SIAEC Performance Share Plan 2014 and the SIAEC Restricted Share Plan 2014 in subsequent years, for the duration of the SIAEC Performance Share Plan 2014 and the SIAEC Restricted Share Plan 2014.
6. Ordinary Resolution No. 7.3, if passed, will renew the mandate to allow the Company, its subsidiaries and associated companies that are entities at risk (as that term is used in Chapter 9) or any of them, to enter into certain interested person transactions with certain classes of interested persons as described in the Appendix to the Letter. The authority will, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company. Please refer to the Letter for more details.

7. Ordinary Resolution No. 7.4, if passed, will renew the mandate to allow the Company to purchase or otherwise acquire its issued ordinary shares, on the terms and subject to the conditions set out in the Resolution.

The Company may use internal or external sources of funds to finance the purchase or acquisition of its ordinary shares. The amount of financing required for the Company to purchase or acquire its ordinary shares, and the impact on the Company's financial position, cannot be ascertained as at the date of this Notice as these will depend on the number of ordinary shares purchased or acquired and the price at which such ordinary shares were purchased or acquired and whether the ordinary shares purchased or acquired are held in treasury or cancelled.

The financial effects of the purchase or acquisition of such ordinary shares by the Company pursuant to the proposed Share Buy Back Mandate on the audited financial statements of the Company and the Company and its subsidiaries for the financial year ended 31 March 2017, based on certain assumptions, are set out in paragraph 3.7 of the Letter. Please refer to the Letter for more details.

NOTES:

1. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Annual General Meeting. Where such member's form of proxy appoints two proxies, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.
- (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Annual General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act.

2. A proxy need not be a member of the Company.
3. The instrument appointing a proxy or proxies (together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof) must be deposited at the office of the Company's Share Registrar, M & C Services Private Limited, 112 Robinson Road #05-01, Singapore 068902 not less than 72 hours before the time appointed for holding the Annual General Meeting.

PERSONAL DATA PRIVACY:

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