
LETTER TO SHAREHOLDERS

DBS GROUP HOLDINGS LTD

(Incorporated in the Republic of Singapore)
Company Registration Number: 199901152M

Directors:

Mr Peter Seah Lim Huat (*Non-executive Chairman*)
Mr Piyush Gupta (*Chief Executive Officer*)
Ms Euleen Goh Yiu Kiang (*Non-executive Director*)
Mr Ho Tian Yee (*Lead Independent Director*)
Mr Nihal Vijaya Devadas Kaviratne CBE (*Independent Director*)
Mrs Ow Foong Pheng (*Non-executive Director*)
Mr Andre Sekulic (*Independent Director*)
Mr Danny Teoh Leong Kay (*Independent Director*)
Mr Olivier Lim Tse Ghow (*Independent Director*)
Dr Bonghan Cho (*Independent Director*)
Mr Tham Sai Choy (*Independent Director*)

Registered Office:

12 Marina Boulevard
Marina Bay Financial Centre Tower 3
Singapore 018982

28 March 2019

To: The Shareholders of DBS Group Holdings Ltd
(the "**Company**" or "**DBSH**")

Dear Sir/Madam

1. INTRODUCTION

1.1 Background. We refer to:

- (a) the Notice of the 20th Annual General Meeting ("**AGM**") of the Company dated 28 March 2019 (the "**Notice**"), accompanying the Annual Report for the financial year ended 31 December 2018, convening the 20th AGM of the Company to be held on 25 April 2019 (the "**2019 AGM**");
- (b) Ordinary Resolution No. 12 relating to the proposed renewal of the Share Purchase Mandate (as defined in paragraph 2.1 below), as proposed in the Notice;
- (c) Ordinary Resolution No. 13 relating to the proposed extension of, and alterations to, the DBSH Share Plan, as proposed in the Notice; and
- (d) Ordinary Resolution No. 14 relating to the proposed adoption of the California Sub-Plan (as defined in paragraph 4.1 below), 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, 13 and 14 proposed in the Notice (collectively, the "**Proposals**").

1.3 **SGX-ST.** The Singapore Exchange Securities Trading Limited (the "**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 advisers immediately.

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2. THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

- 2.1 **Background.** Shareholders had approved the renewal of a mandate (the “**Share Purchase Mandate**”) to enable the Company to purchase or otherwise acquire issued ordinary shares of the Company (“**Ordinary Shares**”) at the annual general meeting of the Company held on 25 April 2018 (the “**2018 AGM**”). The authority and limitations on the Share Purchase Mandate were set out in the Company’s Letter to Shareholders dated 28 March 2018 (the “**2018 Letter**”) and Ordinary Resolution No. 12 set out in the Notice of the 2018 AGM.

The Share Purchase Mandate was expressed to take effect on the date of the passing of Ordinary Resolution No. 12 at the 2018 AGM and will expire on the date of the forthcoming 2019 AGM to be held on 25 April 2019. Accordingly, Shareholders’ approval is being sought for the renewal of the Share Purchase Mandate at the 2019 AGM.

As at 1 March 2019 (the “**Latest Practicable Date**”), the Company had purchased or acquired an aggregate of 12,254,800 Ordinary Shares by way of Market Purchases (as defined in paragraph 2.3.3 below) pursuant to the Share Purchase Mandate approved by Shareholders at the 2018 AGM. The highest and lowest price paid was S\$25.70 and S\$23.04 per Ordinary Share respectively and the total consideration paid for all purchases was S\$303,275,920.28, excluding commission, brokerage and goods and services tax.

- 2.2 **Rationale for the Share Purchase Mandate.** During the period when the Share Purchase Mandate is in force, DBSH will have the flexibility to undertake share repurchases at any time, subject to market conditions. The rationale for DBSH to undertake the purchase or acquisition of its Ordinary Shares is as follows:

- (a) The Share Purchase Mandate will provide DBSH with greater flexibility in managing its capital and maximising returns to its Shareholders. To the extent that DBSH has surplus capital and funds which are in excess of its requirements, the Share Purchase Mandate will facilitate the retirement of surplus capital in an expedient and cost-efficient manner.
- (b) The Share Purchase Mandate will provide DBSH with the flexibility to purchase or acquire Ordinary Shares to support the vesting of awards pursuant to its employee share plans.

The purchase or acquisition of Ordinary Shares will only be undertaken if it can benefit DBSH and Shareholders. Shareholders should note that purchases or acquisitions of Ordinary Shares pursuant to the Share Purchase Mandate may not be carried out to the full authorised limit. No purchase or acquisition of Ordinary Shares will be made in circumstances which would have or may have a material adverse effect on the liquidity and capital adequacy positions of the Company and its subsidiaries (the “**Group**”) as a whole.

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2.3 **Authority and Limits on the Share Purchase Mandate.** The authority and limitations placed on purchases or acquisitions of Ordinary Shares by DBSH under the proposed Share Purchase Mandate, if renewed at the 2019 AGM, are the same as were previously approved by Shareholders at the 2018 AGM. These are summarised below:

2.3.1 **Maximum Number of Shares**

Only Ordinary Shares which are issued and fully paid-up may be purchased or acquired by DBSH. The total number of Ordinary Shares which may be purchased or acquired by DBSH is limited to that number of Ordinary Shares representing not more than 2% of the issued Ordinary Shares as at the date of the AGM at which the renewal of the Share Purchase Mandate is approved. Treasury shares and subsidiary holdings (as defined in the listing manual of the SGX-ST, including any amendments made thereto up to the Latest Practicable Date (the "**Listing Manual**")⁽¹⁾) will be disregarded for purposes of computing the 2% limit.

As at the Latest Practicable Date, the Company had 5,664,500 treasury shares and no subsidiary holdings.

Purely for illustrative purposes, on the basis of 2,558,271,934 Ordinary Shares (being the 2,563,936,434 Ordinary Shares in issue as at the Latest Practicable Date, and disregarding 5,664,500 Ordinary Shares held in treasury as at the Latest Practicable Date) and assuming that on or prior to the 2019 AGM:

- (a) no further Ordinary Shares are issued pursuant to the vesting of awards in respect of Ordinary Shares granted under the DBSH Share Plan ("**Awards**");
- (b) no further Ordinary Shares are purchased or acquired by the Company and no Ordinary Shares purchased or acquired by the Company are held as treasury shares; and
- (c) no Ordinary Shares are held as subsidiary holdings,

not more than 51,165,438 Ordinary Shares (representing 2% of the Ordinary Shares in issue (disregarding the Ordinary Shares held in treasury) as at that date) may be purchased or acquired by DBSH pursuant to the proposed Share Purchase Mandate.

2.3.2 **Duration of Authority**

Purchases or acquisitions of Ordinary Shares may be made, at any time and from time to time, on and from the date of the 2019 AGM at which the renewal of the Share Purchase Mandate is approved, up to:

- (a) the date on which the next AGM of the Company is held or required by law to be held;
- (b) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied;
or

⁽¹⁾ "Subsidiary holdings" is defined in the Listing Manual to mean shares referred to in sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act, Chapter 50.

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- (c) the date on which purchases and acquisitions of Ordinary Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated,

whichever is the earliest.

2.3.3 *Manner of Purchases or Acquisitions of Shares*

Purchases or acquisitions of Ordinary Shares may be made by way of:

- (a) on-market purchases ("**Market Purchases**"), transacted on the SGX-ST or on any other securities exchange on which the Ordinary Shares may for the time being be listed and quoted, through one or more duly licensed dealers appointed by DBSH for the purpose; and/or
- (b) off-market purchases ("**Off-Market Purchases**"), otherwise than on a securities exchange, in accordance with an equal access scheme.

The directors of the Company for the time being ("**Directors**") may impose such terms and conditions which are not inconsistent with the Share Purchase Mandate, the Listing Manual and the Companies Act, Chapter 50 (the "**Companies Act**") as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme or schemes. An equal access scheme must, however, satisfy all the following conditions:

- (i) offers for the purchase or acquisition of Ordinary Shares shall be made to every person who holds Ordinary Shares to purchase or acquire the same percentage of their Ordinary Shares;
- (ii) all of those persons shall be given a reasonable opportunity to accept the offers made; and
- (iii) the terms of all the offers are the same (except that there shall be disregarded (1) differences in consideration attributable to the fact that offers may relate to Ordinary Shares with different accrued dividend entitlements; and (2) differences in the offers introduced solely to ensure that each person is left with a whole number of Ordinary Shares).

If DBSH 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.

2.3.4 *Purchase Price*

The purchase price (excluding related brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) to be paid for an Ordinary Share will be determined by the Directors. The purchase price to be paid for the Ordinary Shares as determined by the Directors, in the case of a Market Purchase and an Off-Market Purchase pursuant to an equal access scheme, must not exceed 105% of the Average Closing Price of the Ordinary Shares, in either case, excluding related expenses of the purchase or acquisition (the "**Maximum Price**").

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For the above purposes:

“Average Closing Price” means the average of the closing market prices of an Ordinary Share over the last five market days on which transactions in the Ordinary Shares on the SGX-ST or, as the case may be, such securities exchange on which the Ordinary Shares are listed or quoted were recorded, 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 rules of the SGX-ST, for any corporate action that occurs after the relevant five-day period; and

“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 Ordinary Shares from holders of Ordinary Shares, stating therein the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Ordinary Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

2.4 **Status of Purchased Ordinary Shares.** Ordinary Shares purchased or acquired by the Company are deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Ordinary Shares will expire on such cancellation) unless such Ordinary Shares are held by the Company as treasury shares. Accordingly, the total number of issued Ordinary Shares will be diminished by the number of Ordinary Shares purchased or acquired by the Company, which are cancelled and are not held as treasury shares.

2.5 **Treasury Shares.** Under the Companies Act, Ordinary Shares purchased or acquired by the Company may be held or dealt with as treasury shares. Some of the provisions on treasury shares under the Companies Act are summarised below:

2.5.1 **Maximum Holdings**

The number of Ordinary Shares held as treasury shares⁽²⁾ cannot at any time exceed 10% of the total number of issued Ordinary Shares.

2.5.2 **Voting and Other Rights**

The Company cannot exercise any right in respect of treasury shares. In particular, the Company cannot exercise 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, no dividend may be paid, and no other distribution of the Company's assets may be made, to the Company in respect of treasury shares. However, the allotment of shares as fully paid bonus shares in respect of treasury shares is allowed. 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.

2.5.3 **Disposal and Cancellation**

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

⁽²⁾ For these purposes, “treasury shares” shall be read as including shares held by a subsidiary under sections 21(4B) or 21(6C) of the Companies Act, Chapter 50.

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- (a) sell the treasury shares for cash;
- (b) transfer the treasury shares for the purposes of or pursuant to any share scheme, whether for employees, directors or other persons;
- (c) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (d) cancel the treasury shares; or
- (e) 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 must be made of any sale, transfer, cancellation and/or use of treasury shares. Such announcement must include details such as the date of the sale, transfer, cancellation and/or use of such treasury shares, the purpose of such sale, transfer, cancellation and/or use of such treasury shares, the number of treasury shares which have been sold, transferred, cancelled and/or used, the number of treasury shares before and after such sale, transfer, cancellation and/or use, the percentage of the number of treasury shares against the total number of issued shares (of the same class as the treasury shares) which are listed on the SGX-ST before and after such sale, transfer, cancellation and/or use, and the value of the treasury shares if they are used for a sale or transfer, or cancelled.

- 2.6 **Source of Funds.** The Company may purchase or acquire its own Ordinary Shares out of capital, as well as from its profits.

DBSH intends to use its internal sources of funds to finance its purchase or acquisition of the Ordinary Shares. DBSH does not intend to obtain or incur any borrowings to finance its purchase or acquisition of the Ordinary Shares. The Directors do not propose to exercise the Share Purchase Mandate in a manner and to such extent that the liquidity and capital adequacy positions of the Group would be materially adversely affected.

- 2.7 **Financial Effects.** The financial effects on the Group and DBSH arising from purchases or acquisitions of Ordinary Shares which may be made pursuant to the Share Purchase Mandate will depend on, *inter alia*, the number of Ordinary Shares purchased or acquired and the price paid for such Ordinary Shares. The financial effects on the Group and DBSH, based on the audited consolidated financial statements of the Group and DBSH for the financial year ended 31 December 2018, are based on the assumptions set out below:

2.7.1 **Purchase or Acquisition out of Capital or Profits**

Purchases or acquisitions of Ordinary Shares by the Company may be made out of the Company's capital and/or profits so long as the Company is solvent.

Where the consideration paid by the Company for the purchase or acquisition of Ordinary Shares is made out of profits, such consideration will correspondingly reduce the amount available for the distribution of cash dividends by the Company. Based on the consolidated financial statements of the Group for the financial year ended 31 December 2018, and having regard to:

- (a) the amount of distributable revenue reserves attributable to the Group of approximately S\$31.26 billion as at that date; and
- (b) the Maximum Price at the Latest Practicable Date, in the case of both Market Purchases and Off-Market Purchases, of S\$26.32 for one Ordinary Share,

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DBSH has sufficient distributable revenue reserves to purchase Ordinary Shares representing up to 2% of its issued Ordinary Shares as at the Latest Practicable Date. The amount of distributable revenue reserves available in the year 2019 and year 2020 would, however, depend on the performance of the Group in 2019 and 2020.

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

In any case, no purchase or acquisition of Ordinary Shares, whether out of capital or profits, will be made in circumstances which would have or may have a material adverse effect on the liquidity and capital adequacy positions of the Group as a whole.

2.7.2 Number of Ordinary Shares Purchased or Acquired

Based on the number of issued and paid-up Ordinary Shares as at the Latest Practicable Date (and disregarding the Ordinary Shares held in treasury) and on the assumptions set out in paragraph 2.3.1 above, the purchase by the Company of up to the maximum limit of 2% of its issued Ordinary Shares will result in the purchase or acquisition of 51,165,438 Ordinary Shares.

2.7.3 Maximum Price Paid for Ordinary Shares Purchased or Acquired

Assuming that DBSH purchases or acquires 51,165,438 Ordinary Shares at the Maximum Price, in the case of both Market Purchases and Off-Market Purchases, of S\$26.32 for one Ordinary Share (being the price equivalent to 5% above the average closing prices of the Ordinary Shares traded on the SGX-ST over the last five market days on which transactions were recorded immediately preceding the Latest Practicable Date), the maximum amount of funds required is approximately S\$1.3 billion.

2.7.4 Illustrative Financial Effects

The financial effects on the Group and DBSH arising from purchases or acquisitions of Ordinary Shares which may be made pursuant to the proposed Share Purchase Mandate will depend on, *inter alia*, the aggregate number of Ordinary Shares purchased or acquired and the consideration paid at the relevant time.

For illustrative purposes only and on the basis of the assumptions set out in paragraphs 2.7.1, 2.7.2 and 2.7.3 above, and assuming the following:

- (a) DBSH had purchased 51,165,438 Ordinary Shares (representing 2% of the Ordinary Shares in issue as at the Latest Practicable Date, disregarding the Ordinary Shares which are held in treasury) on 1 January 2018;
- (b) the cash applied to pay the purchase consideration would otherwise have earned a return of 1.78% per annum in the inter-bank market;
- (c) a Singapore corporate income tax rate of 17%; and
- (d) DBSH will not pay any dividends with respect to the Ordinary Shares which are repurchased,

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the financial effects on the consolidated financial statements of the Group and DBSH for the financial year ended 31 December 2018 would have been as follows:

(i) Pro-forma financial effects on the Group and DBSH:

	Group		DBSH	
	As at 31 December 2018	After Share Purchase	As at 31 December 2018	After Share Purchase
Total Shareholders' funds (S\$'millions)	49,045	47,740	20,378	19,073
Number of issued and paid-up Ordinary Shares used in the computation of the relevant financial ratios set out below ('000)	2,551,615	2,500,450	2,551,615	2,500,450
Weighted average number of issued and paid-up Ordinary Shares used in the computation of the relevant financial ratios set out below ('000)	2,559,464	2,508,299	2,559,464	2,508,299
Net profit attributable to Shareholders (excluding one-time items) (S\$'millions) ⁽¹⁾	5,625	5,605	see Note (2) below	see Note (2) below

(ii) Pro-forma effects on financial ratios of the Group⁽³⁾:

	As at 31 December 2018	After Share Purchase
Net asset value per Ordinary Share (S\$)	18.12	17.97
Earnings per Ordinary Share (S\$) (excluding one-time items) ⁽¹⁾⁽⁴⁾		
– Basic and diluted	2.16	2.20
Return On Equity (%) (excluding one-time items) ⁽¹⁾⁽⁴⁾	12.1	12.4
CAR (%) ⁽⁵⁾		
– Common Equity Tier 1	13.9	13.5
– Tier 1	15.1	14.6
– Total	16.9	16.4

Notes:

⁽¹⁾ The one-time items relate to ANZ integration costs and remeasurements of deferred taxes due to a change in the applicable tax rate arising from the conversion of the India branch to a wholly-owned subsidiary.

⁽²⁾ As permitted by section 201(10)(b) of the Companies Act, Chapter 50, the income statement of DBSH has not been included in the financial statements of DBSH and the consolidated financial statements of the Group for the financial year ended 31 December 2018.

⁽³⁾ The disclosed financial effects remain the same irrespective of whether:

- (a) the purchase of Ordinary Shares is effected out of capital or profits; or
- (b) the purchased Ordinary Shares are held in treasury or are cancelled.

⁽⁴⁾ Computation is based on net profit attributable to shareholders net of dividends on other equity instruments.

⁽⁵⁾ Capital Adequacy Ratio based on guidelines set out under the Monetary Authority of Singapore's Notice to Banks No. 637 "Notice on Risk Based Capital Adequacy Requirements for Banks incorporated in Singapore".

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Shareholders should note that the financial effects set out above, based on the respective aforementioned assumptions, are for illustration purposes only. In particular, it is important to note that the above analysis is based on historical 2018 numbers, and is not necessarily representative of future financial performance.

Although the Share Purchase Mandate would authorise DBSH to purchase or acquire up to 2% of the issued Ordinary Shares (excluding treasury shares and subsidiary holdings), DBSH may not necessarily purchase or acquire or be able to purchase or acquire the entire 2% of the issued Ordinary Shares (excluding treasury shares and subsidiary holdings). In addition, DBSH may cancel or hold in treasury all or part of the Ordinary Shares purchased or acquired.

DBSH will take into account both financial and non-financial factors (for example, share market conditions and the performance of the Ordinary Shares) in assessing the relative impact of a share purchase before execution.

2.8 **Tax Implications.** Shareholders who are in doubt as to their respective tax positions or the tax implications of Ordinary Share purchases by DBSH, or who may be subject to tax whether in or outside Singapore, should consult their own professional advisers.

2.9 **Listing Rules.** Rule 886(1) of the Listing Manual specifies that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST not later than 9.00 a.m. (a) in the case of a Market Purchase, on the market day following the day of purchase or acquisition of any of its shares and (b) in the case of an Off-Market Purchase under an equal access scheme, on the second market day after the close of acceptances of the offer. Such announcement must include, *inter alia*, details of the date of the 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 number of shares purchased as at the date of announcement (on a cumulative basis), 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.

While the Listing Manual does not expressly prohibit any purchase of shares by a listed company during any particular time or times, because the listed company would be regarded as an "insider" in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase or acquisition of Ordinary 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 Ordinary Shares through Market Purchases during the period of one month immediately preceding the announcement of DBSH's full-year results and the period of two weeks before the announcement of the first quarter, half-year and third quarter results.

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The Listing Manual requires a listed company to ensure that at least 10% of the total number of issued shares (excluding treasury shares, preference shares and convertible equity securities) in a class that is listed is at all times held by public shareholders. Based on the interests of substantial Shareholders as recorded in the Register of Substantial Shareholders as at the Latest Practicable Date, Temasek Holdings (Private) Limited ("**Temasek**"), a substantial Shareholder of the Company, directly holds approximately 11.11% of the issued Ordinary Shares (excluding Ordinary Shares held in treasury) and Temasek's wholly-owned subsidiary, Maju Holdings Pte. Ltd. ("**Maju**"), directly holds approximately 17.94% of the issued Ordinary Shares (excluding Ordinary Shares held in treasury). Temasek is wholly-owned by the Minister for Finance. On that basis, as at the Latest Practicable Date, approximately 69.95% of the issued Ordinary Shares (excluding Ordinary Shares held in treasury) are held by public Shareholders. Accordingly, DBSH is of the view that there is a sufficient number of the Ordinary Shares in issue held by public Shareholders which would permit DBSH to undertake purchases or acquisitions of its Ordinary Shares through Market Purchases up to the full 2% limit pursuant to the proposed Share Purchase Mandate without affecting the listing status of the Ordinary Shares on the SGX-ST, and that the number of Ordinary Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or to affect orderly trading.

2.10 **Shareholding Limits.** The Banking Act, Chapter 19 (the "**Banking Act**") provides, *inter alia*, that, on or after 18 July 2001:

- (a) no person shall become a substantial shareholder of a designated financial institution without first obtaining the approval of the Minister for Finance;
- (b) 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 5% or more of the total votes attached to all voting shares in a designated financial institution (the "**5% Limit**"), without first obtaining the approval of the Minister for Finance; and
- (c) no person shall become a 12% controller or a 20% controller of a designated financial institution without first obtaining the approval of the Minister for Finance.

For the purposes of the Banking Act:

"**associate**" shall have the meaning ascribed to it in section 15B(4)(c) 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 5% of the total votes attached to all the voting shares in the designated financial institution;

"**12% controller**" means a person, not being a 20% controller, who alone or together with his associates, (i) holds not less than 12% 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% in the designated financial institution; and

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“**20% controller**” means a person who, alone or together with his associates, (i) holds not less than 20% 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% in the designated financial institution.

The shareholding percentage of a holder of Ordinary Shares (whose Ordinary Shares were not the subject of a share purchase or acquisition by DBSH) in the issued share capital of DBSH immediately following any purchase or acquisition of Ordinary Shares will increase should DBSH cancel the Ordinary Shares purchased or acquired by DBSH.

Similarly, the percentage of voting rights of a holder of Ordinary Shares (whose Ordinary Shares were not the subject of a share purchase or acquisition by DBSH) in the issued share capital of DBSH immediately following any purchase or acquisition of Ordinary Shares will increase should DBSH hold in treasury the Ordinary Shares purchased or acquired by DBSH.

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

A purchase or acquisition of Ordinary Shares by DBSH may inadvertently cause the interest in the Ordinary Shares of any person to reach or exceed the 5% Limit or cause any person to become a substantial shareholder, a 12% controller or a 20% controller.

Shareholders whose shareholdings are close to the limits set out in the Banking Act **are advised to ensure that they comply with the requirements of the Banking Act, and to seek the prior approval of the Minister for Finance** to continue to hold, on such terms as may be imposed by the Minister for Finance, the number of Ordinary Shares which they may hold in excess of any of such limits, as a consequence of a purchase or acquisition of Ordinary Shares by DBSH. Shareholders who are in any doubt as to the action that they should take should consult their professional adviser.

2.11 **Take-over Implications.** Appendix 2 of the Take-over Code contains the Share Buy-Back Guidance Note as at the Latest Practicable Date. The take-over implications arising from any purchase or acquisition by DBSH of its Ordinary Shares are set out below:

2.11.1 ***Obligation to Make a Take-over Offer***

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

2.11.2 ***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), cooperate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company.

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Unless the contrary is established, the following persons will be presumed to be acting in concert:

- (a) 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
- (b) 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% but not more than 50% of the voting rights of the first-mentioned company.

The circumstances under which the Shareholders (including the 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 Ordinary Shares by DBSH are set out in Appendix 2 of the Take-over Code.

2.11.3 **Effect of Rule 14 and Appendix 2**

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, the Directors and persons acting in concert with them will incur an obligation to make a take-over offer for DBSH under Rule 14 if, as a result of DBSH purchasing or acquiring its Ordinary Shares, the voting rights of such Directors and their concert parties would increase to 30% or more, or if the voting rights of such Directors and their concert parties fall between 30% and 50% of DBSH's voting rights, the voting rights of such Directors and their concert parties would increase by more than 1% in any period of six months. In calculating the percentages of voting rights of such Directors and their concert parties, treasury shares shall be excluded.

Under Appendix 2, 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 Ordinary Shares, the voting rights of such Shareholder in the Company would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of six months. Such Shareholder need not abstain from voting in respect of the Ordinary Resolution authorising the Share Purchase Mandate.

Based on the interests of substantial Shareholders as recorded in the Register of Substantial Shareholders as at the Latest Practicable Date, none of the substantial Shareholders would become obliged to make a take-over offer for DBSH under Rule 14 of the Take-over Code as a result of the purchase by DBSH of the maximum limit of 2% of its issued Ordinary Shares (excluding treasury shares) as at the Latest Practicable Date⁽³⁾.

Shareholders are advised to consult their professional advisers and/or the Securities Industry Council at the earliest opportunity as to whether an obligation to make a take-over offer would arise by reason of any share purchases by the Company.

⁽³⁾ On the basis that, pursuant to rulings of the Securities Industry Council dated 2 February 2018, 6 June 2013 and 19 April 2010, for the purposes of Rule 14 of the Take-over Code, Temasek is not required to aggregate the holdings of Fullerton Fund Management Company Limited and DBS Trustee Limited, as disclosed in section 10 of Temasek's Form 3s dated 20 September 2018 and 18 February 2016 respectively.

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3. THE PROPOSED EXTENSION OF, AND ALTERATIONS TO, THE DBSH SHARE PLAN

- 3.1 **Background.** The DBSH Share Plan (the “Plan”) was adopted on 18 September 1999 when DBS Bank Ltd was restructured as a wholly-owned subsidiary of the Company pursuant to a scheme of arrangement under the Companies Act. The initial duration of the Plan was 4 years from its adoption date, provided that it could be continued beyond that period with the approval of Shareholders by ordinary resolution in general meeting and of any relevant authorities which may be required. At an extraordinary general meeting of the Company held on 21 April 2003, Shareholders approved the extension of the duration of the Plan for a period of 10 years from its adoption date, namely, up to 17 September 2009. At an extraordinary general meeting of the Company held on 8 April 2009, Shareholders approved the extension of the duration of the Plan for a further period of 10 years from 18 September 2009, namely, up to 17 September 2019.

As the Plan is due to expire on 17 September 2019, Shareholders’ approval is being sought for an extension of the duration of the Plan for a further period of 10 years from (and including) 18 September 2019, namely, up to (and including) 17 September 2029.

- 3.2 **Rationale.** The Plan, under which awards are granted to participants by which they may receive fully-paid Ordinary Shares, their equivalent cash value or combinations thereof, free of charge, provided any prescribed performance condition(s) are met and/or upon expiry of any prescribed vesting period(s), is an integral part of the Company’s programme for executive incentive compensation. The Plan aims to provide participants with an opportunity to have a real and personal direct interest in the Company and helps to achieve the following positive objectives:

- (a) foster an ownership culture within the Group which aligns the interests of participants with the interests of Shareholders;
- (b) retention of employees and executive directors whose contributions are essential to the long-term growth and profitability of the Group;
- (c) instil loyalty to, and a stronger identification by employees with the long-term prosperity of, the Company;
- (d) motivate participants to achieve performance targets of the Company and/or their respective business units; and
- (e) make total employee remuneration sufficiently competitive to recruit and retain staff having skills that are commensurate with the Company’s ambition for the Group to become a world-class regional financial services provider.

As the Plan remains a key part of the Group’s compensation arrangements, the Directors propose that the duration of the Plan be extended for a further period of 10 years up to (and including) 17 September 2029. The Committee administering the Plan (the “Committee”) has approved the proposed extension.

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3.3 **Proposed Alterations.** The Directors are taking this opportunity to propose certain alterations to the Rules of the Plan. The Amended and Restated Rules of the Plan, incorporating the proposed alterations, are set out in Appendix 1 to this Letter, and the proposed alterations are highlighted for ease of reference. The following is a summary of the principal proposed alterations:

3.3.1 ***Eligibility of Participants***

“Parent Group Executives”, currently defined to mean employees of the “Parent Group”, is proposed to be removed as a category of eligible participants in existing Rule 4.1. “Parent Group” is defined to mean the “Parent Company” and its subsidiaries (but excluding the Group), and “Parent Company” is in turn defined to mean “a company being the holding company of the Company” designated by the Committee for the purposes of the Plan. “Parent Group Executives” is proposed to be removed as a category of eligible participants because the Company does not have a holding company and there is therefore no necessity to provide for this category under the Plan. No awards have been granted to “Parent Group Executives” under the Plan since its initial adoption in 1999.

Employees of the Group, and of associated companies over which the Company have control, who have attained the age of 21 years and hold such rank as may be designated by the Committee from time to time, as well as non-executive directors of the Group, will continue to be eligible to participate in the Plan.

3.3.2 ***Non-Executive Directors***

The objectives of the Plan as set out in Rule 3 are proposed to be expanded to include a specific rationale for the participation by non-executive directors, namely, to enable grants of fully-paid Ordinary Shares to be made to them as part of their remuneration in respect of their office as such in lieu of cash or, where the Committee deems appropriate, to give recognition to the contributions made or to be made by such non-executive directors to the success of the Group.

Rule 5.1 is accordingly also proposed to be amended to include a specific reference that the grant of awards may be made to non-executive directors as part of their directors’ remuneration in lieu of cash and/or to give recognition to the contributions made or to be made by them to the success of the Group.

3.3.3 ***Restriction on Participation***

Rule 4.2, which currently provides that participants who are eligible and selected by the Committee to participate in the Plan may be eligible for participation in any other share incentive scheme implemented by the Company for their benefit but shall not be eligible to participate in any other employee share plan or share incentive schemes implemented by the Company for the benefit of other employees, is proposed to be deleted because the Company no longer intends to restrict participation in its share plans in this manner.

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3.3.4 ***Limitation on Released Ordinary Shares***

Rule 5.4 currently provides that, for performance-related awards, the number of Ordinary Shares to be released following non/partial satisfaction of the performance condition(s), or the performance condition(s) being exceeded, is limited to a minimum of 50% and a maximum of 200% of the Ordinary Shares that would have been released if the performance condition(s) had been satisfied in full. This provision will be retained, but language is proposed to be added so as to give the Committee the discretion to reduce or increase the minimum and/or maximum limit, as the case may be, in the event that particular circumstances warrant a change in the limit(s).

3.3.5 ***Details of Award***

Rule 5.6 currently provides that the Committee shall, as soon as reasonably practicable after making an award, send to each participant an award letter confirming the award and specifying prescribed details in relation to the award. Rule 5.6 is proposed to be altered to give flexibility for such prescribed details to be notified to the participant otherwise than via the actual award letter.

3.3.6 ***Cessation of Employment***

Rule 6.1 currently provides that an award will, to the extent not yet released but subject to certain exceptions, immediately lapse upon the participant, being an employee, ceasing to be employed and for this purpose, such participant is deemed to have ceased to be employed as of the date the notice of termination of employment is tendered by or is given to him, unless such notice is withdrawn prior to its effective date. For the benefit of participants who are employees, Rule 6.1 is proposed to be altered such that the cessation of employment will be as of the day immediately following the last day of employment instead, which in most cases would be later than the date of notice of termination.

3.3.7 ***Vesting Period(s)***

A new Rule 7.2.2 is proposed to be inserted to clarify that an award which is not subject to any vesting period (for example, an award granted to non-executive directors in lieu of directors' fees in cash) may be released on the vesting date without reference to any vesting period.

3.3.8 ***Delivery of Ordinary Shares***

Drafting changes are proposed to Rule 7.2.2 (to be renumbered as Rule 7.2.3) to make clear that Ordinary Shares which are the subject of a released award are to be delivered on a trading day falling as soon as practicable after the vesting date.

3.3.9 ***Ordinary Shares Allotted or Transferred on Release of Award***

Rule 7.3, which currently provides that Ordinary Shares to be delivered following the release of an award are to be credited to the participant's securities account with The Central Depository (Pte) Limited ("CDP") or securities sub-account maintained by the participant with a CDP Depository Agent, is proposed to be amended to permit the participant to designate any other securities account or securities sub-account to which his Ordinary Shares may be credited (this could be, for example, a securities sub-account maintained by a trustee on behalf of participants), for greater flexibility.

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A new provision is also proposed to be inserted to cater to situations where a participant (being a participant who was granted an award in his capacity as an employee of the Group or of an associated company over which the Company has control) does not designate a CDP securities account or securities sub-account to which his Shares may be credited following the release of that award. If this occurs, the Committee will have the flexibility to decide, in its absolute discretion, to deliver the participant's Ordinary Shares to him in scrip form, in which event the share certificate for such Ordinary Shares will be despatched, at his risk, to his registered address. To facilitate this, consequential alterations are also proposed to:

- (a) Rule 15 on taxes, to provide that any stamp duty which may be payable on an instrument of transfer of Ordinary Shares arising from the release of any award to any participant in scrip form will be borne by that participant; and
- (b) Rule 16.2 on costs and expenses, to provide that any fees relating to the withdrawal of share certificates with CDP to facilitate the transfer of Ordinary Shares in scrip form pursuant to the release of any award will be borne by the Company.

3.3.10 **Cash Awards**

Rule 7.5, which permits the release of awards to be made, wholly or partly, in the form of cash rather than Ordinary Shares, is proposed to be altered to provide that this does not apply to an award granted to a non-executive director as part of his remuneration in lieu of cash. In other cases, where the Committee determines to release the award in the form of cash in lieu of Ordinary Shares, the participant will receive the relevant cash amount on or as soon as practicable after the relevant vesting date.

3.3.11 **Moratorium**

Rule 7.6 currently provides that released Ordinary Shares cannot be transferred, charged, assigned, pledged or otherwise disposed of, during any retention period prescribed by the Committee, except to the extent set out in the award letter or with the prior approval of the Committee. This Rule is proposed to be expanded to give the Company the flexibility to take any steps which it considers necessary or appropriate to enforce or give effect to this restriction.

3.3.12 **Limitation on Plan Size**

Rule 8.1 currently provides that the total number of new Ordinary Shares which may be issued pursuant to awards granted under the Plan on any date, when added to the total number of Ordinary Shares issued and issuable in respect of (a) all awards granted under the Plan, and (b) all options granted under the DBSH Share Option Plan, shall not exceed 7.5% of the total number of Ordinary Shares on the day preceding that date.

Rule 8.1 is proposed to be altered to lower the limit of 7.5% to 5% as the Company is of the view that the lower limit of 5% is sufficient for its current purposes. At the same time, the reference to options granted under the DBSH Share Option Plan will be removed, as this plan expired on 19 June 2009 and there are no longer any outstanding options thereunder. This means that the new Ordinary Shares previously issued under the DBSH Share Option Plan will not count towards the new 5% limit moving forward. As at the Latest Practicable Date, 44,814,800 new Ordinary Shares (representing approximately 1.75% of the total number of issued Ordinary Shares) have been issued under the DBSH Share Option Plan.

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Rule 8.1 is also proposed to be altered to specifically exclude treasury shares and subsidiary holdings in the denominator when calculating the Plan size limit, in order to align with Rule 845(1) of the Listing Manual.

3.3.13 **Adjustment Events**

Rule 9 on adjustments of awards is proposed to be altered to:

- (a) make clear that in the event of a variation in the ordinary share capital of the Company whereby the Committee can determine the manner in which outstanding awards are to be adjusted, the Committee also has the discretion to decide that no adjustments be made in such circumstances (see Rule 9.1, as proposed to be altered);
- (b) provide that, unless the Committee considers an adjustment to be appropriate (and in addition to the issue of securities as consideration for an acquisition or a private placement and the cancellation of issued Ordinary Shares repurchased by the Company on the SGX-ST), the issue of securities upon the exercise of any options or conversion of any loan stock or any other securities convertible into Ordinary Shares or subscription rights of any warrants, shall not normally be regarded as a circumstance requiring adjustment (see Rule 9.2, as proposed to be altered); and
- (c) provide that any adjustment must be made in such a way that a participant will not receive a benefit that a Shareholder does not receive, in order to align with Rule 850(2) of the Listing Manual (see Rule 9.3, as proposed to be altered).

3.3.14 **Administration of the Plan**

Rule 10.2, which gives the Committee the power to make and vary arrangements, guidelines and/or regulations for the implementation and administration of the Plan, to give effect to the provisions of the Plan and/or to enhance the benefit of awards and released awards to the participants, is proposed to be expanded to specifically permit the Committee, where it deems appropriate in connection with the establishment of any trust arrangements in relation to the Plan, to approve the re-granting of awards in substitution of existing awards which have not yet been released, on the same terms and conditions to which such existing awards are subject. This is to facilitate the setting up of any new trust arrangements in relation to the Plan, if desired.

Rule 10.4, which provides that any decision or determination by 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, is also proposed to be expanded to provide that this includes, for the avoidance of doubt, any decisions pertaining to disputes as to the interpretation of the Plan or any rule, regulation or procedure under the Plan or as to any rights under the Plan, and further that the Committee will not be required to furnish any reasons for any decision or determination made by it.

3.3.15 **Notices and Communications**

Rule 11 on notices is proposed to be expanded to provide for electronic communications and its attendant processes.

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3.3.16 **Modifications to the Plan**

Rule 12.1, which permits the Committee to alter the Plan subject as provided in that Rule, currently provides (*inter alia*) that no alteration shall alter adversely the rights attached to any award granted prior to the alteration except with the consent in writing of the requisite number of participants. Rule 12.1 is proposed to be altered to make clear that for these purposes, the opinion of the Committee as to whether any alteration would adversely alter the rights attached to any award will be final, binding and conclusive, and further that nothing in Rule 12.1 affects the right of the Committee under any other provision of the Plan to amend or adjust any award.

3.3.17 **Disclaimer of Liability**

Rule 17 is proposed to be altered to provide that the Committee and the Company and, additionally, the Company's directors and employees, will not be liable for any costs etc. arising in any event, including but not limited to the Company's delay in issuing, or procuring the transfer of, the Ordinary Shares or applying for or procuring the listing of new Ordinary Shares on the SGX-ST.

3.3.18 **Disclosures in Annual Reports**

Rule 18 on disclosures regarding the Company's share plans to be made in its annual report is proposed to be altered to:

- (a) remove the requirements to disclose details pertaining to the DBSH Share Option Plan as this has already expired in 2009 and there are no longer any options outstanding thereunder; and
- (b) remove the requirements to disclose the aggregate number of Ordinary Shares comprised in awards granted since the commencement of the Plan, the aggregate number of Ordinary Shares which have vested during the financial year under review, and the aggregate number of Ordinary Shares comprised in awards which have not been released as at the end of the financial year under review, to streamline the disclosure requirements with Rule 852(1) of the Listing Manual.

3.3.19 **Collection, Use and Disclosure of Personal Data**

A new Rule 19 is proposed to be inserted to regulate the collection, use and disclosure of participants' personal data by the Company for purposes of implementing and administering the Plan.

3.3.20 **Consequential and Other Alterations**

Consequential alterations following from the proposed revisions described above, and other alterations to streamline and rationalise certain other provisions, are also being proposed to the Rules of the Plan.

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3.4 **Particulars of Awards.** As at the Latest Practicable Date, awards in respect of 78,387,008 Ordinary Shares have been granted under the Plan to approximately 7,443 participants since its adoption on 18 September 1999, of which as at the Latest Practicable Date:

- (a) no new Ordinary Shares have been issued to participants pursuant to awards granted under the Plan;
- (b) 48,283,521 existing Ordinary Shares have been transferred to participants pursuant to awards granted under the Plan;
- (c) 17,368,937 Ordinary Shares are comprised in outstanding awards granted under the Plan; and
- (d) 12,734,550 Ordinary Shares are comprised in awards which have lapsed pursuant to the Plan.

Awards granted under the Plan vest upon satisfaction of the performance and/or time-based conditions prescribed on the date of grant, and subject to the Rules of the Plan.

No awards have been granted under the Plan to substantial Shareholders of the Company.

Other than Mr Piyush Gupta, none of the Directors held any outstanding awards under the Plan as at the Latest Practicable Date. Particulars of outstanding awards held by Mr Piyush Gupta under the Plan as at the Latest Practicable Date are as follows:

	Award Date	No. of Ordinary Shares Delivered	No. of Ordinary Shares comprised in Awards which have lapsed	No. of Ordinary Shares comprised in Outstanding Awards
Piyush Gupta	24 February 2016	270,486	–	223,184
	21 February 2017	73,713	–	194,338
	13 February 2018	–	–	230,381
	21 February 2019	–	–	292,582

Details of Ordinary Shares which have been released pursuant to awards granted under the Plan to Mr Piyush Gupta, and to certain non-executive Directors as part of their directors' remuneration in lieu of cash, have been previously announced on SGXNet.

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4. THE PROPOSED ADOPTION OF THE CALIFORNIA SUB-PLAN

- 4.1 **Background and Rationale.** In order to enable the Company to grant awards under the Plan to eligible employees and non-executive directors of the Group who are residents of the state of California in the United States of America (“**California Participants**”) in compliance with California securities laws (by relying on the exemption from qualification pursuant to Section 25102(o) of the California Corporate Securities Law of 1968 (as amended) and the applicable provisions of the California Code of Regulations), the Plan must include certain additional provisions. It is therefore necessary to adopt a sub-plan (the “**California Sub-Plan**”) to the Plan which is specifically applicable to the California Participants.

Further, Shareholders’ approval of the Plan and the California Sub-Plan is required where the aggregate number of California Participants (when aggregated with all other persons residing in California who are granted or otherwise offered securities by the Company in reliance of Section 25102(o) of the California Corporate Securities Law of 1968, as amended) exceeds 35 persons. Shareholders’ approval is also accordingly being sought for the adoption of the California Sub-Plan for this purpose.

The adoption of the California Sub-Plan will be subject to and contingent upon Shareholders’ approval being obtained for the extension of, and alterations to, the Plan.

- 4.2 **Proposed Rules of the California Sub-Plan.** The rules of the California Sub-Plan, which are set out in Appendix 2 to this Letter, set out the following additional terms and conditions that apply to awards granted to the California Participants:

- (a) (subject to any lower limitations required under the Plan (as altered)) the maximum aggregate number of Ordinary Shares which may be issued⁽⁴⁾ to California Participants, being 1,000,000 Ordinary Shares;
- (b) restrictions on the transferability of the awards granted to California Participants;
- (c) adjustment requirements applicable to awards granted to California Participants upon certain changes in the capitalisation of the Company; and
- (d) the maximum term applicable to the California Sub-Plan, being the 10th anniversary of 15 February 2019 (which is the date of approval of the California Sub-Plan by the Board of Directors).

⁽⁴⁾ Under California securities laws, “issued” refers to the conveyance of shares generally, whether the shares are new shares, existing shares or treasury shares. The maximum share limitation under the California Sub-Plan is intended to apply to the number of Ordinary Shares which the California Participants eventually become entitled to upon settlement of the award, which may not always equal the number of Ordinary Shares subject to the initial grant of the award.

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5. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

5.1 **Directors' Interests.** The interests of the Directors in the Ordinary Shares, as extracted from the Register of Directors' Shareholdings as at the Latest Practicable Date, are set out below:

Directors	Direct Interest		Deemed Interest		Total Interest	
	No. of Ordinary Shares	% ⁽¹⁾	No. of Ordinary Shares	% ⁽¹⁾	No. of Ordinary Shares	% ⁽¹⁾
Peter Seah Lim Huat	220,661	0.0086	–	–	220,661	0.0086
Piyush Gupta	1,522,502	0.0595	318,000	0.0124	1,840,502	0.0719
Euleen Goh Yiu Kiang	54,414	0.0021	–	–	54,414	0.0021
Ho Tian Yee	44,229	0.0017	–	–	44,229	0.0017
Nihal Vijaya Devadas Kaviratne CBE	33,768	0.0013	–	–	33,768	0.0013
Ow Foong Pheng	25,839	0.0010	–	–	25,839	0.0010
Andre Sekulic	24,575	0.0010	–	–	24,575	0.0010
Danny Teoh Leong Kay	41,726	0.0016	19,099	0.0007	60,825	0.0024
Olivier Lim Tse Ghow	54,299	0.0021	–	–	54,299	0.0021
Bonghan Cho	–	–	–	–	–	–
Tham Sai Choy	88,000	0.0034	–	–	88,000	0.0034

Note:

⁽¹⁾ Based on 2,558,271,934 issued Ordinary Shares (which excludes Ordinary Shares held in treasury) as at the Latest Practicable Date. Excludes interests in Ordinary Shares comprised in Awards.

The interests of the Directors in Ordinary Shares comprised in outstanding Awards as at the Latest Practicable Date are as follows:

Directors	No. of Ordinary Shares comprised in outstanding Awards
Peter Seah Lim Huat	–
Piyush Gupta	940,485
Euleen Goh Yiu Kiang	–
Ho Tian Yee	–
Nihal Vijaya Devadas Kaviratne CBE	–
Ow Foong Pheng	–
Andre Sekulic	–
Danny Teoh Leong Kay	–
Olivier Lim Tse Ghow	–
Bonghan Cho	–
Tham Sai Choy	–

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- 5.2 **Substantial Shareholders' Interests.** The interests of the substantial Shareholders in the Ordinary Shares, as extracted from the Register of Substantial Shareholders as at the Latest Practicable Date, are set out below:

Substantial Shareholders	Direct Interest		Deemed Interest		Total Interest	
	No. of Ordinary Shares	% ⁽¹⁾	No. of Ordinary Shares	% ⁽¹⁾	No. of Ordinary Shares	% ⁽¹⁾
Temasek	284,145,301	11.11	481,618,920 ⁽²⁾	18.83	765,764,221	29.93
Maju	458,899,869	17.94	–	–	458,899,869	17.94

Notes:

⁽¹⁾ Based on 2,558,271,934 issued Ordinary Shares (which excludes Ordinary Shares held in treasury) as at the Latest Practicable Date.

⁽²⁾ As Maju is a wholly-owned subsidiary of Temasek, Temasek is deemed to be interested in all the Ordinary Shares held by Maju. In addition, Temasek is deemed to be interested in 22,719,051 Ordinary Shares in which its other subsidiaries and associated companies have or are deemed to have an interest pursuant to section 4 of the Securities and Futures Act, Chapter 289.

6. DIRECTORS' RECOMMENDATIONS

- 6.1 **Proposed Renewal of Share Purchase Mandate.** The Directors are of the opinion that the proposed 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 2019 AGM.
- 6.2 **Proposed Extension of, and Alterations to, DBSH Share Plan.** All the Directors are eligible to participate in the DBSH Share Plan. Accordingly, they have refrained from making any voting recommendation to Shareholders in respect of Ordinary Resolution No. 13, being the Ordinary Resolution relating to the proposed extension of, and alterations to, the DBSH Share Plan to be proposed at the 2019 AGM.

The Company will procure persons who are eligible to participate in the DBSH Share Plan to abstain from voting their holdings of Ordinary Shares in respect of Ordinary Resolution No. 13, and will disregard any votes cast by such persons in respect of their holdings of Ordinary Shares on Ordinary Resolution No. 13. The Company will also procure such persons to not accept appointment as proxy for any Shareholder to vote in respect of Ordinary Resolution No. 13, unless the Shareholder concerned shall have given specific instructions in his Proxy Form as to the manner in which his votes are to be cast in respect of Ordinary Resolution No. 13.

- 6.3 **Proposed Adoption of California Sub-Plan.** The Directors are of the opinion that the proposed adoption of the California Sub-Plan is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of Ordinary Resolution No. 14, being the Ordinary Resolution relating to the proposed adoption of the California Sub-Plan to be proposed at the 2019 AGM.

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7. INSPECTION OF DOCUMENTS

The following documents are available for inspection at the registered office of the Company at 12 Marina Boulevard, Marina Bay Financial Centre Tower 3, Singapore 018982 during normal business hours from the date of this Letter up to the date of the 2019 AGM:

- (a) the consolidated financial statements of the Group for the financial year ended 31 December 2018;
- (b) the Constitution of the Company;
- (c) the 2018 Letter;
- (d) the rules of the DBSH Share Plan; and
- (e) the proposed rules of the California Sub-Plan.

The consolidated financial statements of the Group for the financial year ended 31 December 2018 and the 2018 Letter may also be accessed at the URLs <https://www.dbs.com/investor/group-annual-reports.html> and <https://www.dbs.com/investor/other-materials.html> respectively.

8. 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.

Yours faithfully
for and on behalf of
the Board of Directors of
DBS GROUP HOLDINGS LTD

PETER SEAH LIM HUAT
CHAIRMAN

APPENDIX 1

**AMENDED AND RESTATED
RULES OF THE DBSH SHARE PLAN
(Incorporating amendments up to ~~825 April 2009~~2019)**

1. NAME OF THE PLAN

The Plan shall be called the “**DBSH Share Plan**” ~~(the “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, Chapter 50 of Singapore.
“ Adoption Date ”	:	The date on which the Plan is adopted by the Company in general meeting.
“ Articles ”	:	The Articles of Association of the Company, as amended from time to time.
“ Associated Company ”	:	A company in which at least twenty (20) per cent. <u>20%</u> but not more than fifty (50) per cent. <u>50%</u> of its shares are held by the Company and/or its subsidiaries and over which the Company has control.
“ Associated Company Executive ”	:	Any employee of an Associated Company (including any Associated Company Executive Director) selected by the Committee to participate in the Plan in accordance with Rule 4.14(c)(ii).
“ Associated Company Executive Director ”	:	A director of an Associated Company who performs an executive function.
“ Auditors ”	:	The auditors of the Company for the time being.
“ Award ”	:	A contingent <u>An</u> award of Shares granted under Rule 5.
“ Award Letter ”	:	A letter in such form as the Committee shall approve confirming an Award granted to a Participant by the Committee.
“ CDP ”	:	The Central Depository (Pte) Limited.

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"Committee"	:	A committee comprising Directors duly authorised and appointed by the Board of Directors to administer the Plan.
<u>"Communication"</u>	:	<u>An Award, including the Award Letter and/or any correspondence and/or notification made or to be made under the Plan (whether individually or collectively).</u>
"Company"	:	DBS Group Holdings Ltd, a company incorporated in the Republic of Singapore.
"DBSH Share Option Plan"	:	The share option plan adopted or to be adopted by the Company in general meeting, as modified or altered from time to time.
"Grant Date"	:	In relation to an Award, the date on which the Award is granted pursuant to Rule 5.
"Group"	:	The Company and its subsidiaries.
"Group Executive"	:	Any employee of the Group (including any Group Executive Director) selected by the Committee to participate in the Plan in accordance with Rule 4.14 (a).
"Group Executive Director"	:	A director of the Company and/or its subsidiaries, as the case may be, who performs an executive function.
<u>"Listing Manual"</u>	:	<u>The listing manual of the Stock Exchange.</u>

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"Market Value"	:	In relation to a Share, on any day:- <ul style="list-style-type: none">(a) the average of the highest and lowest trading price of a Share on the Stock Exchange on the three (3) immediately preceding Trading Days; or(b) if the Committee is of the opinion that the Market Value as determined in accordance with (a) above is not representative of the value of a 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.
"Non-Executive Director"	:	A director of the Company and/or its subsidiaries, other than a Group Executive Director, <u>selected by the Committee to participate in the Plan in accordance with Rule 4(b).</u>
"Non-Group Executive"	:	Any Associated Company Executive or Parent Group Executive, selected by the Committee to participate in the Plan in accordance with Rule 4.1(c).
"Parent Company"	:	A company being the holding company of the Company designated by the Committee for the purposes of the Plan.
"Parent Group"	:	The Parent Company and its subsidiaries (but excluding the Group).
"Parent Group Executive"	:	Any employee of the Parent Group (including any Parent Group Executive Director) selected by the Committee to participate in the Plan in accordance with Rule 4.1(c)(i).
"Parent Group Executive Director"	:	A director of the Parent Company and/or its subsidiaries (but excluding the Group), as the case may be, who performs an executive function.
"Participant"	:	A Group Executive, a Non-Executive Director or a Non-Group <u>an Associated Company Executive</u> who has been granted an Award.

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- “Performance Condition”** : In relation to an Award, the condition specified on the Grant Date in relation to that Award.
- “Performance Period”** : In relation to an Award, a period, the duration of which is to be determined by the Committee on the Grant Date, commencing on the Start Date in relation to that Award, during which the Performance Condition(s) is to be satisfied.
- “Plan”** : The DBSH Share Plan, as the same may be modified or altered from time to time.
- “Release”** : In relation to an Award, the release at the end of each Performance Period or, as the case may be, each Vesting Period relating to that Award of all or some of the Shares to which that Award relates in accordance with ~~Rule 7~~the Plan and, to the extent that any Shares which are the subject of the Award are not released pursuant to ~~Rule 7~~the Plan, the Award in relation to those Shares shall lapse accordingly, and **“Released”** shall be construed accordingly.
- “Release Schedule”** : In relation to an Award, a schedule in such form as the Committee shall approve, in accordance with which Shares which are the subject of that Award shall be Released at the end of each Performance Period or, as the case may be, each Vesting Period and, in the case of a performance-related Award, setting out the extent to which Shares which are the subject of that Award shall be Released on the Performance Condition(s) being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of each Performance Period or, as the case may be, each Vesting Period.
- “Released Award”** : An Award which has been released in full or in part in accordance with Rule 7.
- “Retention Period”** : In relation to an Award, such period commencing on the Vesting Date in relation to that Award as may be determined by the Committee on the Grant Date.

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<u>“Security Device”</u>	:	<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 these Rules.</u>
“Shares”	:	Ordinary shares in the capital of the Company.
<u>“Start Date”</u>	:	<u>In relation to an Award, the start of any Performance Period specified by the Committee on the Grant Date of that Award.</u>
“Stock Exchange”	:	The Singapore Exchange Securities Trading Limited.
<u>“Start Date”</u>	:	<u>In relation to an Award, the start of any Performance Period specified by the Committee on the Grant Date of that Award.</u>
“Trading Day”	:	A day on which the Shares are traded on the Stock Exchange.
“Vesting”	:	In relation to Shares which are the subject of a Released Award, the absolute entitlement to all or some of the Shares which are the subject of a Released Award and “Vest” and “Vested” shall be construed accordingly.
“Vesting Date”	:	In relation to Shares which are the subject of a Released Award, the <u>each</u> date (as determined by the Committee and notified to the relevant Participant) on which those Shares have <u>are to be</u> Vested pursuant to Rule 7 <u>the Plan</u> .
“Vesting Period”	:	In relation to an Award, each period, the duration of which is to be determined by the Committee on the Grant Date, after the expiry of which <u>the relevant number of</u> Shares which are subject to the applicable period shall be Vested to the relevant Participant on the relevant Vesting Date, subject to Rule 7.
“\$”	:	Singapore dollar.

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- 2.2 For purposes of the Plan, the Company shall be deemed to have control over another company if it has the capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of that company.
- 2.3 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.
- 2.4 Any reference to a time of a day in the Plan is a reference to Singapore time.
- 2.5 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 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 an integral part of the Company's programme for executive incentive compensation. The Plan will also enable grants of fully paid Shares to be made to Non-Executive Directors as part of their remuneration in respect of their office as such in lieu of cash or, where the Committee deems appropriate, to give recognition to the contributions made or to be made by such Non-Executive Directors to the success of the Group. The Plan will give Group Executives, Non-Executive Directors and ~~Non-Group~~Associated Company Executives an opportunity to have a real and personal direct interest in the Company and will help to achieve the following positive objectives:-

- (a) foster an ownership culture within the Group which aligns the interests of Group Executives, Non-Executive Directors and ~~Non-Group~~Associated Company Executives with the interests of shareholders of the Company;
- (b) retention of ~~key~~ employees and executive directors of the Group, ~~the Parent Group~~ and Associated Companies whose contributions are essential to the long-term growth and profitability of the Group;
- (c) instil loyalty to, and a stronger identification by employees with the long-term prosperity of, the Company;
- (d) motivate Group Executives and ~~Non-Group~~Associated Company Executives to achieve performance targets of the Company and/or their respective business units; and
- (e) make total employee remuneration sufficiently competitive to recruit and retain staff having skills that are commensurate with the Company's ambition for the Group to become a world-class regional financial services provider.

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4. ELIGIBILITY OF PARTICIPANTS

4.1 The following persons, unless they are also substantial shareholders of the Company (as defined in the ~~Act~~Securities and Futures Act, Chapter 289) or associates (as defined in the Listing Manual) of such substantial ~~shareholders~~, shall be eligible to participate in the Plan at the absolute discretion of the Committee:-

- (a) Group Executives, being employees of the Company and its subsidiaries (including any Group Executive Directors), who have attained the age of twenty-one (21) years and hold such rank as may be designated by the Committee from time to time;
- (b) Non-Executive Directors; and
- (c) ~~Non-Group~~Associated Company Executives, being:-
 - (i) ~~employees of the Parent Company or any of its subsidiaries (including any Parent Group Executive Directors) (other than Group Executives) who have attained the age of twenty-one (21) years and hold such rank as may be designated by the Committee from time to time; and~~
 - (ii) employees of any Associated Company (including any Associated Company Executive Director), who have attained the age of twenty-one (21) years and hold such rank as may be designated by the Committee from time to time.

4.2 ~~Group Executives, Non-Executive Directors and Non-Group Executives who are eligible and selected by the Committee to participate in the Plan may be eligible for participation in any other share incentive scheme implemented by the Company for their benefit but shall not be eligible to participate in any other employee share plan or share incentive schemes implemented by the Company for the benefit of other employees of the Group, the Parent Group and any Associated Company.~~

5. GRANT OF AWARDS

5.1 Subject as provided in Rule 8, the Committee may grant Awards to Group Executives, Non-Executive Directors (as part of their directors' remuneration in lieu of cash and/or to give recognition to the contributions made or to be made by them to the success of the Group) and/or ~~Non-Group~~Associated Company Executives, in each case, as the Committee may select in its absolute discretion, at any time during the period when the Plan is in force.

5.2 The number of Shares which are the subject of each Award to be granted to a Group Executive, a Non-Executive Director or a ~~Non-Group~~an Associated Company Executive in accordance with the Plan shall be determined at the absolute discretion of the Committee, which shall take into account, in respect of a Group Executive or an Associated Company Executive, criteria such as his job performance, level of responsibility and potential for future development of that Group Executive or Associated Company Executive, as the case may be, and, in respect of a Non-Executive Director ~~or a Parent Group Executive~~, criteria such as his contribution to the success and development of the Group.

5.3 The Committee shall decide in relation to an Award:-

- (a) the Participant;
- (b) the Grant Date;
- (c) the number of Shares which are the subject of the Award;

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- (d) the Vesting Period(s), if any;
- (e) the Performance Condition(s) and relevant Performance Period(s) and Start Date(s), if any;
- (f) the Release Schedule, if any;
- (g) the Retention Period(s), if any; and
- (h) any other condition which the Committee may determine in relation to that Award.

5.4 In relation to the Release Schedule for a performance-related Award, and unless otherwise determined by the Committee in its absolute discretion:-

- (a) the number of Shares to be Released in the event of non or partial satisfaction of the Performance Condition(s) for that Award shall not be less than ~~fifty (50) per cent.~~50% of the number of Shares to be Released in the event the Performance Condition(s) for that Award is satisfied in full; and
- (b) the number of Shares to be Released in the event the Performance Condition(s) for that Award is exceeded shall not be more than ~~two hundred (200) per cent.~~200% of the number of Shares to be Released in the event the Performance Condition(s) for that Award is satisfied in full.

5.5 The Committee may amend or waive the Performance Period(s), the Performance Condition(s), the Vesting Period(s), the Release Schedule, the Retention Period(s) and any condition applicable to an Award in respect of any Award:-

- (a) in the event of a take-over offer being made for the Shares or if, under the Act, a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies is approved by shareholders of the Company and/or sanctioned by the court or in the event of a proposal to liquidate or sell all or substantially all of the assets of the Company; or
- (b) if anything happens which causes the Committee to conclude that:-
 - (i) a changed Performance Condition(s) and/or Release Schedule would be a fairer measure of performance, and would be no less difficult to satisfy; or
 - (ii) the Performance Condition(s) and/or Release Schedule should be waived,

and shall notify the Participants of such change or waiver.

5.6 As soon as reasonably practicable after making an Award the Committee shall send to each Participant an Award Letter confirming the Award ~~and specifying~~, and shall specify in the Award Letter, or otherwise notify the Participant of, the following in relation to the Award:-

- (a) the Grant Date;
- (b) the number of Shares which are the subject of the Award;
- (c) the Vesting Period(s), if any;

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- (d) the Performance Condition(s) and relevant Performance Period(s) and Start Date(s), if any;
- (e) the Release Schedule, if any;
- (f) the Retention Period(s), if any; and
- (g) any other condition which the Committee may determine in relation to that Award.

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

5.8 An Award or Released Award shall be personal to the Participant to whom it is granted and shall not be transferred, charged, assigned, pledged or otherwise disposed of, in whole or in part, 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 or Released Award that Award or Released Award shall immediately lapse.

6. EVENTS PRIOR TO THE VESTING DATE

6.1 An Award shall, to the extent not yet Released, immediately lapse without any claim whatsoever against the Company:-

- (a) in the event of misconduct on the part of the Participant as determined by the Committee in its discretion; or
- (b) subject to Rule 6.2(b), where the Participant is a Group Executive, ~~a Parent Group Executive~~ or an Associated Company Executive, upon the Participant ceasing to be in the employment of the Group; ~~the Parent Group~~ or the Associated Company, as the case may be, for any reason whatsoever.

For the purpose of Rule 6.1(b), the Participant shall ~~be deemed to, for the avoidance of doubt,~~ have ceased to be so employed as of the dated day immediately following the notice last day of termination of employment is tendered by or is given to him, unless such notice shall be withdrawn prior to its effective date his employment with the Group or the Associated Company, as the case may be.

6.2 In any of the following events, namely:-

- (a) the bankruptcy of the Participant or the happening of any other event which results in his being deprived of the legal or beneficial ownership of an Award;
- (b) where the Participant being a Group Executive, ~~a Parent Group Executive~~ or an Associated Company Executive, ceases to be in the employment of the Group, ~~the Parent Group~~ or the Associated Company, as the case may be, by reason of:-
 - (i) ill health, injury or disability (in each case, evidenced to the satisfaction of the Committee);
 - (ii) redundancy;
 - (iii) retirement at or after the legal retirement age; or
 - (iv) retirement before the legal retirement age with the consent of the Committee;

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- (c) where a Participant, being a Non-Executive Director, ceases to be a director of the Company or, as the case may be, any subsidiary of the Company, for any reason whatsoever; or
- (d) the death of a Participant,

or any other event approved by the Committee, then the Committee may, in its absolute discretion, preserve all or any part of any Award and decide as soon as reasonably practicable following such event either to Vest some or all of the Shares which are the subject of any Award or to preserve all or part of any Award until the end of each Performance Period or, as the case may be, each Vesting Period and subject to the provisions of the Plan.

6.3 Without prejudice to the provisions of Rule 5.5, if before the Vesting Date, any of the following occurs:-

- (a) a take-over offer for the Shares becomes or is declared unconditional;
- (b) a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies is approved by shareholders of the Company and/or sanctioned by the court under the Act; or
- (c) the shareholders of the Company pass a resolution for a members' solvent voluntary winding-up (other than for amalgamation or reconstruction),

the Committee will consider, at its discretion, whether or not to Release any Award. If the Committee decides to Release any Award, then in determining the number of Shares to be Vested in respect of such Award, the Committee will have regard to the proportion of the Performance Period(s) or, as the case may be, the Vesting Period(s) which has elapsed and, if applicable, the extent to which the Performance Condition(s) (if any) has been satisfied. Where Awards are Released, the Committee will, as soon as practicable after the Awards have been Released, procure the allotment or transfer to each Participant of the number of Shares so determined, such allotment or transfer to be made in accordance with Rule 7. If the Committee so determines, the Release of Awards may be satisfied in cash as provided in Rule 7.

7. RELEASE OF AWARDS

7.1 Review of Performance Condition(s)

7.1.1 As soon as reasonably practicable after the end of each Performance Period of a performance-related Award, the Committee shall review the Performance Condition(s) specified in respect of that Award and determine whether it has been satisfied and, if so, the extent to which it has been satisfied (whether fully or partially) or exceeded, and provided that the relevant Participant has continued to be a Group Executive, a Non-Executive Director or ~~a Non-Group~~ an Associated Company Executive, as the case may be, from the Grant Date up to the end of the Performance Period, shall Release to that Participant the Shares to which his Award relates in accordance with the Release Schedule specified in respect of his Award on the relevant Vesting Date(s) in the manner provided in Rule 7.2.1 or, as the case may be, Rule 7.2.2. If not the Awards shall lapse and be of no value.

The Committee shall have the discretion to determine whether the Performance Condition(s) has been satisfied (whether fully or partially) or exceeded and in making any such determination, the Committee shall have the right to make adjustments to the audited results of the Company, the Group, ~~the Parent Group~~ or an Associated Company, as the case may be, to take into account such factors as the Committee may determine to be relevant, including changes in accounting methods, taxes and extraordinary events.

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7.2 Vesting Period(s)

7.2.1 ~~Where an Award is subject to a Vesting Period(s), subject~~ Subject to the Committee having determined that the Performance Condition(s) (if any) or any condition applicable to ~~an~~ that Award has been satisfied and (subject to Rule 6) provided that the Participant has continued to be a Group Executive, a Non-Executive Director or ~~a Non-Group~~ an Associated Company Executive, as the case may be, from the Grant Date up to the end of the relevant Vesting Period, upon the expiry of each Vesting Period in relation to ~~an~~ that Award, the Company shall Release to the relevant Participant the Shares to which ~~his~~ that Award relates in accordance with the Release Schedule specified in respect of his Award on the relevant Vesting Date(s).

7.2.2 Where an Award is not subject to any Vesting Period, the Company shall (subject to the Committee having determined that the Performance Condition(s) (if any) or any condition applicable to that Award has been satisfied and subject to Rule 6) Release to the relevant Participant the relevant number of Shares on the relevant Vesting Date.

7.2.23 ~~Shares which are the subject of a Released Award shall be Vested to a Participant on the Vesting Date, which shall be delivered on a Trading Day falling as soon as practicable after the review by the Committee referred to in Rule 7.1.1 or, as the case may be, the last day of the relevant Vesting Date Period and, on the Vesting Date, the Committee will procure the by way of an allotment or transfer to each~~ the Participant of the relevant number of Shares (which may, in the case of a transfer of Shares, include Shares held by the Company in treasury) ~~so determined.~~

7.2.34 ~~Where new Shares are allotted upon the Vesting of any Award, the Company shall, as soon as practicable after such allotment, apply to the Stock Exchange (and any other stock exchange on which the Shares are quoted or listed) for permission to deal in and for quotation of such Shares.~~

7.3 Shares ~~allotted~~ Allotted or ~~transferred~~ Transferred on Release of Award

7.3.1 Shares which are allotted or transferred on the Release of an Award to a Participant shall be issued in the name of, or transferred to, CDP to the credit of the securities account of that Participant maintained with CDP or the securities sub-account of that Participant maintained with a Depository Agent or such other securities account or securities sub-account, in each case as may be designated by the Participant.

7.3.2 If, in respect of any Award, no account is designated by a Participant (being a Participant who was granted the Award in his capacity as a Group Executive or an Associated Company Executive) pursuant to Rule 7.3.1 within six (6) months from the relevant Vesting Date, the Committee may, in its absolute discretion, issue or transfer the relevant Shares in the name of, or to, that Participant, in which event the certificate for such Shares shall be despatched to that Participant, at his risk, to his registered address.

7.4 Ranking of Shares

New Shares allotted and issued, and existing Shares procured by the Company for transfer, on the Release of an Award shall:-

- (a) be subject to all the provisions of the ~~Articles and the Memorandum of Association~~ 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 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 Shares then in issue.

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“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 Shares.

7.5 Cash Awards

The Committee may determine to make a Release of an Award (other than an Award granted to a Non-Executive Director as part of his directors’ remuneration in lieu of cash), wholly or partly, in the form of cash rather than Shares, in which event the Participant shall receive ~~on the~~, on or as soon as practicable after the relevant Vesting Date, in lieu of all or part of the Shares which would otherwise have been allotted or transferred to him on Release of his Award, the aggregate Market Value of such Shares on ~~the~~that Vesting Date.

7.6 Moratorium

Shares which are allotted or transferred on the Release of an Award to a Participant shall not be transferred, charged, assigned, pledged or otherwise disposed of, in whole or in part, during the Retention Period(s) (if any), except to the extent set out in the Award Letter or with the prior approval of the Committee. The Company shall be at liberty to take any steps which it considers necessary or appropriate to enforce or give effect to the restriction on the transfer, charge, assignment, pledge or disposal of Shares during the Retention Period(s) otherwise than in accordance with the Award Letter or as approved by the Committee.

8. LIMITATION ON THE SIZE OF THE PLAN

8.1 The total number of new Shares which may be issued pursuant to Awards granted under the Plan on any date, when added to the total number of Shares issued and issuable in respect of ~~(a) all Awards granted under the Plan, and (b) all options granted under the DBSH Share Option Plan,~~ shall not exceed ~~seven and a half (7.5) per cent.~~ 5% of the total number of issued shares ~~in the capital of the Company (excluding treasury shares and subsidiary holdings (as defined in the Listing Manual))~~ on the day preceding that date.

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

9. ADJUSTMENT EVENTS

9.1 If a variation in the ordinary share capital of the Company (whether by way of a capitalisation of profits or reserves 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 sole discretion, determine whether:-

(a) the class and/or number of Shares which are the subject of an Award to the extent not yet Vested; and/or

(b) the class and/or number of Shares in respect of which Awards may be granted under the Plan,

shall be adjusted and if so, the manner in such manner as the Committee may determine to be appropriate which such adjustments should be made.

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- 9.2 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 upon the exercise of any options or conversion of any loan stock or any other securities convertible into Shares or subscription rights of any warrants, or the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares undertaken by the Company on the Stock Exchange 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.
- 9.3 Notwithstanding the provisions of Rule 9.1;-
- (a) any adjustment (except in relation to a capitalisation issue) must be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable; and
 - (b) the adjustment must be made in such a way that a Participant will not receive a benefit that a holder of Shares does not receive.
- 9.4 Upon any adjustment required to be made pursuant to this Rule 9, 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 class and/or number of Shares thereafter to be issued or transferred on the Vesting of an Award. Any adjustment shall take effect upon such written notification being given.

10. ADMINISTRATION OF THE PLAN

- 10.1 The Plan shall be administered by the Committee in its absolute discretion with such powers and duties as are conferred on it by the Board of Directors of the Company, provided that 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.
- 10.2 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 and the Released Awards to the Participants, as ~~they~~it may, in ~~their~~its absolute discretion, think fit, including, where the Committee deems appropriate in connection with the establishment of any trust arrangements in relation to the Plan, to approve the re-granting of Awards in substitution of existing Awards which have not yet been Released, on the same terms and conditions to which such existing Awards are subject. Any matter pertaining or pursuant to the Plan and any dispute and uncertainty as to the interpretation of the Plan, any rule, regulation or procedure thereunder or any rights under the Plan shall be determined by the Committee.
- 10.3 Neither the Plan nor the grant of Awards under the Plan shall impose on the Company 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.

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10.4 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 of the Plan or any rule, regulation or procedure hereunder or as to any rights under the Plan). The Committee shall not be required to furnish any reasons for any decision or determination made by it.

11. NOTICES AND COMMUNICATIONS

11.1 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.

11.2 Any notices or documents required to be given to a Participant or any correspondence to be made between the Company and the Participant shall be given or made by the Committee (or such person(s) as it may from time to time direct) on behalf of the Company and 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~~ kept in the designated electronic platform used for the purposes of this Plan.

11.3 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 ~~other~~ 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 11.2 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.

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

11.5 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 11.4 (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.

11.6 All Communications issued and/or transmitted through the use of the Participant's Security Device pursuant to Rule 11.4 (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.

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

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11.8 The 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 Security Devices of the Participant are kept completely confidential and secure; and
- (c) there is no unauthorised use or abuse of the Participant's Security Devices.

11.9 The Participant shall notify and/or contact the Company immediately (the "**Security Notification**") if he becomes aware, has reason to believe, or suspects that:

- (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.

(the "**Compromised Security Device**") 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 Communication made which is referable to any Compromised Security Device until such time as the Company has received the Security Notification from the Participant.

11.10 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 the 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 rights (if any) to so object.

11.11 Any provision in these Rules 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.

12. MODIFICATIONS TO THE PLAN

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

- (a) no modification or alteration shall alter adversely the rights attached to any Award granted prior to such modification or alteration except with the consent in writing of such number of Participants who, if their Awards were Released to them upon the Performance Conditions(s) (if any) for their Awards being satisfied in full or, as the case may be, upon the expiry of all Vesting Periods applicable to their Awards, would become entitled to not less than three-quarters in number of all the Shares which would fall to be Vested upon Release of all outstanding Awards upon the Performance Conditions(s) (if any) for all outstanding Awards being satisfied in full or, as the case may be, upon the expiry of all the Vesting Periods applicable to all such outstanding Awards;

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- (b) the definitions of “Associated Company”, “Associated Company Executive”, “Associated Company Executive Director”, “Group Executive”, “Group Executive Director”, ~~“Non-Group Executive”, “Parent Company”, “Parent Group Executive”, “Parent Group Executive Director”,~~ “Participant”, “Performance Period” and “Vesting Period” and the provisions of Rules 4, 5, 6, 7, 8, 9, 10 and this Rule 12 shall not be altered to the advantage of Participants except with the prior approval of the Company’s shareholders in general meeting; and
- (c) no modification or alteration shall be made without the prior approval of the Stock Exchange, or any other stock exchange on which the Shares are quoted or listed, and such other regulatory authorities as may be necessary.

For the purposes of Rule 12.1(a), the opinion of the Committee as to whether any modification or alteration would adversely alter the rights attached to any Award shall be final, binding and conclusive. For the avoidance of doubt, nothing in this Rule 12.1 shall affect the right of the Committee under any other provision of the Plan to amend or adjust any Award.

- 12.2 Notwithstanding anything to the contrary contained in Rule 12.1, the Committee may at any time by resolution (and without 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 any statutory provision (or any amendment or modification thereof, including any amendment or modification to the Act) or the provision or the regulations of any regulatory or other relevant authority or body (including the Stock Exchange).
- 12.3 Written notice of any modification or alteration made in accordance with this Rule 12 shall be given to all Participants.

13. TERMS OF EMPLOYMENT UNAFFECTED

The terms of employment of a Participant (being a Group Executive or ~~a Non-Group~~ an Associated Company Executive, as the case may be) 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.

14. DURATION OF THE PLAN

- 14.1 The Plan shall continue to be in force at the discretion of the Committee, subject to a maximum period of four (4) 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 and of any relevant authorities which may then be required.*

* The Plan was adopted on 18 September 1999. At ~~the~~ an extraordinary general meeting of the Company held on 21 April 2003, shareholders approved the extension of the duration of the Plan to a maximum period of 10 years from its adoption date, namely, up to 17 September 2009. At an extraordinary general meeting of the Company held on 8 April 2009, shareholders approved the extension of the duration of the Plan for a further period of 10 years from 18 September 2009 up to 17 September 2019. At the annual general meeting of the Company held on 25 April 2019, shareholders approved the extension of the duration of the Plan for a further period of 10 years from 18 September 2019 up to 17 September 2029.

- 14.2 The Plan may be terminated at any time by the Committee or, at the discretion of the Committee, by resolution of the Company in general meeting, subject to all relevant approvals which may be required and if the Plan is so terminated, no further Awards shall be granted by the Committee hereunder.
- 14.3 The expiry or termination of the Plan shall not affect Awards which have been granted prior to such expiry or termination, whether such Awards have been Released (whether fully or partially) or not.

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15. TAXES

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

16. COSTS AND EXPENSES OF THE PLAN

16.1 Each Participant shall be responsible for all fees of CDP relating to or in connection with the issue and allotment or transfer of any Shares pursuant to the Release 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 CDP Depository Agent, or such other securities account or securities sub-account, in each case as may be designated by the Participant.

16.2 Save for the taxes referred to in Rule 15 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 withdrawal of share certificate(s) with CDP, and the allotment and issue, or transfer, of Shares pursuant to the Release of any Award shall be borne by the Company.

17. DISCLAIMER OF LIABILITY

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 issuing, or procuring the transfer of, the Shares or applying for or procuring the listing of new Shares on the Stock Exchange in accordance with Rule 7.1.37.2.4 (and any other stock exchange on which the Shares are quoted or listed).

18. DISCLOSURES IN ANNUAL REPORTS

The Company will make such disclosures or appropriate negative statements (as applicable) in its annual report for as long as the Plan continues in operation as from time to time required by the Listing Manual of the Stock Exchange including the following (where applicable):-

- (a) the names of the members of the Committee administering the Plan; and
- (b) in respect of the following Participants of the Plan:-
 - (i) Directors of the Company; and
 - (ii) Participants (other than those in paragraph (i) above) ~~who have been granted options under the DBSH Share Option Plan and/or~~ who have received Shares pursuant to the Release of Awards granted under the Plan which, in aggregate, represent ~~five (5) per cent.~~ 5% or more of the aggregate of:
 - (1) the total number of new Shares available under the Plan ~~and the DBSH Share Option Plan;~~ and
 - (2) the total number of existing Shares purchased for delivery of Awards Released under the Plan,

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the following information:-

- (aa) the name of the Participant;
- (bb) the following particulars relating to options granted under the DBSH Share Option Plan:
 - (i) ~~options~~Awards granted during the financial year under review (including terms);
 - (ii) the aggregate number of Shares comprised in options granted since the commencement of the DBSH Share Option Plan to the end of the financial year under review;
 - (iii) the aggregate number of Shares arising from options exercised since the commencement of the DBSH Share Option Plan to the end of the financial year under review; and
 - (iv) the aggregate number of Shares comprised in options outstanding as at the end of the financial year under review;
- (cc) aggregate Awards granted since the commencement of the Plan to the end of the financial year under review;
- (~~cc~~d) the following particulars relating to Awards Released under the Plan since the commencement of the Plan to the end of the financial year under review:
 - (i) the number of new Shares issued to such Participant ~~during the financial year under review; and~~
 - (ii) the number of existing Shares transferred to such Participant ~~during the financial year under review; and~~
- (ee) aggregate Awards outstanding as at the end of the financial year under review.
- (c) the number and proportion of Shares comprised in options granted under the DBSH Share Option Plan during the financial year under review:-
 - (i) at a discount of ten (10) per cent. or less of the Subscription Price (as defined in the DBSH Share Option Plan) in respect of the relevant option; and
 - (ii) at a discount of more than ten (10) per cent. of the Subscription Price in respect of the relevant option;
- (d) in relation to the Plan, the following particulars:
 - (i) the aggregate number of Shares comprised in Awards granted under the Plan since the commencement of the Plan to the end of the financial year under review;
 - (ii) the aggregate number of Shares comprised in Awards which have Vested under the Plan during the financial year under review and in respect thereof:-
 - (1) new Shares issued; and
 - (2) existing Shares purchased, including the range of prices at which such Shares have been purchased;

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~~upon the Release of the Vested Awards granted under the Plan; and~~

- ~~(iii) the aggregate number of Shares comprised in Awards granted under the Plan which have not been Released, as at the end of the financial year under review.~~

19. 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, take-over 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 notice or communication given or received pursuant to the Plan, 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 in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Participant's breach of this warranty.~~

1920. 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.~~

2021. 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.~~

2122. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT, 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, Chapter 53B of Singapore.~~

APPENDIX 2

CALIFORNIA SUB-PLAN TO THE AMENDED AND RESTATED RULES OF THE DBSH SHARE PLAN

The provisions of this sub-plan to the Amended and Restated Rules of the DBSH Share Plan (the “**Sub-Plan**”), which will supplement the provisions contained in the Amended and Restated Rules of the DBSH Share Plan, as amended from time to time (the “**Plan**”), will apply to Group Executives and Non-Executive Directors (as each term is defined in the Plan) who are residents of the state of California in the United States of America (the “**California Participants**”). Awards granted to California Participants are intended to be exempt from qualification in California pursuant to Section 25102(o) of the California Corporate Securities Law of 1968, as amended, and the applicable provisions of the California Code of Regulations (“**Section 25102(o)**”).

Capitalized terms contained herein shall have the same meaning given to them in the Plan, unless otherwise provided by this Sub-Plan.

1. The following additional terms and conditions shall apply to awards granted to California Participants:
 - (a) Number of Shares Reserved for Issuance under Sub-Plan⁽¹⁾. The maximum aggregate number of Shares that may be issued pursuant to awards granted under the terms of this Sub-Plan is limited to 1,000,000 Shares, subject to any lower limitations in the Plan or an adjustment contemplated under Section 1(c) of this Sub-Plan.
 - (b) Non-Transferability. Subject to any additional limitation on the transferability of Awards imposed under the Plan, Awards granted under the Sub-Plan shall not be assigned, transferred, or otherwise disposed of by a California Participant other than by will, by the laws of descent and distribution, to a revocable trust, or as otherwise permitted by Rule 701 of the United States Securities Act of 1933, as amended.
 - (c) Adjustment in Event of Change in Capitalization. In addition to any capitalization adjustment contemplated under Section 9 of the Plan, the number of Shares covered by each Award, shall be proportionately adjusted in the event of a stock split, reverse stock split, stock dividend, recapitalization, combination, reclassification or other distribution (i) of the Company's equity securities without the receipt of consideration by the Company or (ii) of or on the Shares. Such adjustment shall be made by the Committee whose determination in that respect shall be final, binding and conclusive.
 - (d) Sub-Plan Term. Unless terminated earlier, the Sub-Plan will terminate, and no further Awards will be granted under the Sub-Plan after the tenth (10th) anniversary of 15 February 2019.

⁽¹⁾ The terms “issuance” and “issued” refer to the conveyance of shares generally, whether the shares are new shares, existing shares or treasury shares. The share limitation in Section 1(a) is intended to apply to the number of Shares which the California Participants eventually become entitled to upon settlement of the award, which may not always equal the number of Shares subject to the initial grant of the award.

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2. Shareholder Approval. To the extent required by Section 25102(o), the Plan and this Sub-Plan shall be submitted to the shareholders of the Company for approval prior to the date that the aggregate number of California Participants (when aggregated with all other persons residing in California who are granted securities by the Company upon reliance of Section 25102(o)) exceeds 35 persons. Awards may be granted pursuant to the Plan and this Sub-Plan prior to and without any such required approval, provided that to the extent necessary to comply with Section 25102(o), if any such required shareholder approval has not been obtained prior to the date described above, all Awards granted pursuant to the Plan and this Sub-Plan shall thereupon be cancelled and become null and void and no further Awards shall be made pursuant to the Plan and this Sub-Plan to California Participants upon reliance of the exemption available under Section 25102(o).