



PEC LTD.

(Company registration No. 198200079M)
(Incorporated in Singapore on 8 January 1982)

AWARD LETTER

PRIVATE & CONFIDENTIAL

Date: 1 December 2017

To: XU JIN

Dear Sir/Madam,

PEC PERFORMANCE SHARE AWARD

We have the pleasure of informing you that you have been nominated to participate in the PEC Performance Share Plan (the "**Plan**"). Terms as defined in the rules of the Plan shall have the same meaning when used in this letter.

In consideration of your services to the Group, an offer is hereby made to grant you an award to be allotted 0 to 52,989 shares. The award date is on 1 December 2017.

The award is personal to you and shall not be transferred, charged, assigned, pledged or otherwise disposed of, in whole or in part (except in accordance with the rules of the Plan), except with the prior approval of the Committee.

The award shall be subject to the rules of the Plan (which shall prevail in the event of a conflict with the terms of this Award Letter, unless expressly provided otherwise herein) and the Vesting and Release Schedule, a copy of which is enclosed herewith.

If you wish to accept this offer, please sign and return the enclosed copy of the Acceptance Form by 5:00pm on 15 December 2017 failing which this offer will lapse.

Yours sincerely,

Robert Dompeling

Group Chief Executive Officer

For and on behalf of the PSP Committee

VESTING AND RELEASE SCHEDULE

1. Details of Awards

- a) Grant of Award Date: 1 December 2017
- b) Number of Shares: 0 to 52,989
- c) Performance Period: 1 July 2017 to 30 June 2018
- d) Performance Conditions:
 - a. Group level
 - i. Achieving minimum net profit after tax (NPAT) of \$15,000,000
 - ii. Payout quantum capped at 10% NPAT of the Group (capped @ S\$3,000,000); and
 - b. Individual level performance
 - i. Meets the average performance expectations based on annual performance appraisal
 - ii. Assessment by PSP Committee
 - iii. Complete a full year of performance period (12 months)
 - iv. No warning letter or disciplinary action recorded
 - c. Fixed over 3 years from FY2019 to FY2021
- e) Vesting Period: 3 years
- f) The Release Schedule setting out the extent to which Shares, which are the subject of that Award, shall be Released at the end of each prescribed Vesting Period:
 - a. 40% in the 1st anniversary of grant date
 - b. 30% in the 2nd anniversary of grant date
 - c. 30% in the 3rd anniversary of grant date

Please refer to Appendix 1 Performance/Vesting period for graphical illustration

The selection of a Participant and the number of Shares which are the subject of each Award to be granted to a Participant in accordance with the Plan shall be determined at the absolute discretion of the Committee, which shall take into account criteria such as the Participants' rank and job performance required to achieve the Performance Conditions within the Performance Period.

2. Vesting of Awards

The Award will be Vested and Released according to the terms of the Award after the PSP Committee is satisfied that the Performance Conditions have been met.

Notwithstanding that the prescribed Performance Conditions have been satisfied, all Awards granted shall immediately lapse without any claim whatsoever against the Company:

- 2.1 in the event of misconduct on the part of a Participant as determined by the Committee in its discretion; or
- 2.2 the Participant ceasing to be in the employment of the Company or its subsidiaries for any reason whatsoever (other than as specified below).

The Participant shall be deemed to have ceased to be so employed as at the date the notice of termination of employment is tendered by or is given to him, unless such notice shall be withdrawn prior to its effective date.

For the avoidance of doubt, no Award shall lapse pursuant to the event of a transfer of employment of a Participant between companies within the Group.

Notwithstanding that the prescribed Performance Conditions have been satisfied, the PSP Committee may, in its absolute discretion, preserve all or any part of any Award and decide either to Vest all or some of the Shares which are the subject of the Award or to preserve all or part of any Award until the end of the relevant Performance Period:

- (i) upon the death of the Participant (in which case the Award Shares shall in such circumstances be given to the personal representatives of the Participant);
- (ii) upon the bankruptcy of the Participant or the happening of any other event which results in his being deprived of the legal and/or beneficial ownership of such Award;
- (iii) upon the Participant ceasing to be in the employment of the Group for any reason whatsoever except by reason of:
 - (a) ill health, injury or disability (in each case, evidenced to the satisfaction of the Committee);
 - (b) retirement at or after the legal retirement age;
 - (c) retirement before the legal age with the consent of the Committee;
 - (d) the company by which he is employed or to which he is seconded, ceasing to be a company within the Group or the undertaking or part of the undertaking of such company being transferred otherwise than to another company within the Group;
 - (e) transfer of employment of a Participant between companies within the Group; or
 - (f) any other reason approved in writing by the Committee, or
- (iv) any other event approved by the Committee.

3. Taxes, Costs And Expenses Relating To The Plan

All taxes (including income tax, if applicable) arising from the grant, vest and/or disposal of Shares pursuant to the Awards granted to any Participant under the Plan shall be borne by that Participant.

Employees will be taxed at the point of vesting. Taxable value is the fair market value of shares on the date of vesting.

Foreign employees (i.e. non-Singapore citizens including Singapore PR employees) who are ceasing Singapore employment and who were granted share awards during his/her Singapore employment, are deemed to have obtained taxable gains from share awards even if they have not vested. The taxable value is the market price of the shares one month before ceasing employment or the date of grant, whichever is later.

Each Participant shall be responsible for all fees of CDP relating to or in connection with the issue and allotment of any Shares pursuant to the Vesting of any Award in CDP's name, the deposit of share certificate(s) with CDP, the Participant's securities account with CDP, or the Participant's securities sub-account with a CDP Depository Agent or CPF investment account with a CPF agent bank.

Save for the above, all other fees, costs and expenses incurred by the Company in relation to the Plan shall be borne by the Company.

ACKNOWLEDGEMENT FORM

PRIVATE & CONFIDENTIAL

To: PSP Committee
PEC Ltd.

Dear Sir/Madam

THE PEC PERFORMANCE SHARE PLAN

I have read the Award letter dated 1 December 2017 (the "**Award Letter**") and accept and agree to be bound by the terms of the PEC Performance Share Plan, as the same may be modified or altered from time to time (the "**PSP**") and the aforesaid Award Letter. Terms as defined in the PSP shall have the same meaning when used in this Acknowledgement Form.

I hereby accept the Award offered in the aforesaid Award Letter.

I confirm that:

- (i) I have attained the age of twenty-one (21) years on or before the date of the Award Letter; and
- (ii) I am not an undischarged bankrupt.

I acknowledge that you have not made any representation or warranty or given me any expectation of employment or continued employment to induce me to participate in the PSP or to accept the offer and that the terms of the PSP, the aforesaid Award Letter and this Acknowledgement Form constitute the entire agreement between us relating the Award.

Please print in block letters.

Name in Full	:	_____
Designation	:	_____
Address	:	_____ _____
Nationality	:	_____
*NRIC/Passport No.	:	_____
Securities A/C No.	:	_____
Signature	:	_____
Date	:	_____

* Delete accordingly

Performance/Vesting Period

