

SINGAPORE AIRLINES LIMITED
MINUTES OF THE FORTY-FIFTH ANNUAL GENERAL MEETING
HELD AT THE ORCHARD GRAND BALLROOM, LEVEL 3, ORCHARD HOTEL
442 ORCHARD ROAD, SINGAPORE 238879
FRIDAY, 28 JULY 2017 AT 1000 HOURS

1 WELCOME ADDRESS

- 1.1 The Chairman called the Meeting to order at 10.00 a.m.
- 1.2 CEO presented an update of the Company's strategic initiatives as part of transformation. The initiatives taken include (a) new traffic segments through the Company's multi-airline portfolio strategy, (b) the Company's ongoing multi-hub strategy, (c) new revenue and business opportunities taken (e.g. Airbus Asia Training Centre and sale of KrisFlyer miles to non-air partners), and (d) strengthening the Company's premium positioning in terms of enhancing customer experience, developing new cabin products, investing in new aircraft and expanding the Group's network.
- 1.3 CEO reported that the initiatives had laid a strong foundation for the next phase of the Company's transformation, namely focusing on revenue generation and organisational effectiveness, as well as re-basing its cost structure. To this effect, a dedicated Transformation Office had been established with full-time staff reporting directly to the CEO. The Board, Management and staff were all engaged in the Company's multi-year transformation programme.

2 NOTICE OF MEETING

- 2.1 The Company Secretary confirmed there was a quorum.
- 2.2 The Notice of Meeting was taken as read.

3 INTRODUCTION OF THE BOARD OF DIRECTORS AND SENIOR MANAGEMENT

- 3.1 Chairman introduced his fellow Directors and the Senior Management of the Company in attendance.
- 3.2 Chairman informed Shareholders that the voting of resolutions for the AGM would be done by means of a poll.
- 3.3 Chairman invited Mr Raymond Ang from RHT Corporate Advisory to explain the electronic poll voting procedures for the Annual General Meeting ("**AGM**").

4 RESOLUTION 1: TO RECEIVE AND ADOPT THE DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017 AND THE AUDITORS' REPORT THEREON

- 4.1 Chairman proposed the Resolution as tabled in the Notice of AGM.
- 4.2 A Shareholder inquired about the increase in the Group's staff cost despite the weaker financial performance. SVP Finance responded that the increase in the Group's staff cost had included a one-off profit-sharing bonus of \$20 million for SIAEC staff arising from SIAEC's divestment of its stake in Hong Kong Aero Engine Services Limited. Otherwise it was generally in tandem with the increase in staff numbers. The increase in staff numbers at the Group level was attributable to the growth of the Company's low cost subsidiary, Budget Aviation Holdings Pte. Ltd. ("**BAH**") and to the anticipated growth of the Company's fleet (which had led to an increase in cabin crew numbers).
- 4.3 Chairman added that one of the Company's key strengths was in the quality of its staff and in its service quality. Short-term measures to manage staff cost could adversely affect service quality. Chairman appealed to Shareholders to take a longer term view of the business, which was part of transformation. Chairman also said that growth as part of transformation would entail making investments for the future, such as spending on people development, new aircraft types, equipment, etc. Such investments could take time to bear fruit. But overall, the Group is in a stronger position now that it has fully acquired and privatized Tiger Airways Holdings Limited.
- 4.4 A Shareholder asked that the Company consider putting its minutes of AGM on its website. Chairman responded that he was in favour of transparency and would consider it.
- 4.5 A Shareholder expressed concern about the Company's fuel hedging losses. Chairman responded that the purpose of fuel hedging was to reduce the volatility of fuel cost to the Company. Based on the prevailing trend in fuel price movements, the Board had approved a new fuel hedging strategy. The Board continued to monitor fuel price trends closely.
- 4.6 Certain other Shareholders asked about the reasons why the Company had continued to engage in fuel hedging despite suffering losses from such activities. A Shareholder expressed the view that fuel hedging losses had made it difficult for the Company to respond to its competitors. Chairman explained that the Company conducts fuel hedging in order to stabilise its cost of fuel over the long term. Chairman emphasised the unpredictability of oil prices, and stressed that the Company conducts fuel hedging for stability, and not for speculation.
- 4.7 Chairman added, currently, the hedged prices are close to prevailing market prices. As a result, fuel hedging losses had decreased dramatically in the first quarter of the current financial year. Chairman assured Shareholders that Management had engaged advisors and consultants to help with fuel hedging, and appealed to Shareholders for patience as well as to focus on the value delivered by the Company over the years.

- 4.8 A Shareholder commented that in cases where flights were paid by credit card holders who were not the actual passengers, it was troublesome for such credit card holders to come to the check-in counter for verification purposes. CEO responded that the Company had been reviewing its practice on this matter to make it more convenient for users.
- 4.9 A Shareholder asked whether it would be cheaper to purchase insurance instead of making financial provisions for warranty claims, upgrade costs, return costs for leased aircraft, lease end liability, and onerous leases; and whether data analytics and artificial intelligence could help in forecasting maintenance events. SVP Finance replied that the provisioned costs were not items for which insurance would be available. He explained that the financial provisions were being made because such costs could be estimated and were likely to be unavoidable. Chairman also responded that the use of data analytics would be part of the Company's transformation project.
- 4.10 A Shareholder commented that the confirmation for his ticket which he had redeemed using KrisFlyer miles came only one week prior to departure, even though he had made the application for redemption in advance. CEO assured the Shareholder that the Company values both paying and redemption customers, and that the Company would manage its inventory better to allow more redemption seats on flights with lower loads. CEO added that it is the Company's intention to enable KrisFlyer members to redeem their miles and consequently, other non-flight products had been introduced for mileage redemption as well.
- 4.11 A Shareholder expressed his concern about the Company's share price performance, fuel hedging losses, customer service quality, and employee productivity. He also gave his views on transformation and digitalisation, such as having more customer focus groups, conducting surveys, setting up transformation/incubation laboratories, co-opting ideas from university undergraduates, etc. Chairman responded that the Company's share price depends on extrinsic factors such as prevailing investor sentiment, and may not always correlate with the Company's financial performance. Chairman assured the Shareholder that the Company's transformation exercise involves the Board closely. In addition, the Company has focus groups and will be using data analytics to better understand its customers.
- 4.12 A Shareholder inquired about the behavioural patterns of the customers of each of the three airlines in the Group. CEO explained that low cost carrier customers have lower price expectations and are mostly leisure travelers. In this regard, Scoot will launch flights to destinations such as Hawaii, which is primarily a leisure destination. As for the full service carriers of the Group, demand has seen some stabilisation.
- 4.13 A Shareholder inquired about the cost to the Company attributable to the loss of utensils on board. SVP Finance responded that the value is low, and CEO added that the loss is monitored at the relevant departmental level as part of good governance.
- 4.14 A Shareholder inquired about the impact of gearing on future dividend payments over the next five years. He also asked whether the Company would move from a net cash to a net debt position eventually. SVP Finance responded in the affirmative, saying that the Company currently expects to raise financing for aircraft capital expenditure from external debt sources and not from equity sources. In his view, the

Company's balance sheet in the next five years will be strong. Chairman added that the Company's dividend payment policy may be reviewed if and when the Company's yield performance improves.

- 4.15 A Shareholder asked when Vistara, SIA's joint venture airline with TATA, would commence international flights. CEO responded that under Indian regulations, Vistara would need at least 20 aircraft before it could be allowed to fly internationally. Consequently, Vistara would still need to grow its fleet by a few more aircraft first. He added that the commencement of international operations is ultimately a matter for the Vistara Board and Management to decide, but the current intention is indeed for Vistara to operate internationally, whether in 2018 or later.
- 4.16 A Shareholder asked whether the Board had done a strategic review of the Company, with a view towards potentially downsizing the airline for cashflow reasons. Chairman explained that downsizing in the airline business is not as straightforward as in other industries, e.g. manufacturing. SIA would continue to need a sizable international network given that it does not have any domestic flights to support its airline business. In this regard, the Company had already been looking at other revenue-generating sources, such as India. Chairman assured the Shareholder that the Company was not growing for the sake of size alone. The Board and Management would continue to have ongoing reviews to maximise returns from the airlines in the Group through optimising the use of capital, generating more connectivity, etc.
- 4.17 A Shareholder commented that SIAEC and ST Aerospace are in the same maintenance, repair and overhaul business in Singapore. He asked whether SIA would divest SIAEC, similar to SIA's divestment of SATS in the past. Chairman responded that currently, there are no plans to divest SIAEC, and that SIAEC's maintenance, repair and overhaul operations are critical to SIA's business.
- 4.18 There being no further questions, Chairman put the following Resolution to a poll vote:
"That the Directors' Statement and the Audited Financial Statements for the year ended 31 March 2017 and the Auditors' Report thereon be received and adopted."
- 4.19 The results of the poll vote were as follows:

Resolution No.	For		Against	
	Number of Shares	%	Number of Shares	%
AGM Resolution 1 Adoption of Directors' Statement, Audited Financial Statements and Auditors' Report	881,315,252	99.99%	75,823	0.01%

- 4.20 The Resolution was declared carried.

5 RESOLUTION 2: TO DECLARE A FINAL DIVIDEND OF 11 CENTS PER ORDINARY SHARE FOR THE YEAR ENDED 31 MARCH 2017

5.1 Chairman proposed the Resolution as tabled in the Notice of AGM.

5.2 There being no questions, Chairman put the following Resolution to a poll vote:

“To declare a final dividend of 11 cents per ordinary share for the year ended 31 March 2017”.

5.3 The results of the poll vote were as follows:

Resolution No.	For		Against	
	Number of Shares	%	Number of Shares	%
AGM Resolution 2 Declaration of Final Dividend	881,326,548	99.98%	162,070	0.02%

5.4 The Resolution was declared carried.

6 RESOLUTION 3: TO RE-ELECT DR HELMUT GUNTER WILHELM PANKE, A DIRECTOR WHO IS RETIRING BY ROTATION IN ACCORDANCE WITH ARTICLE 91 OF THE COMPANY'S CONSTITUTION

6.1 Chairman informed Shareholders that Dr Helmut Gunter Wilhelm Panke would be retiring under Article 91 and had indicated his willingness to be re-elected as a Director of the Company. Upon re-election, Dr Panke would continue to serve as the Chairman of the Board Safety and Risk Committee, and as a Member of the Board Compensation and Industrial Relations Committee.

6.2 Chairman proposed the Resolution as tabled in the Notice of AGM.

6.3 A Shareholder suggested that the Board could consider bringing in a member with new technology skillsets. Chairman responded that the Board had been searching, but it was not easy to find a suitable candidate with the appropriate skillsets and who could also commit the time and effort to contribute. The Board would continue with its search efforts.

6.4 Chairman put the resolution to re-elect Dr Panke pursuant to Article 91 of the Company's Constitution to a poll vote.

6.5 The results of the poll vote were as follows:

Resolution No.	For		Against	
	Number of Shares	%	Number of Shares	%
AGM Resolution 3 Re-election of Dr Helmut Gunter Wilhelm Panke in accordance with Article 91	880,332,371	99.89%	996,913	0.11%

6.6 The Resolution was declared carried.

7 RESOLUTION 4(a): TO RE-ELECT MR LEE KIM SHIN, A DIRECTOR WHO IS RETIRING IN ACCORDANCE WITH ARTICLE 97 OF THE COMPANY'S CONSTITUTION

7.1 Chairman informed Shareholders that Mr Lee Kim Shin would be retiring under Article 97 and had indicated his willingness to be re-elected as a Director of the Company. Upon re-election, Mr Lee would continue to serve as a Member of the Board Nominating Committee, and the Board Safety and Risk Committee.

7.2 Chairman proposed the Resolution as tabled in the Notice of AGM.

7.3 Chairman put the Resolution to re-elect Mr Lee Kim Shin pursuant to Article 97 of the Company's Constitution to a poll vote.

7.4 The results of the poll vote were as follows:

Resolution No.	For		Against	
	Number of Shares	%	Number of Shares	%
AGM Resolution 4(a) Re-election of Mr Lee Kim Shin in accordance with Article 97	876,869,792	99.52%	4,206,209	0.48%

7.5 The Resolution was declared carried.

8 RESOLUTION 4(b): TO RE-ELECT MR DOMINIC HO CHIU FAI, A DIRECTOR WHO IS RETIRING IN ACCORDANCE WITH ARTICLE 97 OF THE COMPANY'S CONSTITUTION

8.1 Chairman informed Shareholders that Mr Dominic Ho Chiu Fai would be retiring under Article 97 and had indicated his willingness to be re-elected as a Director of the Company. Upon re-election, Mr Ho would continue to serve as a Member of the Board Audit Committee, and the Board Safety and Risk Committee.

8.2 Chairman proposed the Resolution as tabled in the Notice of AGM.

8.3 Chairman put the Resolution to re-elect Mr Dominic Ho Chiu Fai pursuant to Article 97 of the Company's Constitution to a poll vote.

8.4 The results of the poll vote were as follows:

Resolution No.	For		Against	
	Number of Shares	%	Number of Shares	%
AGM Resolution 4(b) Re-election of Mr Dominic Ho Chiu Fai in accordance with Article 97	876,962,121	99.53%	4,104,226	0.47%

8.5 The Resolution was declared carried.

9 RESOLUTION 4(c): TO RE-ELECT MR SIMON CHEONG SAE PENG, A DIRECTOR WHO IS RETIRING IN ACCORDANCE WITH ARTICLE 97 OF THE COMPANY'S CONSTITUTION

9.1 Chairman informed Shareholders that Mr Simon Cheong Sae Peng would be retiring under Article 97 and had indicated his willingness to be re-elected as a Director of the Company. Upon re-election, Mr Cheong would continue to serve as a Member of the Board Compensation and Industrial Relations Committee.

9.2 Chairman proposed the Resolution as tabled in the Notice of AGM.

9.3 Chairman put the Resolution to re-elect Mr Simon Cheong Sae Peng pursuant to Article 97 of the Company's Constitution to a poll vote.

9.4 The results of the poll vote were as follows:

Resolution No.	For		Against	
	Number of Shares	%	Number of Shares	%
AGM Resolution 4(c) Re-election of Mr Simon Cheong Sae Peng in accordance with Article 97	877,343,297	99.57%	3,785,341	0.43%

9.5 The Resolution was declared carried.

10 RESOLUTION 5: TO APPROVE DIRECTORS' EMOLUMENTS OF UP TO \$2,300,000 FOR FINANCIAL YEAR ENDING 31 MARCH 2018 (FY 2016/17: UP TO \$2,300,000)

10.1 Chairman explained the rationale for seeking Shareholders' approval to pay Directors' emoluments in advance. By obtaining approval for the payment of Directors' emoluments for the current financial year, SIA was seeking to ensure that, as with other service providers, Directors are paid on a continuing "as-earned" basis for services already rendered, rather than in arrears after the financial year ends. This was also in line with global practices.

10.2 Chairman informed Shareholders that the total proposed sum of \$2,300,000 was the same as the amount approved last financial year. Chairman elaborated that the proposed sum of \$2,300,000 comprised Board fee retainers and meeting allowances for the Non-Executive Directors (excluding the CEO) with a buffer to provide for the possibility of appointment of an additional Director(s), additional unscheduled Board meeting(s), formation of additional Board Committee(s) and increase in fees. The amount also included transport and travel benefits to be provided to the Non-Executive Directors.

10.3 Chairman proposed the Resolution as tabled in the Notice of AGM.

10.4 A Shareholder asked whether the remuneration was linked to the Company's share price. Chairman responded that share prices would fluctuate according to prevailing market sentiment and other external factors, and so would not be a good indicator of the Company's performance for the purpose of remuneration. Instead, the Management was remunerated based on its achievement of the KPIs set by the Board. Although the Board's and Management's remuneration was not based on share prices, the Company worked with a view towards maintaining its share price generally.

10.5 Chairman put the following Resolution to a poll vote:

"To approve Directors' Emoluments of up to \$2,300,000 for the financial year ending 31 March 2017 (FY 2015/16: up to \$2,300,000)."

10.6 The results of the poll vote were as follows:

Resolution No.	For		Against	
	Number of Shares	%	Number of Shares	%
AGM Resolution 5 Approval of Directors' Emoluments for the financial year ending 31 March 2018	880,733,229	99.97%	220,572	0.03%

10.7 The Resolution was declared carried.

11 RESOLUTION 6: TO RE-APPOINT KPMG LLP AS AUDITORS OF THE COMPANY AND TO AUTHORISE THE DIRECTORS TO FIX THEIR REMUNERATION

11.1 Chairman informed Shareholders that KPMG LLP had expressed their willingness to accept re-appointment as Auditors of the Company.

11.2 Chairman proposed the Resolution as tabled in the Notice of AGM and put the following Resolution to a poll vote:

“That Messrs KPMG LLP be re-appointed as Auditors of the Company, to hold office until the next AGM, at a remuneration to be fixed by the Board of Directors.”

11.3 The results of the poll vote were as follows:

Resolution No.	For		Against	
	Number of Shares	%	Number of Shares	%
AGM Resolution 6 Re-appointment of KPMG LLP as Auditors of the Company	880,121,192	99.94%	551,649	0.06%

11.4 The Resolution was declared carried.

12 RESOLUTION 7: GENERAL MANDATE AUTHORISING DIRECTORS TO ISSUE SHARES OF THE COMPANY WHETHER BY WAY OF RIGHTS, BONUS OR OTHERWISE; AND/OR TO MAKE OR GRANT OFFERS, AGREEMENTS OR OPTIONS FOR SHARES, WARRANTS, DEBENTURES OR OTHER INSTRUMENTS CONVERTIBLE INTO SHARES TO BE ISSUED 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

12.1 Chairman explained that Resolution 7, if passed, would empower Directors to issue shares, warrants, debentures and other instruments convertible into shares and to issue shares pursuant to such instruments, from the date of this AGM until the date of the next AGM, at short notice, in order to raise funds, undertake an equity exchange, for the purposes of acquisition, etc. The Board was seeking a mandated sub-limit of 5% instead of 20% as permitted under the SGX listing rules, for shares not issued on a pro rata basis to existing Shareholders, as this was considered sufficient for the present purposes.

12.2 Chairman proposed the Resolution as tabled in the notice of AGM and put the Resolution to a poll vote.

12.3 The results of the poll vote were as follows:

Resolution No.	For		Against	
	Number of Shares	%	Number of Shares	%
AGM Resolution 7 Authority for Directors to issue shares, warrants, debentures and other instruments convertible into shares pursuant to Section 161 of the Companies Act, Cap 50	812,640,737	92.26%	68,181,287	7.74%

12.4 The Resolution was declared carried.

13 RESOLUTION 8: RENEWAL OF THE MANDATE TO EMPOWER DIRECTORS TO GRANT AWARDS UNDER THE SIA PERFORMANCE SHARE PLAN 2014 (“PSP 2014”) AND/OR THE SIA RESTRICTED SHARE PLAN 2014 (“RSP 2014”) AND TO ALLOT AND ISSUE SHARES PURSUANT TO THE VESTING OF AWARDS UNDER THE PSP 2014 AND RSP 2014

13.1 Chairman explained that the total number of ordinary shares which may be delivered pursuant to awards granted under the SIA PSP 2014 and the SIA RSP 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, the total number of ordinary shares under these awards from this AGM to the next AGM shall not exceed 0.5% of the total number of issued ordinary shares (excluding treasury shares and subsidiary holdings) from time to time, provided that if the yearly limit is not fully utilised, any unutilised portion of the yearly limit may be used by the Directors to make grants of awards under the SIA PSP 2014 and the SIA RSP 2014 in subsequent years, for the duration of the said share plans.

13.2 Chairman highlighted that CEO, Mr Goh Choon Phong, would abstain from voting as he was an Executive Director and thus eligible for the SIA PSP 2014 and the SIA RSP 2014. Chairman also asked that all Shareholders eligible for such share plans abstain from voting on this Resolution.

13.3 Chairman proposed the Resolution as tabled in the notice of AGM and put the Resolution as tabled in the Notice of AGM to a poll vote.

13.4 The results of the poll vote were as follows:

Resolution No.	For		Against	
	Number of Shares	%	Number of Shares	%
AGM Resolution 8 Authority for Directors to grant share awards, and to allot and issue shares, pursuant to the SIA PSP 2014 and the SIA RSP 2014	867,936,186	99.02%	8,621,438	0.98%

13.5 The Resolution was declared carried.

14 ORDINARY RESOLUTION 9: RENEWAL OF THE MANDATE FOR INTERESTED PERSON TRANSACTIONS

14.1 Chairman explained that this Resolution was to renew the Mandate for Interested Person Transactions (“**IPT Mandate**”) with companies belonging to the Temasek group of companies, which was approved by Shareholders at the last AGM. The text of the IPT Mandate was set out in Appendix 1 of the Letter to Shareholders dated 30 June 2017. As the IPT Mandate would expire at the conclusion of this AGM, Shareholders’ approval was being sought to renew the IPT Mandate for another year on the same terms and conditions.

14.2 Chairman highlighted that Temasek Holdings (Private) Limited and its associates (being regarded as interested persons) were required to abstain from voting.

14.3 Chairman proposed the Resolution and put the Resolution as tabled in the Notice of AGM to a poll vote.

14.4 The results of the poll vote were as follows:

Resolution No.	For		Against	
	Number of Shares	%	Number of Shares	%
Resolution 9 Renewal of the Mandate for Interested Person Transactions	223,332,098	99.91%	203,728	0.09%

14.5 The Resolution was declared carried.

15 ORDINARY RESOLUTION 10: RENEWAL OF THE SHARE BUY BACK MANDATE

15.1 Chairman explained that the Share Buy-Back Mandate would enable the Company to purchase or acquire up to 5% of its issued shares. Shares would only be purchased or acquired if Management believed that this would be of benefit to the Company. This Mandate was renewed at last year's AGM and was valid until this AGM. Shareholders' approval was accordingly being sought to renew the Mandate until the next AGM.

15.2 Chairman proposed the Resolution and put the Resolution as tabled in the Notice of AGM to a poll vote.

15.3 The results of the poll vote were as follows:

Resolution No.	For		Against	
	Number of Shares	%	Number of Shares	%
AGM Resolution 10 Renewal of the Share Buy Back Mandate	880,605,577	99.95%	459,905	0.05%

15.4 The Resolution was declared carried.

16 ANY OTHER BUSINESS

Chairman informed Shareholders that the Company Secretary had not received any notice for any other business for discussion at the AGM. Chairman declared the Annual General Meeting closed at 12.10 pm.