

THIS EXPLANATORY STATEMENT ADDENDUM IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. It contains important information and should be read in its entirety. If you are in doubt about any aspect of the proposed Scheme and/or the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

Unless otherwise defined herein or the context otherwise requires, capitalised expressions used shall have the meanings set out in Appendix A of this Explanatory Statement Addendum.

This Explanatory Statement Addendum is addressed and distributed only to Scheme Parties who are persons to whom it may be lawful to distribute it ("**relevant persons**"). Scheme Parties include persons who hold a Book Entry Interest in the Notes, Perpetual Capital Securities and Preference Shares at the Record Date. This Explanatory Statement Addendum is directed only at relevant persons and must not be acted on or relied upon by persons who are not relevant persons.

The last date and time for Scheme Parties to complete and submit a Proof of Claim to the Chairman was 5:00 pm (Singapore Standard Time) on 1 March 2019 (*ie*, the Record Date). The outcome of the adjudication of the Proofs of Claim are accessible at <https://www.hyflux.com/wp-content/uploads/2019/03/HL-List-of-adjudicated-purported-claimants.pdf>

If you have recently sold or otherwise transferred your Book Entry Interest in the Notes, Perpetual Capital Securities and/or Preference Shares before the Record Date, you should immediately forward this Explanatory Statement Addendum to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee; thereafter, you need not take any further action with respect to this Explanatory Statement Addendum. If you have only partially assigned, sold or transferred such interests, or partially assign, sell or otherwise transfer such interests before the Record Date, you should: (i) read this Explanatory Statement Addendum carefully; (ii) forward a copy of this Explanatory Statement Addendum to the person or persons to whom you have assigned, sold or transferred, or to whom you assign, sell or otherwise transfer, such partial interests; and (iii) take such steps as you consider appropriate following consideration of the matters described in this Explanatory Statement Addendum.

A transferee of a Book Entry Interest in the Notes, Perpetual Capital Securities and/or Preference Shares after the Record Date will not be entitled to vote at the Scheme Meeting in respect of such interest. Such transferee will need to make arrangements with the holder of the Notes, Perpetual Capital Securities and/or Preference Shares at the Record Date to ensure that that person votes in accordance with the wishes of the transferee.



**Proposal in relation to a
SCHEME OF ARRANGEMENT
Pursuant to Section 210 of the Companies Act (Chapter 50, 2006 Revised Edition)**

**Between
HYFLUX LTD**

(Incorporated and registered under the laws of the Republic of Singapore with Unique Entity Number 200002722Z)

**and
THE SCHEME PARTIES
(as defined in the Scheme)**

EXPLANATORY STATEMENT ADDENDUM

Scheme Meetings of each class of the Scheme Parties to consider and, if thought fit, approve the proposed Scheme will be held on 5 April 2019 at The Star Performing Arts Centre, The Star Theatre, 1 Vista Exchange Green #04-01, Singapore 138617, or such other place as may be fixed by the Company and notified to Scheme Parties via SGXNet. The actions that the Scheme Parties should take in relation to the Scheme are set out in Section 4 of the Explanatory Statement and Section 8 of this Explanatory Statement Addendum. As a Scheme Party, whether or not you intend to be present at the relevant Scheme Meeting, you are requested to complete and return complete and sign the relevant Proxy Form enclosed to the Explanatory Statement in accordance with the instructions contained therein and lodge the Proxy Form with the Meeting Agent and in any event at least seventy-two hours (72) hours before the time fixed for the Scheme Meeting (*ie*, before 12:00 noon, 2 April 2019, for Unsecured Scheme Parties and before 7:00 pm, 2 April 2019, for Debt Securities Scheme Parties). Any previously completed and submitted Proxy Forms that have been sent to the Meeting Agent will remain valid unless you have instructed the Meeting Agent in writing to the contrary.

Subject to applicable law and as provided in the Explanatory Statement, the Company may, prior to the calling of any Scheme Meeting, delete, modify, amend or add to the terms of the proposed Scheme which the Company, upon further consultation with the Scheme parties as necessary or relevant, may think fit for the implementation of the Restructuring. Details of any deletion, modification, amendment and/or addition will be announced to all Scheme Parties via SGXNet as soon as reasonably practicable after the relevant decision is made.

This Explanatory Statement Addendum or any other document issued with or appended to it (including the proposed Scheme) shall not be construed as, and does not constitute, an offer, invitation or solicitation for the subscription, sale or purchase of securities in any jurisdiction. The Company has not registered and will not register the New Shares under the US Securities Act of 1933, as amended (the "**Securities Act**"). The New Shares may not be offered or sold in the United States except pursuant to an exemption form, or in a transaction not subject to, the registration requirements of the Securities Act. The New Shares will only be offered and issued and sold outside the United States to holders of the Securities who are persons other than "US persons", as that term is defined in Rule 902 under the Securities Act, in offshore transactions in reliance upon Regulation S under the Securities Act.

Prior to making a decision on whether to approve the Proposal (as defined herein), you should carefully consider all of the information set forth in the Explanatory Statement and this Explanatory Statement Addendum. In particular, you should also take note of the risk factors set out in Section 9 of the Explanatory Statement and Section 9 of this Explanatory Statement Addendum.

Questions and requests for further information and assistance in relation to the proposed Scheme and/or this Explanatory Statement, including in respect of the submission or delivery of Proofs of Claim and/or Proxy Forms may be directed to Company through the following channels:

Telephone: +65 3517 7999

Email: proofofclaim@hyflux.com

Post: Hyflux Ltd, Hyflux Innovation Centre, 80 Bendemeer Road, Singapore 339949

The date of this Explanatory Statement Addendum is 26 March 2019.

PARTIES		VALUE OF CLAIMS (APPROX.) ¹	SHARES IN HYFLUX POST-REORGANISATION (Assumed equity value of S\$667 million ²)	EQUITY / CASH DISTRIBUTION (APPROX.)				ESTIMATED TOTAL RETURNS (APPROX.)	ESTIMATED PERCENTAGE RETURNS PER CLAIMANT (APPROX.) ³	
				28 days (tentative) after RED ⁴	Assuming TuasOne reaches PCOD	One (1) year after RED	Two (2) years after RED			
Investor – SM Investment Pte Ltd			60% in exchange for S\$400m investment							
Ordinary Shareholders of Hyflux			4% which includes 1.38% (approx.) existing ordinary shares of directors which will be given to the P&Ps							
HYFLUX	Unsecured Scheme Parties	Bank Lenders	S\$714m ⁵	27%	S\$135.1m + 15.72% equity		Pro-rata equity payout to all Unsecured Scheme Parties from escrow upon Contingent Claims being Extinguished	Pro-rata equity payout to all Unsecured Scheme Parties from escrow upon Contingent Claims being Extinguished and/or Expired	up to S\$232m ⁸ + S\$180m (assumed equity value of 27% equity)	≥23.8% ⁹
		MTNs	S\$278m ¹⁰							
		Trade and other claimants	S\$18m ¹¹						S\$96.9m + 11.28% equity placed in escrow (payout for each Contingent Claim distributed upon Crystallisation less incentive)	
		Contingent Claimants	S\$724m							
	Debt Securities Scheme Parties	Perpetual Capital Securities	S\$500m principal ¹²	9% (from Hyflux Scheme) +	S\$27m + 10.38% equity		Pro-rata cash payout to all Debt Securities Scheme Parties and Unsecured Scheme Parties from escrow upon Contingent Claims being Extinguished ⁶	Pro-rata cash payout to all Debt Securities Scheme Parties and Unsecured Scheme Parties from escrow upon Contingent Claims being Extinguished ⁷ and/or Expired	≥S\$27m ¹³ + S\$69.2m (assumed equity value of 10.38% equity)	≥10.69%
		Preference Shares	S\$400m principal ¹⁴						1.38% (approx.) from Hyflux directors' contribution of their existing ordinary shares in Hyflux	Returns received by directors for their P&P holdings will be redistributed to other P&Ps Cash distributions allocated to Contingent Claims which Expire (after deducting incentive) or Extinguish to be distributed <i>pro-rata</i> between Debt Securities Scheme Parties and Unsecured Scheme Parties
	Subordinated Scheme Parties		S\$106m		Nominal ¹⁵				Nominal	≈ 0%

¹ These approximations are based on the adjudication of Proofs of Claim by the Chairman, and may be amended if there are changes to the adjudication results following, among other things, any determination by an independent assessor as may be appointed by a party disputing the results of the Chairman’s adjudication of a Proof of Claim.

² On the assumption that 60% of Hyflux’s shareholding is valued at S\$400 million.

³ These approximations are based on the adjudication of Proofs of Claim by the Chairman, and may be amended if there are changes to the adjudication results following, among other things, any determination by an independent assessor as may be appointed by a party disputing the results of the Chairman’s adjudication of a Proof of Claim.

⁴ Restructuring Effective Date, which will likely take place on16 April 2019 or shortly thereafter.

⁵ Inclusive of loan by KfW IPEX GmbH of S\$144 million (approx.) to Hydrochem which is guaranteed by Hyflux and crystallised debt of approximately S\$65 million (approx.) from bonds and guarantees that have been called before November 2018.

⁶ After deducting a 10% cash incentive component (First Contingent Claim Management Payout) to be paid to project teams/employees responsible for extinguishment of contingent claim.

⁷ Where Contingent Claims become Extinguished, payment of the cash component will be made after deducting a 10% cash incentive component (Second Contingent Claim Management Payout) to be paid to project teams/employees responsible for extinguishment of contingent claim.

⁸ Assuming all the Contingent Claims Crystallise and are paid out.

⁹ Assuming all the Contingent Claims Crystallise and are paid out. The return per Claimant increases with each Contingent Claim becoming Extinguished instead of becoming Crystallised. 2 years after RED, any Contingent Claims that have not Crystallised or Extinguished will become Expired.

¹⁰ S\$265 million Principal + S\$13 million (approx.) accrued Interest

¹¹ Inclusive of crystallised debt of S\$10 million (approx.) from bonds and guarantees that have already been called since November 2018 and minor trade debt of an aggregate sum <S\$500k.

¹² Inclusive of the S\$3.15 million in principal held by directors.

¹³ The return per Claimant increases with each Contingent Claim becoming Extinguished instead of becoming Crystallised. 2 years after RED, any Contingent Claims that have not Crystallised or Extinguished will become Expired.

¹⁴ Inclusive of the S\$1.202 million in principal held by directors.

¹⁵ S\$1 per Subordinated Claimant.

¹⁶ From Hydrochem’s share of the Net Cash Flow from TuasOne EPC Contract upon TuasOne PCOD after making necessary deductions under MHI Settlement Agreement (eg, First Priority Payment to MHI, Trade Creditors’ Payment, cost overruns and LDs)

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CONTACTS

The Chairman of the Court Meeting and Proposed Scheme Managers	Ms Angela Ee c/o Ernst & Young Solutions LLP, or in the alternative, Mr Glenn Peters c/o Ernst & Young Solutions LLP
Address	One Raffles Quay, North Tower, Level 18, Singapore 048583
Email	hyfluxqueries@sg.ey.com



Hyflux Ltd
80 Bendemeer Road
Hyflux Innovation Centre
Singapore 339949

(Incorporated and registered under the laws of the Republic of Singapore with Unique Entity Number 200002722Z)

EXPLANATORY STATEMENT ADDENDUM

To: the Scheme Parties

26 March 2019

THIS EXPLANATORY STATEMENT ADDENDUM CONCERNS MATTERS WHICH MAY AFFECT YOUR LEGAL RIGHTS AND ENTITLEMENTS AND YOU MAY THEREFORE WISH TO TAKE APPROPRIATE LEGAL ADVICE ON ITS CONTENTS

Dear Sir/Madam,

Proposed scheme of arrangement (“Scheme”) in relation to Hyflux Ltd (“Company”) under Section 210 of the Companies Act (Chapter 50, 2006 Revised Edition) of the Republic of Singapore (“Act”)

1. INTRODUCTION

- 1.1. This Explanatory Statement Addendum should be read with the Explanatory Statement Explanatory Statement dated 22 February 2019¹.
- 1.2. The Explanatory Statement, which was published by the Company on its website, informed the Scheme Parties of the background and effect of the Scheme, including that in connection with the Restructuring and as contemplated under the Restructuring Agreement, the Company intends to enter into a compromise and arrangement with the Scheme Parties in respect of all Scheme Claims pursuant to the terms of the Scheme. The Explanatory Statement was written and issued pursuant to Section 211 of the Companies Act and in accordance with the applicable procedure and guidance laid down in the Act and by the Court.
- 1.3. Since the date of the Explanatory Statement, there have been further discussions with representatives of certain of the Scheme Parties and other stakeholders of the Group. Following those discussions, amendments have been made to the terms of the Scheme. In particular, further to a letter from SIAS dated 27 February 2019², amendments have been made to enhance the potential payouts to be made to Perpetual Capital Securities Holders and Preference Shareholders under the Scheme by sharing in the entitlements of the

¹ The Explanatory Statement can be accessed at: <https://www.hyflux.com/wp-content/uploads/2019/02/Hyflux-explanatory-statement.pdf>

² The letter from SIAS dated 21 February 2019 can be accessed at: <https://www.hyflux.com/wp-content/uploads/2019/03/270219-SIAS-Letter-to-Hyflux-Board.pdf>

Unsecured Scheme Parties under the Scheme. None of these amendments change the total overall cash and equity to be issued to the Scheme Parties.

- 1.4. Clean and blackline copies of the revised Scheme are set out in Appendix B of this Explanatory Statement Addendum.

- 1.5. **For a summary of the updated effect of the Scheme, the payouts thereunder and the expected returns, please refer to Appendix C of this Explanatory Statement Addendum.**

The purpose of this Explanatory Statement Addendum is to inform the Scheme Parties of the material changes to the terms of the Scheme which will affect payouts to be made under the Scheme to Scheme Parties, and provide an update on timelines in relation to the Scheme Meetings. It is written and issued pursuant to Section 211 of the Act and in accordance with the applicable procedure and guidance laid down in the Act and by the Court. Unless otherwise defined herein or the context otherwise requires, capitalised expressions used shall have the meanings set out in Appendix A of the Explanatory Statement and Appendix A of this Explanatory Statement Addendum.

- 1.6. Please note that this Explanatory Statement Addendum does not form the basis of the legal contract between the Company and the Scheme Parties. The legally binding contract between the Company and the Scheme Parties in the event the proposed Scheme of arrangement is approved by the Scheme parties and sanctioned by the Court is the Scheme. The Company has prepared this Explanatory Statement Addendum on a best efforts basis, but make no warranty as to the accuracy or completeness of the information provided herein. The Company reserves the right to amend or supplement this Explanatory Statement Addendum and/or the information contained herein.

2. **Details of upcoming Scheme Meetings**

- 2.1 On the same day the Explanatory Statement was published by the Company, the notices calling the Scheme Meetings were also published³. The Scheme Meetings will be held at The Star Performing Arts Centre, The Star Theatre, 1 Vista Exchange Green #04-01, Singapore 138617 (or such other venue as may be determined by the Company and notified to Scheme Parties via SGXNet) on **5 April 2019** at the following times for the purpose of considering and, if thought fit, agreeing (with or without modification) the Hyflux Scheme pursuant to Section 210 of the Act:

2.1.1 The scheme meeting for Unsecured Claims Scheme Parties (banks, holders of medium term notes, trade creditors and contingent creditors) is at **12 noon**; and

2.1.2 The scheme meeting for Debt Securities Scheme Parties (Perpetual Capital Securities Holders and Preference Shareholders) at **7 pm**.

3. **Revised Timelines**

- 3.1 At paragraph 7.2.2 of the Explanatory Statement dated 22 February 2019, it was stated that the results of the adjudication of Proofs of Claim by the Chairman of the Scheme Meetings will be announced by 15 March 2019.
- 3.2 The Court had granted an extension of this deadline until 16 March 2019. Accordingly, the results of the adjudication of Proofs of Claim by the Chairman of the Scheme Meetings

³ The notice calling the scheme meeting for the Company can be accessed at:
<https://www.hyflux.com/wp-content/uploads/2019/02/Notice-calling-scheme-meeting-Hyflux-Ltd.pdf>

were announced on 16 March 2019 and are accessible at <https://www.hyflux.com/wp-content/uploads/2019/03/HL-List-of-adjudicated-purported-claimants.pdf>.

- 3.3 For the avoidance of doubt, all other dates previously stated in paragraph 7.2 of the Explanatory Statement remain the same.

4. **Side letter of the Board**

- 4.1 Further to the commitment given at paragraph 7.14.4 of the Explanatory Statement, the members of the Board are in the process of executing side letters giving an irrevocable undertaking to distribute⁴:

4.1.1 all ordinary shares presently held by each of the members of the Board for their own benefit, which will represent 1.38% of the enlarged issued share capital of the Company, to the Perpetual Capital Securities Holders and the Preference Shareholders on a *pro rata* basis; and

4.1.2 all distributions they receive under the Scheme in respect of their own holdings of Perpetual Capital Securities and Preference Shares, to the Perpetual Capital Securities Holders and the Preference Shareholders on a *pro rata* basis.

- 4.2 The Board's holdings of Perpetual Capital Securities and Preference Shares are public, were set out at paragraph 8.1 of the Explanatory Statement and have also been re-stated in the results of the adjudication of Proofs of Claim, announced on 16 March 2019 (see above at paragraph 3.2).

- 4.3 This arrangement was also announced by a news release by the Company on 16 February 2019⁵.

- 4.4 In addition to the terms stated at paragraph 4.1 above, the side letter also includes:

4.4.1 an undertaking to vote in favour of the Scheme in respect of the full value of any Perpetual Capital Securities and Preference Shares they hold;

4.4.2 an undertaking to vote in favour of the resolution to be proposed to allow the Scheme to be effected through the issuance of the New Shares; and

4.4.3 an undertaking not to dispose of their interest in their entitled Scheme Consideration to ensure that the payouts they receive in respect thereof will be distributed in the manner set out at paragraph 4.1.2 above).

5. **Amendments to Excluded Scheme Claims**

- 5.1 Following discussions with stakeholders, the Claims in Schedule 3 of the Scheme, which are Excluded Claims have been amended. These Claims as described in paragraph 7.4.6 of the Explanatory Statement, are contingent Liabilities arising from bonds and guarantees that must be maintained if the Group is to continue its O&M business. The particular amendments to Schedule 3 are as follows:

⁴ Due to scheduling conflicts, two members of the Board have executed the side letters first, with the others to follow. After the members of the Board have executed the side letters, they will be uploaded on the Company website.

[03/Email-Letter-to-David-Gerald-SIAS-8-March-2019.pdf](https://www.hyflux.com/wp-content/uploads/2019/03/Email-Letter-to-David-Gerald-SIAS-8-March-2019.pdf)

⁵ The news release dated 16 February 2019 can be accessed at: <http://investors.hyflux.com/news.html/id/699897>

- 5.1.1 Any Claim arising under or in respect of the Guarantee made by the Company, as Guarantor, for the benefit of PUB dated 4 July 2011, as this relates to projects which the Company will continue to have an interest in after the Scheme Effective Date; and
- 5.1.2 Any Claim arising under or in respect of the continuing construction of the TuasOne Project and the subsequent operation and management of the completed TuasOne Project.

6. Amendments made further to a letter from SIAS dated 27 February 2019

Background

- 6.1 On 27 February 2019, SIAS sent a letter in respect of the scheme of arrangement proposed by Hyflux dated 21 February 2019⁶. That letter proposed amendments to the Scheme on behalf of the Debt Securities Scheme Parties (Perpetual Capital Securities Holders and Preference Shareholders).
- 6.2 In particular, the letter proposed, among other things, that the Debt Securities Scheme Parties receive *pro rata* payouts in respect of the Second Unsecured Claim Cash Payout and Final Unsecured Claim Cash Payout – which are derived from monies that are initially allocated to Accepted Contingent Claims (as part of the Initial Unsecured Claim Cash Payout) that subsequently Extinguish or Expire under the terms of the Scheme.
- 6.3 Hyflux communicated the proposal to the Unsecured Working Group and the informal steering committee for the Noteholders. After carefully considering both SIAS letter dated 21 February 2019 and the response from the Unsecured Working Group and the informal steering committee for the Noteholders, Hyflux, by way of a letter dated 8 March 2019⁷, proposed making amendments to the Scheme which will provide for the Debt Securities Scheme Parties to share, together with the Unsecured Scheme Parties, the upside from Contingent Claims Extinguishing or Expiring⁸.
- 6.4 The Scheme has thus been revised accordingly, and a summary of the material amendments to the Scheme to reflect the changes proposed in Hyflux's letter dated 8 March 2019 are set out below. As stated above, none of these amendments change the total overall cash and equity to be issued to the Scheme Parties.

<u>Previously Proposed Terms (21 February 2019)</u>	<u>Present Terms (25 March 2019)</u>
The First Contingent Claim Management Payout and Second Contingent Claim Management Payout comprises 20% of the cash allocated to Extinguished Contingent Claims.	<p>The First Contingent Claim Management Payout and Second Contingent Claim Management Payout will be reduced from 20% to 10%.</p> <p>This means that when Accepted Contingent Claims under the scheme Extinguish over the next two years, 10% of the cash allocated to those Extinguished Accepted Contingent Claims will be distributed by Hyflux</p>

⁶ The letter from SIAS dated 21 February 2019 can be accessed at: <https://www.hyflux.com/wp-content/uploads/2019/03/270219-SIAS-Letter-to-Hyflux-Board.pdf>

⁷ Hyflux's letter dated 8 March 2019 can be accessed at: <https://www.hyflux.com/wp-content/uploads/2019/03/Email-Letter-to-David-Gerald-SIAS-8-March-2019.pdf>

⁸ More information about Hyflux's response to SIAS dated 8 March 2019 can be accessed at: <https://www.hyflux.com/wp-content/uploads/2019/03/Email-Letter-to-David-Gerald-SIAS-8-March-2019.pdf>

	to the project staff responsible for the extinguishment of those contingent claims. The remaining 90% will go to the Debt Securities Scheme Parties and the Unsecured Scheme Parties.
<p>The Debt Securities Scheme Parties did not receive any share of the Second Unsecured Claim Cash Payout.</p> <p>Only an Accepted Unsecured Claim that is not an Extinguished Contingent Claim within one (1) year after the Restructuring Effective Date will be allocated the Second Unsecured Claim Cash Payout.</p>	<p>The Debt Securities Scheme Parties will receive a pro rata share of the Second Unsecured Claim Cash Payout.</p> <p>This means that when Accepted Contingent Claims under the Scheme Extinguish within one year after the Restructuring Effective Date, 90% (up from 80%) of the cash allocated to those Extinguished Contingent Claims will be distributed among both the Debt Securities Scheme Parties and the Unsecured Scheme Parties (rather than just being distributed among the Unsecured Scheme Parties). The amount to be distributed to each Debt Securities Scheme Party and each Unsecured Scheme Party will be in proportion to the value of his or her respective Accepted Scheme Claims.</p> <p>For the avoidance of doubt, Unsecured Scheme Parties whose Accepted Contingent Claims have Extinguished as of the date falling one year after the Restructuring Effective Date will not receive a payout in respect of such Extinguished Contingent Claims.</p> <p>For the avoidance of doubt, at the point of this payout, Accepted Contingent Claims that have been Extinguished would not be calculated as part of the total liability of the Unsecured Scheme Parties.</p>
<p>The Debt Securities Scheme Parties did not receive any share of the Final Unsecured Claim Cash Payout.</p> <p>Only an Accepted Unsecured Claim that is not an Extinguished or Expired Contingent Claim after the Contingent Claim Expiry Date receives the Final Unsecured Claim Cash Payout.</p>	<p>The Debt Securities Scheme Parties will receive a pro rata share of the Final Unsecured Claim Cash Payout.</p> <p>This means that when Accepted Contingent Claims under the Scheme Extinguish one year after the Restructuring Effective Date (but before the Contingent Claim Expiry Date which falls two years after the Restructuring Effective Date), 90% (up from 80%) of the cash allocated to those Extinguished Contingent Claims will be distributed among both the Debt Securities Scheme Parties and the Unsecured Scheme Parties (rather than just being distributed among the Unsecured Scheme Parties). The amount to be distributed to each Debt Securities Scheme Parties and the Unsecured Scheme Parties will be in proportion to the value of their respective Accepted Scheme Claims.</p> <p>At the end of the two-year period after the Restructuring Effective Date (ie, the Contingent Claim Expiry Date), when all remaining Accepted Contingent Claims (that have not Crystallised or Extinguished) Expire, the money that was to be paid out in respect of such Contingent Claims will be distributed among both the Debt Securities Scheme Parties and the Unsecured Scheme Parties (rather than just the being distributed among the Unsecured Scheme Parties). The amount to be distributed to each Debt Securities Scheme Party and each Unsecured Scheme Party will be in proportion to the value of his or her respective Accepted Scheme Claims.</p>

	<p>For the avoidance of doubt, Unsecured Scheme Parties whose Accepted Contingent Claims have Extinguished or Expired will not receive a payout in respect of such Extinguished or Expired Contingent Claims.</p> <p>For the avoidance of doubt, at the point of this payout, Accepted Contingent Claims that are Extinguished would not be calculated as part of the total liability of the Unsecured Scheme Parties.</p>
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- 6.5 An illustration giving an overview of how the amended distribution of cash payouts will work under the Scheme is set out in Appendix D of this Explanatory Statement Addendum. An illustration giving an overview of how the distribution of equity payouts will work under the Scheme (which has not changed) is set out in Appendix E of this Explanatory Statement Addendum.

7. Third-party releases

- 7.1 Following discussions with Scheme Parties, it has been proposed that some Scheme Parties will not waive, release and/or discharge each and every claim against any other member of the Group.
- 7.2 These Scheme Parties and the reasons for allowing them to be carved out from the general waiver, release and/or discharge clause in respect of related claims against other members of the Group are set out below.

No.	Scheme Party	Reason for being a Non-Group Release Liability
1.	Yunnan Water (Hong Kong) Company Limited (" Yunnan Water ")	The crystallisation of Yunnan Water's Accepted Contingent Claim against Hyflux Ltd is contingent on Yunnan Water's pending arbitration against HAM. Hence, Yunnan Water's claim against HAM should not be released under the Scheme.
2.	Bank of China Limited Tianjin Dagang Branch (" BOC TJDG ")	The Accepted Contingent Claim in respect of BOC TJDG is for a project loan for the Tianjin Dagang desalination plant. The loan is still being repaid. If the loan is released, BOC TJDG may have the right of enforcement against the Tianjin Dagang desalination plant.
3.	TuasOne Pte Ltd	The Accepted Contingent Claim of TuasOne has been carved out of the third-party release clause as part of the negotiations between, <i>inter alia</i> , the Company, TuasOne Pte Ltd and the lenders to the TuasOne project.
4.	Snamprogetti Saudi Arabia Co Ltd (" Snamprogetti ")	Snamprogetti has entered into an agreement for payment of certain of the suppliers contracted for a project located in the Kingdom of Saudi Arabia and the claim against the subsidiary of the Company is necessary to be able to fulfil the obligations owed by the subsidiary of the Company in relation to this project.

8. Voting at the Scheme Meeting and Proxy Forms

- 8.1 For the purpose of voting at the relevant Scheme Meeting: (i) you will need to complete the Proxy Form relevant to you, or; (ii) if you are entitled to attend the Scheme Meeting in person, you will need to attend and vote accordingly.

CDP Account Holders (other than Relevant Intermediaries)

- 8.2 If you are a CDP Account Holder other than a Relevant Intermediary, you can turn up in person and vote at the Scheme Meeting. You will count as one (1) vote for headcount, and the entire value of your holding will be counted towards either “FOR” or “AGAINST” the Scheme, depending on how you vote at the Scheme Meeting.
- 8.3 If you are unable to attend but want somebody else to vote on your behalf, you can appoint one (1) proxy to attend and vote at the Scheme Meeting on your behalf. To appoint a proxy, please complete the relevant proxy form, which can be found at <https://www.hyflux.com/scheme-documents/>, and return it to Boardroom Corporate & Advisory Services Pte Ltd at 50 Raffles Place #32-01, Singapore Land Tower, Singapore 048623, by the following deadlines:
- 8.3.1 For Perpetual Capital Securities Holders and/or Preference Shareholders: By 7 pm, 2 April 2019
- 8.3.2 For Noteholders: By 12 noon, 2 April 2019
- 8.4 If you are unable to find somebody else to vote on your behalf, you may appoint the Chairman as your proxy to vote according to how you wish to exercise your vote. To appoint the Chairman as proxy, please complete the relevant proxy form, which can be found at <https://www.hyflux.com/scheme-documents/>, and return it to Boardroom Corporate & Advisory Services Pte Ltd at 50 Raffles Place #32-01, Singapore Land Tower, Singapore 048623, by the following deadlines:
- 8.4.1 For Perpetual Capital Securities Holders and/or Preference Shareholders: By 7 pm, 2 April 2019
- 8.4.2 For Noteholders: By 12 noon, 2 April 2019
- 8.5 For more details about voting, please refer to the following link for the frequently asked questions about voting and refer to section A: <https://www.hyflux.com/scheme-meeting-voting-faqs/>.

Sub-account holder

- 8.6 If you are a sub-account holder, you need to contact and instruct your Depository Agent, private bank, broker, nominee or CPF/SRS agent bank (each, a Relevant Intermediary) as soon as possible to appoint you as a proxy.
- 8.7 You cannot attend and vote at the Scheme Meeting if you are not appointed as a proxy by your Relevant Intermediary and your Relevant Intermediary has not returned the relevant proxy form to the Meeting Agent by the following deadlines:
- 8.7.1 For Perpetual Capital Securities Holders and / or Preference Shareholders: By 7 pm, 2 April 2019
- 8.7.2 For Noteholders: By 12 noon, 2 April 2019
- 8.8 Due to the Relevant Intermediary being the party that needs to return the relevant proxy form to the Meeting Agent by the deadlines above, earlier deadlines may be imposed by your Relevant Intermediary. You should contact your Relevant Intermediary sufficiently in advance if you want to attend and vote at the Scheme Meeting.

- 8.9 You are not required to fill up any proxy forms on the Company's website on your own. Please contact your Relevant Intermediary to be appointed as a proxy
- 8.10 If you are appointed as a proxy by your Relevant Intermediary, you will count as one (1) vote for headcount, and the entire value of your holding will be counted towards either "FOR" or "AGAINST" the Scheme, depending on how you vote at the Scheme Meeting.
- 8.11 For more details about voting, please refer to the following link for the frequently asked questions about voting and refer to section B: <https://www.hyflux.com/scheme-meeting-voting-fags/>.

Relevant Intermediaries

- 8.12 If your sub-account holders wish to vote on the Scheme, they can either:
- 8.12.1 attend and vote in person at the Scheme Meeting if you appoint them as a proxy; or
- 8.12.2 provide instructions on how to cast their vote.
- 8.13 A sub-account holder is not entitled to appoint another person (other than the Chairman) as his/her proxy.
- 8.14 In order for your sub-account holder to attend and vote at the Scheme Meeting on your behalf, you must appoint each sub-account holder as a proxy to attend and vote at the Scheme Meeting on your behalf. To appoint proxies, please complete the relevant proxy form, which can be found at <https://www.hyflux.com/scheme-documents/>, and return it to Boardroom Corporate & Advisory Services Pte Ltd at 50 Raffles Place #32-01, Singapore Land Tower, Singapore 048623, by the following deadlines:
- 8.14.1 For Perpetual Capital Securities Holders and/or Preference Shareholders: By 7 pm, 2 April 2019
- 8.14.2 For Noteholders: By 12 noon, 2 April 2019
- 8.15 To complete the proxy form, please do the following:
- 8.15.1 Go to Part A of the Form:
- 8.15.1.1 Fill in your details under "Details of CDP Account Holder".
- 8.15.1.2 Write "Please refer to annex" under "Details of Proxy" and attach to the Proxy Form a list of your sub-account holders who want to attend and vote at the Scheme Meeting. In respect of each sub-account holder, the list should set out the full name, address, NRIC/Passport Number/UEN/Company Registration Number and the proportion of the value of the security in relation to which each sub-account holder holds and for which such proxy has been appointed (Note: this should be the principal amount for Notes and Perpetual Securities, and number of shares for Preference Shares).
- 8.15.2 Leave Part B of the form blank.
- 8.15.3 Leave Part C of the form blank.

- 8.16 If your sub-account holders have instructed you to vote on their behalf, you can vote on behalf of your sub-account holders using the relevant proxy form, which can be found at <https://www.hyflux.com/scheme-documents/>, and return it to Boardroom Corporate & Advisory Services Pte Ltd at 50 Raffles Place #32-01, Singapore Land Tower, Singapore 048623, by the following deadlines:
- 8.16.1 For Perpetual Capital Securities Holders and/or Preference Shareholders: By 7 pm, 2 April 2019
- 8.16.2 For Noteholders: By 12 noon, 2 April 2019
- 8.17 To complete the proxy form, please do the following:
- 8.17.1 Go to Part A of the Form:
- 8.17.1.1 Fill in your details under “Details of CDP Account Holder”.
- 8.17.1.2 Leave “Details of Proxy” blank.
- 8.17.2 Leave Part B of the form blank.
- 8.17.3 For Part C of the form, if your sub-account holders give different instructions, please complete both the box “FOR” and the box “AGAINST”, and indicate the aggregate value of the securities which you wish to vote “FOR” and “AGAINST” in each box according to their instructions. Please also annex to the proxy form a list of sub-account holders on whose behalf votes are being submitted for. In respect of each sub-account holder, the list should set out the full name, address, NRIC/Passport Number/UEN/Company Registration Number and proportion of the value of the security in relation to which each sub-account holder holds and for which you are voting on behalf for (this should be the principal amount for Notes and Perpetual Securities, and number of shares for Preference Shares).
- 8.18 If you are instructed to vote on behalf of sub-account holders and all or some of the sub-account holders do not wish to disclose their personal details (eg, name, address, NRIC, etc) his/her/their vote will not count as a separate vote for the headcount test. Your (nominee’s) vote will be counted as one (1) vote for headcount (or a neutral vote, ie, one (1) “FOR” and one (1) “AGAINST” if some of your sub-account holders instruct you to vote “FOR” and others “AGAINST”) and will be segregated by value based on the voting positions of the sub-account holders.
- 8.19 For more details about voting, please refer to the following link for the frequently asked questions about voting and refer to section C: <https://www.hyflux.com/scheme-meeting-voting-faqs/>
9. **Risk Factors**
- 9.1 In considering whether to vote in favour of the Scheme, each Scheme Party should carefully consider all of the information contained in this Explanatory Statement and in particular the risk factor described below. There may be other risks other than that highlighted below, and Scheme Parties should also consider all other risks relevant in the circumstances.
- 9.2 **Risk of non-completion by Investor:** As stated by the Company in its announcement issued on 26 March 2019, the Investor has written to the Company on 7 March 2019, 13

March 2019, 18 March 2019 and 25 March 2019 relating to the Restructuring Agreement (collectively, the "**Investor Notices**"). The Investor Notices allege *inter alia* that there has been non-fulfilment of certain Conditions Precedent and/or certain events amount to prescribed occurrences arising under the Restructuring Agreement, and the effect of which is that the Investor may be entitled to terminate the Restructuring Agreement. The Company does not agree with the Investor's position as set out in the Investor Notices and intends to defend its position vigorously. To this extent, the Company has taken and will continue to take steps to fulfil its contractual obligations under the Restructuring Agreement.

- 9.3 In view of the above (and particularly, the Investor Notices), Scheme Parties should note that there is no assurance that the Proposed SMI Investment will be completed in the manner currently contemplated under the Restructuring Agreement or at all.
- 9.4 For further details on the Investor Notices, please see the announcement of the Company dated 26 March 2019 on SGXNET.

Appendix A – Definitions

DEFINITIONS AND INTERPRETATION

In this Explanatory Statement Addendum, unless inconsistent with the subject or context, the following expressions shall have the following meanings:

“211B Proceedings” means the applications for a moratorium under Section 211B(1) of the Act filed by each of the Company, HE, Hyflux Innovation Centre Pte Ltd, HMM and Hydrochem, *vide* HC/OS 633/2018, HC/OS 634/2018, HC/OS 635/2018, HC/OS 636/2018 and HC/OS 638/2018, respectively, and all associated proceedings therein.

“Accepted” means, in relation to a Scheme Claim, the acceptance by the Chairman of such Claim (or part thereof) for the purposes of determining entitlement to attend and vote at the Scheme Meetings without dispute or, where applicable, the acceptance or determination by the Independent Assessor of such Claim (or part thereof) for such purpose in accordance with the Proof Regulations.

“ACRA” means the Accounting and Corporate Regulatory Authority of Singapore.

“Act” means the Companies Act, Chapter 50 of Singapore.

“Advisor” means any of the professional advisors advising the Group, PUB, the Contingent Claimants, the Facilities Lenders, KfW, the Other Claimants, the Noteholders, the Notes Trustee, the Perpetual Capital Securities Holders, the Perpetual Capital Securities Trustee and/or the Preference Shareholders in connection with the Restructuring. For the avoidance of doubt, Advisors include but are not limited to:

- (a) in relation to the Contingent Claimants, including but not limited to Clifford Chance Pte Ltd, Linklaters Singapore Pte. Ltd., Maître Naciri Mohamed, Rajah & Tann Singapore LLP and TSMP Law Corporation;
- (b) in relation to the Facilities Lenders, including but not limited to Shook Lin & Bok LLP, TSMP Law Corporation, Clifford Chance Pte Ltd, Linklaters Singapore Pte. Ltd., Rajah & Tann Singapore LLP;
- (c) in relation to the Informal Steering Committee (Notes), FTI Consulting (Singapore) Pte Ltd, Akin Gump Strauss Hauer & Feld, Akin Gump Strauss Hauer & Feld LLP and BlackOak LLC;
- (d) in relation to the Informal Steering Committee (P&P), Pricewaterhouse Coopers Advisory Services Pte Ltd and Drew & Napier LLC;
- (e) in relation to KfW, Clifford Chance Pte Ltd;
- (f) in relation to the Other Claimants, including but not limited to Clifford Chance Pte Ltd, Linklaters Singapore Pte. Ltd., Maître Naciri Mohamed and Rajah & Tann Singapore LLP;
- (g) in relation to PUB, Allen & Gledhill LLP, Drew & Napier LLC and KPMG Services Pte Ltd;
- (h) in relation to the Unsecured Working Group, Borrelli Walsh Limited, Hogan Lovells Lee & Lee and Tan Kok Quan Partnership; and

- (i) in relation to the Group, Ernst & Young Solutions LLP, Ernst & Young Corporate Finance Pte Ltd and WongPartnership LLP.

“Affiliates” means, in relation to any person, its current and former direct and indirect Subsidiaries, subsidiary undertakings, parent companies, holding companies, partners, equity holders, members and managing members, affiliated partnerships and any of their respective Affiliates.

“Base Currency Conversion Rate” means the conversion rate of any foreign currency denomination to dollars (S\$) either: (i) as published in The Business Times on 1 March 2019 or (ii) the applicable foreign currency rate which appears on the Currency Converter webpage of the OANDA Corporation’s website at <<https://www.oanda.com/currency/converter/>> on 1 March 2019.

“Board” means the board of directors of the Company.

“Book Entry Interest” means:

- (a) in relation to the Notes, a beneficial interest as principal in a Global Note Certificate;
- (b) in relation to the Perpetual Capital Securities, a beneficial interest as principal in the Global Certificate (as defined in the Perpetual Capital Securities Trust Deed); and
- (c) in relation to the Preference Shares, a beneficial interest as principal in the Global Share Certificates,

in each case held through accounts with and shown on records maintained by the CDP.

“Business Day” means a day (other than a Saturday, Sunday or public holiday) on which commercial banks are open for business in Singapore.

“CDP” means The Central Depository (Pte) Limited.

“CDP Account Holder” means a Depositor (which excludes a sub-account holder) who has Notes, Perpetual Capital Securities, or Preference Shares entered against his or her name in the Depository Register (as defined in Section 81SF of the SFA) of CDP. For the avoidance of doubt, the term “Direct Accountholder” used in HC/ORC 1515/2019 refers to a CDP Account Holder.

“Chairman” means the chairman of the Scheme Meetings appointed pursuant to Section 211F(5) of the Act.

“Claim” means any Liability of the Company, together with any of the following matters relating to or arising in respect of such Liability:

- (a) any refinancing, novation, deferral or extension;
- (b) any claim for breach of guarantee, representation, warranty and/or undertaking or an event of default or under any indemnity given under or in connection with any document or agreement evidencing or constituting any other Liability falling within this definition;

(c) any claim for damages or restitution;

and any amounts which would be included in any of the above but for any discharge, non-provability, unenforceability or non-allowance of those amounts in any insolvency or other proceedings.

“Claim Date” means 25 March 2019.

“Completion Amount” means Completion Amount as defined in the Restructuring Agreement.

“Company” means Hyflux Ltd, a company incorporated in Singapore with registration number 200002722Z, whose registered office is located at 80 Bendemeer Road, Hyflux Innovation Centre, Singapore 339949.

“Conditions Precedent” means the Conditions as defined in the Restructuring Agreement and the Conditions Precedent as defined in the Loan Agreement.

“Constitutional Documents” means the Memorandum and Articles of Association and any other constituent documents of the Company.

“Contingent Claim” means any Claim that is not an Excluded Claim, which, as at the Claim Date, is a contingent Liability of the Company which may or may not arise in the future, but in respect of which, as at such time, is not then a legally valid and binding debt of a definite amount then actually due from the Company. A Contingent Claim shall include any contingent Liability of the Company arising under or in respect of the matters set out in Schedule 2 as supplemented, amended and restated from time to time.

“Contingent Claim Crystallisation Challenge” means a written response to a Contingent Claim Crystallisation Notice to be issued by any Unsecured Scheme Party (excluding any Unsecured Scheme Party who as at the date of that Contingent Claim Crystallisation Notice only has a Contingent Claim which has been Extinguished) to the Scheme Manager within seventeen (17) days of the date of the Contingent Claim Crystallisation Notice setting out the following information:

- (a) proof that his or her Unsecured Claim was Accepted; and
- (b) objection(s) to the contents of the subject Contingent Claim Crystallisation Notice, in particular, the reasons as to why the respective Contingent Claim should not be regarded as a legally valid and binding debt of a definite amount then actually due from the Company; and
- (c) any evidence or documents in support of (b) above.

“Contingent Claim Crystallisation Determination” means a written determination issued by the Scheme Manager to a Contingent Claimant within thirty eight (38) days of receiving a Contingent Claim Crystallisation Notice from that Contingent Claimant stating whether the Accepted Contingent Claim referred to in a Contingent Claim Crystallisation Notice has been determined by the Scheme Manager to have become a legally valid and binding debt of a definite amount then actually due from the Company

“Contingent Claim Crystallisation Notice” means a written notice issued by a Contingent

Claimant to the Scheme Manager by no later than seven (7) days after the Contingent Claim Expiry Date setting out the following information:

- (a) proof that his or her Contingent Claim was Accepted;
- (b) the basis for the Accepted Contingent Claim becoming a legally valid and binding debt of a definite amount then actually due from the Company on a date no later than the Contingent Claim Expiry Date; and
- (c) any evidence or documents in support of (b) above.

“Contingent Claim Expiry Date” means the date falling two (2) years after the Restructuring Effective Date.

“Contingent Claim Extinguishment Challenge” means a written notice to be issued by the subject Contingent Claimant to the Scheme Manager within fourteen (14) days from the Contingent Claimant’s receipt of a Contingent Claim Extinguishment Notice indicating the Contingent Claimant’s objection to the Scheme Manager’s determination under the Contingent Claim Extinguishment Notice and setting out the reasons for such objection (including any supporting evidence or documents).

“Contingent Claim Extinguishment Determination” means a written determination to be issued by the Scheme Manager to a Contingent Claimant within twenty-one (21) days of receiving a Contingent Claim Extinguishment Challenge from that Contingent Claimant stating whether the objections raised therein have been accepted by the Scheme Manager or whether the Scheme Manager has nonetheless determined that the subject Accepted Contingent Claim is no longer a Liability of the Company on a date no later than the Contingent Claim Expiry Date.

“Contingent Claim Extinguishment Notice” means a written notice issued by the Scheme Manager to a Contingent Claimant by no later than seven (7) days after the Contingent Claim Expiry Date notifying the Contingent Claimant that his or her respective Accepted Contingent Claim has been, as determined by the Scheme Manager, extinguished, waived or compromised or is, for any other reason, no longer a Liability of the Company on a date no later than the Contingent Claim Expiry Date.

“Contingent Claimant” means any person that holds a Contingent Claim.

“Court” means the High Court of Singapore.

“Crystallised” means, in respect of an Accepted Contingent Claim, the issuance of a Contingent Claim Crystallisation Determination under which the subject Accepted Contingent Claim is determined by the Scheme Manager to be a legally valid and binding debt of a definite amount then actually due from the Company; or

“Data Room” means the virtual data room to be established by the Scheme Manager within twenty eight (28) days from the Restructuring Effective Date through a service provider of the Scheme Manager’s choice.

“Data Room Nominees” means two individuals whose relevant information (including electronic mail address) is provided by each Unsecured Scheme Party to the Scheme Manager.

“Debt Securities Claims” means the Perpetual Capital Securities Holders Claims and the Preference Shareholders Claims.

“Debt Securities Claims Cash Consideration” means an amount equal to (i) the Initial Debt Securities Claims Cash Allocation; (ii) the Second Debt Securities Claims Cash Allocation; and (iii) the Final Debt Securities Claims Cash Allocation.

“Debt Securities Claims Equity Consideration” means Shares constituting 9.00% of the issued and paid up capital in the Company after the New Shares (as defined in the Restructuring Agreement) have been allotted and issued under the Restructuring Agreement.

“Debt Securities Scheme Parties” means the Perpetual Capital Securities Holders and the Preference Shareholders.

“Depositor” means “depositor” under section 81SF of the SFA.

“Eligible Scheme Party” means a Scheme Party who has an Accepted Scheme Claim and who is, at the time where a Eligible Scheme Parties’ Meeting is sought to be convened:

- (a) yet to receive all of its Scheme Consideration, and
- (b) where the Scheme Party has an Accepted Contingent Claim, such claim is not Extinguished or Expired.

“Eligible Scheme Parties’ Meeting” means a meeting of the Scheme Parties with Accepted Scheme Claims to consider any amendments to the Scheme that are procedural in nature, including any extension or abridgment of time in connection with anything to be done under the Scheme.

“Eligible Scheme Parties’ Resolution” means a resolution passed at any Eligible Scheme Parties’ Meeting with the support of a majority in number of the Eligible Scheme Parties’ present and voting (whether in person or by proxy) on the resolution and whose Accepted Scheme Claims at that time in aggregate constitutes more than one-half of the total of the Accepted Scheme Claims of all Eligible Scheme Parties present and voting on the resolution.

“Equity Payout Nominee” means any individual who an Unsecured Scheme Party:

- (a) has designated in writing as the recipient of any payout to be made to that Unsecured Scheme Party under Clauses **Error! Reference source not found.**, **Error! Reference source not found.** and **Error! Reference source not found.**;
- (b) has acknowledged in writing that making the payout under (a) to would constitute full and final settlement of the payment to be made to that Unsecured Scheme Party under Clauses **Error! Reference source not found.**, **Error! Reference source not found.** and **Error! Reference source not found.**; and
- (c) has provided relevant information in relation to that enables making the payout under (a) including details of that individual's valid securities account with CDP,

to (i) Company, (ii) the Scheme Manager and (iii) the Escrow Agent at least fourteen (14) days before any payout is to be made under Clauses **Error! Reference source not found.**, **Error! Reference source not found.** and **Error! Reference source not found.**.

“Escrow Account” means the escrow account maintained with the Escrow Agent in accordance with the terms of the Scheme.

“Escrow Agent” means an agent to be appointed by the Scheme Manager for the purposes of managing the Escrow Account in accordance with the terms of the Scheme.

“Escrow Agreement” means the escrow agreement in a form to be agreed with the Advisors of the Unsecured Working Group and the Informal Steering Committee (Notes) to be entered into by and between the Company and the Escrow Agent in relation to the Escrow Account to be managed in accordance with the terms of the Scheme.

“Excluded Claim” means:

- (a) any Scheme Claim (as defined in each of the Hydrochem Scheme, the HMM Scheme and/or the HE Scheme);
- (b) any Claim in respect of Professional Advisor Fees;
- (c) any Claim of the Notes Trustee for its fees and related costs and expenses arising under or in respect of the Notes Trust Deed;
- (d) any Claim of the Perpetual Capital Securities Trustee for its fees and related costs and expenses arising under or in respect of the Perpetual Capital Securities Trust Deed;
- (e) any Claim arising under or in respect of each Finance Document (as defined in the TuasOne Facility) and each Project Document (as defined in the TuasOne Facility), save only for the TuasOne EPC Contract Parent Company Guarantee;
- (f) any Claim of Tuaspring Pte Ltd;
- (g) any Claim arising under or in respect of the MHI Settlement Agreement; or
- (h) any Claim arising under or in respect of the matters set out in Schedule 3 as supplemented, amended and restated from time to time.

“Expired Contingent Claim” means any Contingent Claim which:

- (a) is not an Extinguished Contingent Claim within forty-two (42) days from the Contingent Claim Expiry Date; and
- (b) is not a Crystallised Contingent Claim within forty-five (45) days from the Contingent Claim Expiry Date.

“Explanatory Statement” means the explanatory statement issued by the Company and dated 22 February 2019 relating to the Scheme.

“Extinguished” means, in respect of an Accepted Contingent Claim:

- (a) the issuance of a Contingent Claim Extinguishment Notice to which no Contingent Claim Extinguishment Challenge is received within fourteen (14) days; or

- (b) the issuance of a Contingent Claim Extinguishment Determination within twenty-one (21) days of receiving a Contingent Claim Extinguishment Challenge under which the subject Accepted Contingent Claim is determined by the Scheme Manager to be no longer a Liability of the Company on a date no later than the Contingent Claim Expiry Date.

“Facilities” means the loan agreements, credit agreements, facility letters and all other credit facility documents made between the Company and any bank or financial institution or executed by the Company in favour of any bank or financial institution as set out in Schedule 1.

“Facilities Lender” means each of the lenders under the respective Facilities.

“Facilities Claim” means any Claim of the Facilities Lenders that is not an Excluded Claim arising under or in respect of the Facilities.

“Final Distribution Date” means the date on which all Scheme Consideration shall have been issued and/or distributed (as applicable) to the Scheme Parties.

“Final Debt Securities Claim Cash Allocation” means in respect of the total value of all Accepted Debt Securities Claims, an amount to be calculated in the following manner:

$$FDSCCA = \left(\frac{u}{(q - x - y) + u} \times \left(\frac{\sum s + y}{q} \times UCCA - \sum SCCMP \right) \right)$$

where:

q is the total value of all Accepted Unsecured Claims;

$\sum s$ is the sum of all the values of the Accepted Contingent Claims that are Extinguished after the date falling one (1) year after the Restructuring Effective Date and within the Contingent Claim Expiry Date

u is the total value of all Accepted Debt Securities Claims;

x is the total value of all Accepted Contingent Claims that have been Extinguished within the Contingent Claim Expiry Date;

y is the total value of all Accepted Contingent Claims that become Expired Contingent Claims after the Contingent Claim Expiry Date;

$\sum SCCMP$ is the sum of all Second Contingent Claim Management Payouts

UCCA is the Unsecured Claims Cash Allocation; and

FDSCCA is the Final Debt Securities Claims Cash Allocation, to be rounded down to the nearest cent.

“Final Preference Shares Cash Allocation” means cash allocated from the Final Debt Securities Claim Cash Allocation to be calculated in the following manner:

$$FPSCA = \frac{b}{a + b} \times FDSCCA$$

where:

a is the total dollar value of all Accepted Perpetual Capital Securities Claims;

b is the total dollar value of all Accepted Preference Shares Claims;

FDSCCA is the Final Debt Securities Claim Cash Allocation; and

FPSCA is the Final Preference Shares Cash Allocation.

“Final Preference Shares Cash Payout” means in respect of each Accepted Preference Shares Claim, a cash payout to be calculated in the following manner:

$$FPSCP = \frac{e}{f} \times FPSCA$$

where:

e is the number of Preference Shares held by the Preference Shareholder in respect of the subject Accepted Preference Shares Claim;

f is the total number of Preference Shares in respect of all Accepted Preference Shares Claims;

FPSCA is the Final Preference Shares Cash Allocation; and

FPSCP is the Final Preference Shares Cash Payout for the subject Accepted Preference Shares Claim, to be rounded down to the nearest cent.

“Final Perpetual Capital Securities Cash Allocation” means cash allocated from the Final Debt Securities Claims Cash Allocation to be calculated in the following manner:

$$FPCSCA = \frac{a}{a + b} \times FDSCCA$$

where:

a is the total dollar value of all Accepted Perpetual Capital Securities Claims;

b is the total dollar value of all Accepted Preference Shares Claims;

FDSCCA is the Final Debt Securities Claims Cash Allocation; and

FPCSCA is the Final Perpetual Capital Securities Cash Allocation.

“Final Perpetual Capital Securities Cash Payout” means in respect of each Accepted Perpetual Capital Securities Claim, a cash payout to be calculated in the following manner:

$$FPCSCP = \frac{c}{d} \times FPCSCA$$

where:

c is the number of units of Perpetual Capital Securities held by the Perpetual Capital Securities Holder in respect of the subject Accepted Perpetual Capital Securities Claim;

d is the total number of units of Perpetual Capital Securities in respect of all Accepted Perpetual Capital Securities Claims;

$FPCSCA$ is the Final Perpetual Capital Securities Cash Allocation; and

$FPCSCP$ is the Final Perpetual Capital Securities Cash Payout for the subject Accepted Perpetual Capital Securities Claim, to be rounded down to the nearest cent.

“Final Unsecured Claim Cash Payout” means in respect of each Accepted Unsecured Claim that is not an Extinguished Contingent Claim or an Expired Contingent Claim after the Contingent Claim Expiry Date, a cash payout to be calculated in the following manner:

$$FUCCP = \left(\frac{p}{(q - x - y) + u} \times \left(\frac{\sum s + y}{q} \times UCCA - \sum SCCMP \right) \right)$$

where:

p is the value of the subject Accepted Unsecured Claim that is not an Extinguished Contingent Claim or an Expired Contingent Claim after the Contingent Claim Expiry Date;

q is the total value of all Accepted Unsecured Claims;

$\sum s$ is the sum of all the values of the Accepted Contingent Claims that are Extinguished after the date falling one (1) year after the Restructuring Effective Date and within the Contingent Claim Expiry Date

u is the total value of all Accepted Debt Securities Claims;

x is the total value of all Accepted Contingent Claims that have been Extinguished within the Contingent Claim Expiry Date;

y is the total value of all Accepted Contingent Claims that become Expired Contingent Claims after the Contingent Claim Expiry Date;

$\sum SCCMP$ is the sum of all Second Contingent Claim Management Payouts

$UCCA$ is the Unsecured Claims Cash Allocation; and

$FUCCP$ is the Final Unsecured Claim Cash Payout for the subject Accepted Unsecured Claim, to be rounded down to the nearest cent.

“Final Unsecured Claim Equity Payout” means in respect of each Accepted Unsecured Claim that is not an Extinguished Contingent Claim or an Expired Contingent Claim after the Contingent Claim Expiry Date, an allotment and issuance of Shares to be calculated in the following manner:

$$FUCEP = \left(\frac{p}{q - x - y} \times UCEC \right) - IUCEP - SUCEP$$

where:

p is the value of the subject Accepted Unsecured Claim that is not an Extinguished Contingent Claim or an Expired Contingent Claim after the Contingent Claim Expiry Date;

q is the total value of all Accepted Unsecured Claims;

x is the total value of all Accepted Contingent Claims that have been Extinguished within the Contingent Claim Expiry Date;

y is the total value of all Accepted Contingent Claims that become Expired Contingent Claims after the Contingent Claim Expiry Date;

UCEC is the Unsecured Claims Equity Consideration;

IUCEP is the Initial Unsecured Claim Equity Payout for the subject Accepted Unsecured Claim, to be rounded down to the nearest whole number;

SUCEP is the Second Unsecured Claim Equity Payout for the subject Accepted Unsecured Claim, to be rounded down to the nearest whole number; and

FUCEP is the Final Unsecured Claim Equity Payout for the subject Accepted Unsecured Claim, to be rounded down to the nearest whole number.

“First Contingent Claim Management Payout” means in respect of each Accepted Contingent Claim that is Extinguished within the date falling one (1) year after the Restructuring Effective Date, a cash payout to be calculated in the following manner:

$$FCCMP = 10\% \times \frac{r}{q} \times UCCA$$

where:

r is the value of the subject Accepted Contingent Claim that is Extinguished within the date falling one (1) year after the Restructuring Effective Date;

q is the total value of all Accepted Unsecured Claims;

UCCA is the Unsecured Claims Cash Allocation; and

FCCMP is the First Contingent Claim Management Payout for the subject Accepted Contingent Claim, to be rounded down to the nearest cent.

“Global Note Certificate” means a global certificate or global note in registered form representing the entire issue of the Series 008 Notes, the Series 009 Notes or the Series 010 Notes, as applicable.

“Global Share Certificates” means global share certificates in registered form representing the entire issue of the Preference Shares.

“Group” means the Company and its Subsidiaries.

“HE” means Hyflux Engineering Pte Ltd, a wholly-owned subsidiary of the Company incorporated in Singapore with registration number 200009792D whose registered office is located at 80 Bendemeer Road, Hyflux Innovation Centre, Singapore 339949.

“HE Scheme” means the scheme of arrangement proposed by HE under Section 210 of the Act in its present form or with or subject to any modifications, additions or conditions approved or imposed by the Court or approved in accordance with its terms.

“HMM” means Hyflux Membrane Manufacturing (S) Pte Ltd, a wholly-owned subsidiary of the Company incorporated in Singapore with registration number 200702494M whose registered office is located at 80 Bendemeer Road, Hyflux Innovation Centre, Singapore 339949.

“HMM Scheme” means the scheme of arrangement proposed by HMM under Section 210 of the Act in its present form or with or subject to any modifications, additions or conditions approved or imposed by the Court or approved in accordance with its terms.

“Holding Period” means the period commencing on and from the Restructuring Effective Date and ending on the date falling six (6) months after the Final Distribution Date.

“HS Claim” means any Claim(s) of HyfluxShop Holdings Ltd or a Subsidiary of HyfluxShop Holdings Ltd that is not an Excluded Claim.

“HS Claimant” means any person that holds a HS Claim.

“Hydrochem” means Hydrochem (S) Pte Ltd, a wholly-owned subsidiary of the Company incorporated in Singapore with registration number 198902670Z, whose registered office is located at 80 Bendemeer Road, Hyflux Innovation Centre, Singapore 339949.

“Hydrochem Scheme” means the scheme of arrangement proposed by Hydrochem under Section 210 of the Act in its present form or with or subject to any modifications, additions or conditions approved or imposed by the Court or approved in accordance with its terms.

“Independent Assessor” means an independent assessor appointed in accordance with the Proof Regulations.

“Informal Steering Committee (Notes)” means the informal steering committee for Noteholders established by SIAS in connection with the Restructuring that is represented by FTI Consulting (Singapore) Pte Ltd, Akin Gump Strauss Hauer & Feld, Akin Gump Strauss Hauer & Feld LLP and BlackOak LLC.

“Informal Steering Committee (P&P)” means the informal steering committee for Perpetual Capital Securities Holders and Preference Shareholders established by SIAS in connection with the Restructuring that is represented by PricewaterhouseCoopers Advisory Services Pte Ltd and Drew & Napier LLC.

“Initial Debt Securities Claims Cash Allocation” means cash of an amount equal to S\$27,000,000.

“Initial Perpetual Capital Securities Cash Allocation” means cash allocated from the Initial

Debt Securities Claims Cash Allocation to be calculated in the following manner:

$$IPCSCA = \frac{a}{a + b} \times IDSCCA$$

where:

a is the total dollar value of all Accepted Perpetual Capital Securities Claims;

b is the total dollar value of all Accepted Preference Shares Claims;

IDSCCA is the Initial Debt Securities Claims Cash Allocation; and

IPCSCA is the Initial Perpetual Capital Securities Cash Allocation.

“Initial Perpetual Capital Securities Cash Payout” means in respect of each Accepted Perpetual Capital Securities Claim, an amount to be calculated in the following manner:

$$IPCSCP = \frac{c}{d} \times IPCSCA$$

where:

c is the number of units of Perpetual Capital Securities held by the Perpetual Capital Securities Holder in respect of the subject Accepted Perpetual Capital Securities Claim;

d is the total number of units of Perpetual Capital Securities in respect of all Accepted Perpetual Capital Securities Claims;

IPCSCA is the Initial Perpetual Capital Securities Cash Allocation; and

IPCSCP is the Initial Perpetual Capital Securities Cash Payout for the subject Accepted Perpetual Capital Securities Claim, to be rounded down to the nearest cent.

“Initial Preference Shares Cash Allocation” means cash allocated from the Initial Debt Securities Claims Cash Allocation to be calculated in the following manner:

$$IPSCA = \frac{b}{a + b} \times IDSCCA$$

where:

a is the total dollar value of all Accepted Perpetual Capital Securities Claims;

b is the total dollar value of all Accepted Preference Shares Claims;

IDSCCA is the Initial Debt Securities Claims Cash Allocation; and

IPSCA is the Initial Preference Shares Cash Allocation.

“Initial Preference Shares Cash Payout” means in respect of each Accepted Preference Shares Claim, an amount to be calculated in the following manner:

$$IPSCP = \frac{e}{f} \times IPSCA$$

where:

e is the number of Preference Shares held by the Preference Shareholder in respect of the subject Accepted Preference Shares Claim;

f is the total number of Preference Shares in respect of all Accepted Preference Shares Claims;

IPSCA is the Initial Preference Shares Cash Allocation; and

IPSCP is the Initial Preference Shares Cash Payout for the subject Accepted Preference Shares Claim, to be rounded down to the nearest cent.

“Initial Unsecured Claim Cash Payout” means in respect of each Accepted Unsecured Claim, a cash payout to be calculated in the following manner:

$$IUCCP = \frac{p}{q} \times UCCA$$

where:

p is the value of the subject Accepted Unsecured Claim;

q is the total value of all Accepted Unsecured Claims;

UCCA is the Unsecured Claims Cash Allocation; and

IUCCP is the Initial Unsecured Claim Cash Payout for the subject Accepted Unsecured Claim, to be rounded down to the nearest cent.

“Initial Unsecured Claim Equity Payout” means in respect of each Accepted Unsecured Claim, an allotment and issuance of Shares to be calculated in the following manner:

$$IUCEP = \frac{p}{q} \times UCEC$$

where:

p is the value of the subject Accepted Unsecured Claim;

q is the total value of all Accepted Unsecured Claims;

UCEC is the Unsecured Claims Equity Consideration; and

IUCEP is the Initial Unsecured Claim Equity Payout for the subject Accepted Unsecured Claim, to be rounded down to the nearest whole number.

“Intercompany Claim” means any Claim of a Subsidiary of the Company that is: (i) not an

Excluded Claim; and (ii) not a Claim arising under or in respect of the TuasOne EPC Contract Parent Company Guarantee.

“Intercompany Claimant” means any person that holds an Intercompany Claim.

“Investor” means SM Investments Pte Ltd.

“KfW” means KfW IPEX-Bank GmbH.

“KfW Facility” means the facility agreement dated 29 May 2013 entered into between: (i) Hydrochem, as borrower; (ii) the Company, as guarantor; and (iii) KfW, as lender.

“KfW Claim” means any Claim of KfW that is not an Excluded Claim arising under or in respect of the KfW Facility.

“Liability” or **“Liabilities”** means any debt, liability or obligation whether it is fixed or undetermined, whether incurred solely or jointly or as principal or surety or in any other capacity, whether or not it involves the payment of money or performance of an act or obligation and whether it arises at common law, in equity or by statute, in Singapore or any other jurisdiction, or in any manner whatsoever. For the avoidance of doubt, Liability includes any debt, liability or obligation that is present, future, prospective, actual or contingent.

“Loan Agreement” means the shareholder’s loan agreement dated 18 October 2018 entered into between: (i) the Company, as borrower; and (ii) the Investor, as lender, and which is set out at Appendix C of the Explanatory Statement.

“Long-Stop Date” means the Long-Stop Date (as defined in the Restructuring Agreement) or such later date agreed between the Company and the Investor.

“MHI Settlement Agreement” means the settlement agreement dated 15 February 2019 entered into between: (i) Mitsubishi Heavy Industries, Ltd; (ii) Mitsubishi Heavy Industries Asia Pacific Pte Ltd; (iii) Mitsubishi Heavy Industries Environmental & Chemical Engineering Co, Ltd; (iv) the Company; (v) HE; (vi) Hydrochem; (vii) TuasOne Pte Ltd; and (viii) TuasOne Environmental Engineering Pte Ltd, a copy of which is set out at Appendix F of the Explanatory Statement.

“Non-Group Release Liability” means any Liability of an entity in the Group other than the Company:

- (a) in relation to the arbitration commenced by Yunnan Water (Hong Kong) Company Limited concerning disputes under a sale and purchase agreement dated 26 October 2016.;
- (b) in relation to the Parent Company Guarantee dated 28 January 2016 granted to Snamprogetti Saudi Arabia Co Ltd;
- (c) in relation to the TuasOne EPC Contract Parent Company Guarantee;
- (d) in relation to the facility agreement dated 11 March 2009 entered into between (i) Bank of China, Tianjin Dagang Branch as lender and (ii) Tianjin Dagang New Spring Co., Ltd., as borrower.

“Noteholders” means the Series 008 Noteholders, the Series 009 Noteholders and the Series 010 Noteholders.

“Notes” means the Series 008 Notes, the Series 009 Notes and the Series 010 Notes.

“Notes Claim” means any Claim of the Noteholders that is not an Excluded Claim arising under or in respect of the Notes.

“Notes Trust Deed” means the trust deed dated 3 July 2008 entered into between: (i) the Company, as issuer; and (ii) the Notes Trustee, as trustee.

“Notes Trustee” means DBS Trustee Limited.

“Other Claim” means any Claim other than a Contingent Claim, an Excluded Claim, a Facilities Claim, the KfW Claim, a Subordinated Claim, a Notes Claim, a Perpetual Capital Securities Claim or a Preference Shares Claim.

“Other Claimant” means any person that holds an Other Claim.

“Perpetual Capital Securities” means the 6.00% perpetual capital securities (ISIN: SG31B4000005) issued by the Company and constituted pursuant to the Perpetual Securities Trust Deed, of which S\$500,000,000 in aggregate principal amount are outstanding as at the date of the Explanatory Statement.

“Perpetual Capital Securities Holder” means a person holding a Book Entry Interest in the Perpetual Capital Securities.

“Perpetual Capital Securities Claim” means any Claim of a Perpetual Capital Securities Holder that is not an Excluded Claim arising under or in respect of the Perpetual Capital Securities.

“Perpetual Capital Securities Equity Consideration” means Shares allocated from the Debt Securities Claims Equity Consideration to be calculated in the following manner:

$$PCSEC = \frac{a}{a + b} \times DSCEC$$

where:

a is the total dollar value of all Accepted Perpetual Capital Securities Claims;

b is the total dollar value of all Accepted Preference Shares Claims;

DSCEC is the Debt Securities Claims Equity Consideration; and

PCSEC is the Perpetual Capital Securities Equity Consideration.

“Perpetual Capital Securities Equity Payout” means in respect of each Accepted Perpetual Capital Securities Claim, an allotment and issuance of Shares to be calculated in the following manner:

$$PCSEP = \frac{c}{d} \times PCSEC$$

where:

c is the number of units of Perpetual Capital Securities held by the Perpetual Capital Securities Holder in respect of the subject Accepted Perpetual Capital Securities Claim;

d is the total number of units of Perpetual Capital Securities in respect of all Accepted Perpetual Capital Securities Claims;

$PCSEC$ is the Perpetual Capital Securities Equity Consideration; and

$PCSEP$ is the Perpetual Capital Securities Equity Payout for the subject Accepted Perpetual Capital Securities Claim, to be rounded down to the nearest whole number.

“Perpetual Capital Securities Trust Deed” means the trust deed dated 27 May 2016 entered into between: (i) the Company, as issuer; and (ii) the Perpetual Capital Securities Trustee, as trustee.

“Perpetual Capital Securities Trustee” means Perpetual (Asia) Limited.

“Personnel” means, in relation to any person, its current and former officers, partners, directors, employees, staff, agents, counsel and other representatives.

“Preference Shareholder” means a person holding a Book Entry Interest in the Preference Shares.

“Preference Shares” means the S\$400,000,000 8.00% cumulative non-convertible non-voting perpetual class A preference shares (ISIN: SG2D17969577) issued by the Company.

“Preference Shares Claim” means any Claim of a Preference Shareholder that is not an Excluded Claim arising under or in respect of the Preference Shares.

“Preference Shares Equity Consideration” means Shares allocated from the Debt Securities Claims Equity Consideration to be calculated in the following manner:

$$PSEC = \frac{b}{a + b} \times DSCEC$$

where:

a is the total dollar value of all Accepted Perpetual Capital Securities Claims;

b is the total dollar value of all Accepted Preference Shares Claims;

$DSCEC$ is the Debt Securities Claims Equity Consideration; and

$PSEC$ is the Preference Shares Equity Consideration.

“Preference Shares Equity Payout” means in respect of each Accepted Preference Shares Claim, an allotment and issuance of Shares to be calculated in the following manner:

$$PSEP = \frac{e}{f} \times PSEC$$

where:

e is the number of Preference Shares held by the Preference Shareholder in respect of the subject Accepted Preference Shares Claim;

f is the total number of Preference Shares in respect of all Accepted Preference Shares Claims;

$PSEC$ is the Preference Shares Equity Consideration; and

$PSEP$ is the Preference Shares Equity Payout for the subject Accepted Preference Shares Claim, to be rounded down to the nearest whole number.

“Professional Advisor Fees” means any professional advisory fees and disbursements of an Advisor reasonably incurred in connection with the Restructuring, which is to be paid by the Company seven (7) days before the Settlement Date.

“Proof of Claim” means a proof setting out the claim of a Scheme Party substantially in the form set out at Schedule 4 of the Scheme and Appendix D of the Explanatory Statement.

“Proof Regulations” means the Companies (Proofs of Debt in Schemes of Arrangement) Regulation 2017 (No S 245) of Singapore.

“PUB” means the Public Utilities Board of Singapore.

“Record Date” means 5:00 pm on 1 March 2019, being the latest time a Proof of Claim must be submitted to the Chairman to be assessed for the purposes of voting on the Scheme and determining the entitlements of the Scheme Parties to the Scheme Consideration.

“Restructuring” means the financial and corporate restructuring of the Group in accordance with and as implemented through the 211B Proceedings, the HE Scheme, the HMM Scheme, the Hydrochem Scheme, the Scheme and the Restructuring Documents.

“Restructuring Agreement” means the restructuring agreement dated 18 October 2018 entered into between: (i) the Company, as the target company; and (ii) the Investor, as the investor, and which is set out at Appendix B of the Explanatory Statement.

“Restructuring Documents” means the Restructuring Agreement and the Loan Agreement.

“Restructuring Effective Date” means the later of: (i) the date on which all of the Conditions Precedent (other than Clause 5.1(d) of the Restructuring Agreement) are fulfilled or waived; and (ii) the Scheme Effective Date.

“Scheme” means the scheme of arrangement proposed by the Company under Section 210 of the Act in its present form or with or subject to any modifications, additions or conditions approved or imposed by the Court or approved in accordance with its terms.

“Scheme Consideration” means, in respect of:

- (a) the Accepted Debt Securities Claims: (i) the Debt Securities Claims Cash Consideration; and (ii) the Debt Securities Claims Equity Consideration; and

- (b) the Accepted Unsecured Claims: (i) the Unsecured Claims Cash Consideration; and (ii) the Unsecured Claims Equity Consideration;
- (c) the Accepted Subordinated Party Claims: the Subordinated Claims Cash Consideration.

“Scheme Claims” means the Debt Securities Claims, the Unsecured Claims and the Subordinated Claims.

“Scheme Effective Date” means the date on which the Court order sanctioning the Scheme under the Act is lodged with ACRA.

“Scheme Manager” means the person appointed from time to time by the Court to administer the Scheme, which may include Ms Angela Ee and Mr Glenn Peters, both of Ernst & Young Solutions LLP.

“Scheme Meetings” means the meetings of the Scheme Parties to vote on the Scheme convened pursuant to an order of the Court (and any meetings called following an adjournment).

“Scheme Parties” means the Debt Securities Scheme Parties, the Unsecured Scheme Parties and the Subordinated Scheme Parties.

“Second Contingent Claim Management Payout” means in respect of each Accepted Contingent Claim that is Extinguished after the date falling one (1) year after the Restructuring Effective Date and within the Contingent Claim Expiry Date, a cash payout to be calculated in the following manner:

$$SCCMP = 10\% \times \frac{s}{q} \times UCCA$$

where:

s is the value of the subject Accepted Contingent Claim that is Extinguished after the date falling one (1) year after the Restructuring Effective Date and within the Contingent Claim Expiry Date;

q is the total value of all Accepted Unsecured Claims;

UCCA is the Unsecured Claims Cash Allocation; and

SCCMP is the Second Contingent Claim Management Payout for the subject Accepted Contingent Claim, to be rounded down to the nearest cent.

“Second Debt Securities Claims Cash Allocation” means in respect of the total value of all Accepted Debt Securities Claims, an amount to be calculated in the following manner:

$$SDSCCA = \left(\frac{u}{(q-t) + u} \times \left(\frac{\sum r}{q} \times UCCA - \sum FCCMP \right) \right)$$

where:

q is the total value of all Accepted Unsecured Claims;

$\sum r$ is the sum of the values of all Accepted Contingent Claims that are Extinguished within the date falling one (1) year after the Restructuring Effective Date;

t is the total value of all Accepted Contingent Claims that have been Extinguished within one (1) year after the Restructuring Effective Date;

u is the total value of all Accepted Debt Securities Claims;

$\sum FCCMP$ is the sum of all First Contingent Claim Management Payouts;

$UCCA$ is the Unsecured Claims Cash Allocation; and

$SDSCCA$ is the Second Debt Securities Claims Cash Allocation, to be rounded down to the nearest cent.

“Second Perpetual Capital Securities Cash Allocation” means cash allocated from the Second Debt Securities Claims Cash Allocation to be calculated in the following manner:

$$SPCSCA = \frac{a}{a + b} \times SDSCCA$$

where:

a is the total dollar value of all Accepted Perpetual Capital Securities Claims;

b is the total dollar value of all Accepted Preference Shares Claims;

$SDSCCA$ is the Second Debt Securities Claims Cash Allocation; and

$SPCSCA$ is the Second Perpetual Capital Securities Cash Allocation.

“Second Perpetual Capital Securities Cash Payout” means in respect of each Accepted Perpetual Capital Securities Claim, a cash payout to be calculated in the following manner:

$$SPCSCP = \frac{c}{d} \times SPCSCA$$

where:

c is the number of units of Perpetual Capital Securities held by the Perpetual Capital Securities Holder in respect of the subject Accepted Perpetual Capital Securities Claim;

d is the total number of units of Perpetual Capital Securities in respect of all Accepted Perpetual Capital Securities Claims;

$SPCSCA$ is the Second Perpetual Capital Securities Cash Allocation; and

$SPCSCP$ is the Second Perpetual Capital Securities Cash Payout for the subject Accepted Perpetual Capital Securities Claim, to be rounded down to the nearest cent.

“Second Preference Shares Cash Allocation” means cash allocated from the Second Debt

Securities Claims Cash Allocation to be calculated in the following manner:

$$SPSCA = \frac{b}{a + b} \times SDSCCA$$

where:

a is the total dollar value of all Accepted Perpetual Capital Securities Claims;

b is the total dollar value of all Accepted Preference Shares Claims;

$SDSCCA$ is the Second Debt Securities Claims Cash Allocation; and

$SPSCA$ is the Second Preference Shares Cash Allocation.

“Second Preference Shares Cash Payout” means in respect of each Accepted Preference Shares Claim, a cash payout to be calculated in the following manner:

$$SPSCP = \frac{e}{f} \times SPSCA$$

where:

e is the number of Preference Shares held by the Preference Shareholder in respect of the subject Accepted Preference Shares Claim;

f is the total number of Preference Shares in respect of all Accepted Preference Shares Claims;

$SPSCA$ is the Second Preference Shares Cash Allocation; and

$SPSCP$ is the Second Preference Shares Cash Payout for the subject Accepted Preference Shares Claim, to be rounded down to the nearest cent.

“Second Unsecured Claim Cash Payout” means in respect of each Accepted Unsecured Claim that is not an Extinguished Contingent Claim within one (1) year after the Restructuring Effective Date, a cash payout to be calculated in the following manner:

$$SUCCP = \left(\frac{p}{(q - t) + u} \times \left(\frac{\sum r}{q} \times UCCA - \sum FCCMP \right) \right)$$

where:

p is the value of the subject Accepted Unsecured Claim that is not an Extinguished Contingent Claim within one (1) year after the Restructuring Effective Date;

q is the total value of all Accepted Unsecured Claims;

$\sum r$ is the sum of the values of all Accepted Contingent Claims that are Extinguished within the date falling one (1) year after the Restructuring Effective Date;

t is the total value of all Accepted Contingent Claims that have been Extinguished within one

(1) year after the Restructuring Effective Date;

u is the total value of all Accepted Debt Securities Claims;

$\sum FCCMP$ is the sum of all First Contingent Claim Management Payouts;

$UCCA$ is the Unsecured Claims Cash Allocation; and

$SUCCP$ is the Second Unsecured Claim Cash Payout for the subject Accepted Unsecured Claim, to be rounded down to the nearest cent.

“Second Unsecured Claim Equity Payout” means in respect of each Accepted Unsecured Claim that is not an Extinguished Contingent Claim within one (1) year after the Restructuring Effective Date, an allotment and issuance of Shares to be calculated in the following manner:

$$SUCEP = \left(\frac{p}{q - t} \times UCEC \right) - IUCEP$$

where:

p is the value of the subject Accepted Unsecured Claim that is not an Extinguished Contingent Claim within one (1) year after the Restructuring Effective Date;

q is the total value of all Accepted Unsecured Claims;

t is the total value of all Accepted Contingent Claims that have been Extinguished within one (1) year after the Restructuring Effective Date;

$UCEC$ is the Unsecured Claims Equity Consideration;

$IUCEP$ is the Initial Unsecured Claim Equity Payout for the subject Accepted Unsecured Claim, to be rounded down to the nearest whole number; and

$SUCEP$ is the Second Unsecured Claim Equity Payout for the subject Accepted Unsecured Claim, to be rounded down to the nearest whole number.

“Securities” means the Notes, the Perpetual Securities and the Preference Shares.

“Series 008 Notes” means the 4.25% notes due 2018 (ISIN: SG6Q70974010) issued by the Company and constituted pursuant to the Notes Trust Deed, of which S\$100,000,000 in aggregate principal amount is outstanding as at the date of the Explanatory Statement.

“Series 008 Noteholders” means persons holding a Book Entry Interest in the Series 008 Notes.

“Series 009 Notes” means the 4.60% notes due 2019 (ISIN: SG6Q77974112) issued by the Company and constituted pursuant to the Notes Trust Deed, of which S\$65,000,000 in aggregate principal amount is outstanding as at the date of the Explanatory Statement.

“Series 009 Noteholders” means persons holding a Book Entry Interest in the Series 009 Notes.

“Series 010 Notes” means the 4.20% notes due 2019 (ISIN: SG6W23985057) issued by the Company and constituted pursuant to the Notes Trust Deed, of which S\$100,000,000 in aggregate principal amount is outstanding as at the date of the Explanatory Statement.

“Series 010 Noteholders” means persons holding a Book Entry Interest in the Series 010 Notes.

“Settlement Date” means the earlier of: (i) the date falling on or before twenty-eight (28) days after the Restructuring Effective Date, provided that Completion (as defined in the Restructuring Agreement) has occurred prior to such date; and (ii) the date falling twenty-one (21) days after the date the Completion Amount is received by the Company.

“SFA” means the Securities and Futures Act, Chapter 289 of Singapore.

“SGXNet” means the online announcement platform hosted by SGX-ST.

“SGX-ST” means the Singapore Exchange Securities Trading Limited.

“Shares” means ordinary shares in the capital of the Company.

“SIAS” means the Securities Investors Association (Singapore).

“Singapore” means the Republic of Singapore.

“SMC” means the Singapore Mediation Centre.

“Subordinated Claim” means any Intercompany Claim and any HS Claim.

“Subordinated Claims Cash Consideration” means cash of an amount equal to the total sum of all Subordinated Claim Cash Payouts.

“Subordinated Claim Cash Payout” means in respect of each Accepted Subordinated Claim, a cash payout of S\$1.

“Subordinated Scheme Parties” means the Intercompany Claimants and any HS Claimants.

“Subsidiary” means a subsidiary within the meaning of Section 5 of the Act.

“TuasOne EPC Contract” means the contract for design, engineering, procurement, construction, completion, start-up, testing and commissioning of waste-to-energy plant dated 26 April 2016 entered into between: (i) TuasOne Pte Ltd, as employer; and (ii) Hydrochem, as contractor.

“TuasOne EPC Contract Parent Company Guarantee” means the deed of guarantee dated 12 May 2016 made by the Company, as guarantor, for the benefit of TuasOne Pte Ltd, in respect of the obligations of Hydrochem under the TuasOne EPC Contract.

“TuasOne Facility” means the facility agreement dated 12 May 2016 entered into between: (i) TuasOne Pte Ltd, as borrower; (ii) the banks and financial institutions listed in Schedule 1, as original lenders; (iii) DBS Bank Ltd, Maybank Kim Eng Securities Pte Ltd, Mizuho Bank, Ltd and The Bank of Tokyo-Mitsubishi UFJ, Ltd, as arranger; (iv) Malayan Banking Berhad, Singapore Branch, as agent; and (v) the TuasOne Facility Security Trustee, as security

trustee.

“TuasOne Facility Security Trustee” means Malayan Banking Berhad, Singapore Branch.

“TuasOne Intercreditor Agreement” means the intercreditor agreement dated 12 May 2016 entered into between (i) TuasOne Pte Ltd, as borrower; (ii) the Company and Mitsubishi Heavy Industries, Ltd, as shareholders; (iii) banks and financial institutions listed in Part I of Schedule 1, as original lenders; (iv) banks and financial institutions listed in Part II of Schedule 1, as original hedging banks; (v) Malayan Banking Berhad, Singapore Branch, as agent; and (v) Malayan Banking Berhad, Singapore Branch, as security trustee.

“TuasOne Project” means the project which is the subject of the TuasOne EPC Contract.

“TuasOne Share Charge” means the share charge executed by the Company dated 12 May 2016 in favour of the TuasOne Facility Security Trustee.

“Unsecured Claims” means the Contingent Claims, the Facilities Claims, the KfW Claim, the Other Claims and the Notes Claims.

“Unsecured Claims Cash Allocation” means cash of an amount equal to S\$232,000,000.

“Unsecured Claims Cash Consideration” means cash of an amount equal to the aggregate total of all Initial Unsecured Claims Cash Payouts less (i) the Second Debt Securities Claims Cash Allocation; and (ii) the Final Debt Securities Claims Cash Allocation.

“Unsecured Claims Cash Allocation Surplus Amount” means any residual cash from the Unsecured Claims Cash Allocation left in the Escrow Account or held by the Company three months before the expiry of the Holding Period that is not the subject of an ongoing dispute between Hyflux and the original beneficiary of that residual cash payment under the terms of the Scheme and after all cash payouts as set out in Clause **Error! Reference source not found..1** to Clause **Error! Reference source not found.** have been made.

“Unsecured Claims Equity Consideration” means Shares constituting 27.00% of the issued and paid up capital in the Company after the New Shares (as defined in the Restructuring Agreement) have been allotted and issued under the Restructuring Agreement.

“Unsecured Claims Equity Consideration Surplus Amount” means any residual Shares from the Unsecured Claims Equity Consideration left in the Escrow Account or held by the Company three months before the expiry of the Holding Period that is not the subject of an ongoing dispute between Hyflux and the original beneficiary of those residual Shares under the terms of the Scheme and after all equity payouts as set out in Clause **Error! Reference source not found..1** to Clause **Error! Reference source not found.** have been made.

“Unsecured Scheme Parties” means the Contingent Claimants, the Facilities Lenders, KfW, the Noteholders and the Other Claimants.

“Unsecured Working Group” means the unsecured working group comprising certain Unsecured Scheme Parties including Mizuho Bank, Ltd, KfW, Bangkok Bank Public Company Limited, Standard Chartered Bank, Singapore Branch, BNP Paribas, CTBC Bank Co, Ltd, The Korea Development Bank and The Korea Development Bank, Singapore Branch established in connection with the Restructuring that is represented by Borrelli Walsh Limited, Hogan Lovells Lee & Lee and Tan Kok Quan Partnership.

In this Explanatory Statement Addendum, unless the context otherwise requires or as otherwise expressly stated:

- 1.1.1 references to Clauses and Schedules are references to clauses and schedules of this Explanatory Statement Addendum;
- 1.1.2 references to a person include a reference to an individual, firm, partnership, company, corporation, unincorporated body of persons or any state or state agency;
- 1.1.3 references to a statute, statutory provision or regulatory rule or guidance include references to the same as subsequently modified, amended or re-enacted from time to time;
- 1.1.4 references to an agreement, deed or document shall be deemed also to refer to such agreement, deed or document as amended, supplemented, restated, verified, replaced and/or novated (in whole or in part) from time to time and to any agreement, deed or document executed pursuant thereto, provided that such amendment, supplement, restatement, verification, replacement and/or novation has, to the extent it relates to a Restructuring Document or this Explanatory Statement Addendum, been made in accordance with the terms of such Restructuring Document and/or the Scheme (as applicable);
- 1.1.5 the singular includes the plural and *vice versa* and words importing one gender shall include all genders;
- 1.1.6 references to “including” shall be construed as references to “including without limitation” and “include”, “includes” and “included” shall be construed accordingly;
- 1.1.7 headings to Clauses and Schedules are for ease of reference only and shall not affect the interpretation of this Explanatory Statement Addendum;
- 1.1.8 references to a period of days shall include Saturdays, Sundays and public holidays and where the date which is the final day of a period of days is not a Business Day, that date will be adjusted so that it is the first following day which is a Business Day;
- 1.1.9 references to “dollar” or to “S\$” are references to the lawful currency from time to time of Singapore;
- 1.1.10 references to time shall be to Singapore time; and
- 1.1.11 where any amount is specified in this Explanatory Statement Addendum (including in any definition) in respect of any Scheme Consideration, that amount is subject to rounding in accordance with the terms of the Scheme.

Appendix B – Clean and blackline versions of Scheme

IN THE HIGH COURT OF THE REPUBLIC OF SINGAPORE

HC/OS 205/2019

In the Matter of Part VII, Section 210(1) of the Companies Act
(Cap 50)

And

In the Matter of **HYFLUX LTD**
(Singapore UEN No 200002722Z)

... Applicant

SCHEME OF ARRANGEMENT

PURSUANT TO SECTION 210 OF THE COMPANIES ACT (CAP 50, 2006 REV ED)

Between

HYFLUX LTD
(Singapore UEN No. 200002722Z)

And

THE SCHEME PARTIES
(as defined herein)

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1. DEFINITIONS AND INTERPRETATION

- 1.1 In this Scheme, unless inconsistent with the subject or context, the following expressions shall have the following meanings:

“211B Proceedings” means the applications for a moratorium under Section 211B(1) of the Act filed by each of the Company, HE, Hyflux Innovation Centre Pte Ltd, HMM and Hydrochem, *vide* HC/OS 633/2018, HC/OS 634/2018, HC/OS 635/2018, HC/OS 636/2018 and HC/OS 638/2018, respectively, and all associated proceedings therein.

“Accepted” means, in relation to a Scheme Claim, the acceptance by the Chairman of such Claim (or part thereof) for the purposes of determining entitlement to attend and vote at the Scheme Meetings without dispute or, where applicable, the acceptance or determination by the Independent Assessor of such Claim (or part thereof) for such purpose in accordance with the Proof Regulations.

“ACRA” means the Accounting and Corporate Regulatory Authority of Singapore.

“Act” means the Companies Act, Chapter 50 of Singapore.

“Advisor” means any of the professional advisors advising the Group, PUB, the Contingent Claimants, the Facilities Lenders, KfW, the Other Claimants, the Noteholders, the Notes Trustee, the Perpetual Capital Securities Holders, the Perpetual Capital Securities Trustee and/or the Preference Shareholders in connection with the Restructuring. For the avoidance of doubt, Advisors include but are not limited to:

- (a) in relation to the Contingent Claimants, including but not limited to Clifford Chance Pte Ltd, Linklaters Singapore Pte. Ltd., Maître Naciri Mohamed, Rajah & Tann Singapore LLP and TSMP Law Corporation;
- (b) in relation to the Facilities Lenders, including but not limited to Shook Lin & Bok LLP, TSMP Law Corporation, Clifford Chance Pte Ltd, Linklaters Singapore Pte. Ltd., Rajah & Tann Singapore LLP;
- (c) in relation to the Informal Steering Committee (Notes), FTI Consulting (Singapore) Pte Ltd, Akin Gump Strauss Hauer & Feld, Akin Gump Strauss Hauer & Feld LLP and BlackOak LLC;
- (d) in relation to the Informal Steering Committee (P&P), Pricewaterhouse Coopers Advisory Services Pte Ltd and Drew & Napier LLC;
- (e) in relation to KfW, Clifford Chance Pte Ltd;
- (f) in relation to the Other Claimants, including but not limited to Clifford Chance Pte Ltd, Linklaters Singapore Pte. Ltd., Maître Naciri Mohamed and Rajah & Tann Singapore LLP;
- (g) in relation to PUB, Allen & Gledhill LLP, Drew & Napier LLC and KPMG Services Pte Ltd;
- (h) in relation to the Unsecured Working Group, Borrelli Walsh Limited, Hogan Lovells Lee & Lee and Tan Kok Quan Partnership; and

- (i) in relation to the Group, Ernst & Young Solutions LLP, Ernst & Young Corporate Finance Pte Ltd and WongPartnership LLP.

“Affiliates” means, in relation to any person, its current and former direct and indirect Subsidiaries, subsidiary undertakings, parent companies, holding companies, partners, equity holders, members and managing members, affiliated partnerships and any of their respective Affiliates.

“Base Currency Conversion Rate” means the conversion rate of any foreign currency denomination to dollars (S\$) either: (i) as published in The Business Times on 1 March 2019 or (ii) the applicable foreign currency rate which appears on the Currency Converter webpage of the OANDA Corporation’s website at <<https://www.oanda.com/currency/converter/>> on 1 March 2019.

“Book Entry Interest” means:

- (a) in relation to the Notes, a beneficial interest as principal in a Global Note Certificate;
- (b) in relation to the Perpetual Capital Securities, a beneficial interest as principal in the Global Certificate (as defined in the Perpetual Capital Securities Trust Deed); and
- (c) in relation to the Preference Shares, a beneficial interest as principal in the Global Share Certificates,

in each case held through accounts with and shown on records maintained by the CDP.

“Business Day” means a day (other than a Saturday, Sunday or public holiday) on which commercial banks are open for business in Singapore.

“CDP” means The Central Depository (Pte) Limited.

“CDP Account Holder” means a Depositor (which excludes a sub-account holder) who has Notes, Perpetual Capital Securities, or Preference Shares entered against his or her name in the Depository Register (as defined in Section 81SF of the SFA) of CDP. For the avoidance of doubt, the term “Direct Accountholder” used in HC/ORC 1515/2019 refers to a CDP Account Holder.

“Chairman” means the chairman of the Scheme Meetings appointed pursuant to Section 211F(5) of the Act.

“Claim” means any Liability of the Company, together with any of the following matters relating to or arising in respect of such Liability:

- (a) any refinancing, novation, deferral or extension;
- (b) any claim for breach of guarantee, representation, warranty and/or undertaking or an event of default or under any indemnity given under or in connection with any document or agreement evidencing or constituting any other Liability falling within this definition;
- (c) any claim for damages or restitution;

and any amounts which would be included in any of the above but for any discharge, non-provability, unenforceability or non-allowance of those amounts in any insolvency or other proceedings.

"Claim Date" means 25 March 2019.

"Completion Amount" means Completion Amount as defined in the Restructuring Agreement.

"Company" means Hyflux Ltd, a company incorporated in Singapore with registration number 200002722Z, whose registered office is located at 80 Bendemeer Road, Hyflux Innovation Centre, Singapore 339949.

"Conditions Precedent" means the Conditions as defined in the Restructuring Agreement and the Conditions Precedent as defined in the Loan Agreement.

"Constitutional Documents" means the Memorandum and Articles of Association and any other constituent documents of the Company.

"Contingent Claim" means any Claim that is not an Excluded Claim, which, as at the Claim Date, is a contingent Liability of the Company which may or may not arise in the future, but in respect of which, as at such time, is not then a legally valid and binding debt of a definite amount then actually due from the Company. A Contingent Claim shall include any contingent Liability of the Company arising under or in respect of the matters set out in Schedule 2 as supplemented, amended and restated from time to time.

"Contingent Claim Crystallisation Challenge" means a written response to a Contingent Claim Crystallisation Notice to be issued by any Unsecured Scheme Party (excluding any Unsecured Scheme Party who as at the date of that Contingent Claim Crystallisation Notice only has a Contingent Claim which has been Extinguished) to the Scheme Manager within seventeen (17) days of the date of the Contingent Claim Crystallisation Notice setting out the following information:

- (a) proof that his or her Unsecured Claim was Accepted; and
- (b) objection(s) to the contents of the subject Contingent Claim Crystallisation Notice, in particular, the reasons as to why the respective Contingent Claim should not be regarded as a legally valid and binding debt of a definite amount then actually due from the Company; and
- (c) any evidence or documents in support of (b) above.

"Contingent Claim Crystallisation Determination" means a written determination issued by the Scheme Manager to a Contingent Claimant within thirty eight (38) days of receiving a Contingent Claim Crystallisation Notice from that Contingent Claimant stating whether the Accepted Contingent Claim referred to in a Contingent Claim Crystallisation Notice has been determined by the Scheme Manager to have become a legally valid and binding debt of a definite amount then actually due from the Company

"Contingent Claim Crystallisation Notice" means a written notice issued by a Contingent Claimant to the Scheme Manager by no later than seven (7) days after the Contingent Claim Expiry Date setting out the following information:

- (a) proof that his or her Contingent Claim was Accepted;
- (b) the basis for the Accepted Contingent Claim becoming a legally valid and binding debt of a definite amount then actually due from the Company on a date no later than the Contingent Claim Expiry Date; and
- (c) any evidence or documents in support of (b) above.

“Contingent Claim Expiry Date” means the date falling two (2) years after the Restructuring Effective Date.

“Contingent Claim Extinguishment Challenge” means a written notice to be issued by the subject Contingent Claimant to the Scheme Manager within fourteen (14) days from the Contingent Claimant’s receipt of a Contingent Claim Extinguishment Notice indicating the Contingent Claimant’s objection to the Scheme Manager’s determination under the Contingent Claim Extinguishment Notice and setting out the reasons for such objection (including any supporting evidence or documents).

“Contingent Claim Extinguishment Determination” means a written determination to be issued by the Scheme Manager to a Contingent Claimant within twenty-one (21) days of receiving a Contingent Claim Extinguishment Challenge from that Contingent Claimant stating whether the objections raised therein have been accepted by the Scheme Manager or whether the Scheme Manager has nonetheless determined that the subject Accepted Contingent Claim is no longer a Liability of the Company on a date no later than the Contingent Claim Expiry Date.

“Contingent Claim Extinguishment Notice” means a written notice issued by the Scheme Manager to a Contingent Claimant by no later than seven (7) days after the Contingent Claim Expiry Date notifying the Contingent Claimant that his or her respective Accepted Contingent Claim has been, as determined by the Scheme Manager, extinguished, waived or compromised or is, for any other reason, no longer a Liability of the Company on a date no later than the Contingent Claim Expiry Date.

“Contingent Claimant” means any person that holds a Contingent Claim.

“Court” means the High Court of Singapore.

“Crystallised” means, in respect of an Accepted Contingent Claim, the issuance of a Contingent Claim Crystallisation Determination under which the subject Accepted Contingent Claim is determined by the Scheme Manager to be a legally valid and binding debt of a definite amount then actually due from the Company; or

“Data Room” means the virtual data room to be established by the Scheme Manager within twenty eight (28) days from the Restructuring Effective Date through a service provider of the Scheme Manager’s choice.

“Data Room Nominees” means two individuals whose relevant information (including electronic mail address) is provided by each Unsecured Scheme Party to the Scheme Manager.

“Debt Securities Claims” means the Perpetual Capital Securities Holders Claims and the Preference Shareholders Claims.

“Debt Securities Claims Cash Consideration” means an amount equal to (i) the Initial Debt Securities Claims Cash Allocation; (ii) the Second Debt Securities Claims Cash Allocation; and (iii) the Final Debt Securities Claims Cash Allocation.

“Debt Securities Claims Equity Consideration” means Shares constituting 9.00% of the issued and paid up capital in the Company after the New Shares (as defined in the Restructuring Agreement) have been allotted and issued under the Restructuring Agreement.

“Debt Securities Scheme Parties” means the Perpetual Capital Securities Holders and the Preference Shareholders.

“Depositor” means “depositor” under section 81SF of the SFA.

“Eligible Scheme Party” means a Scheme Party who has an Accepted Scheme Claim and who is, at the time where a Eligible Scheme Parties’ Meeting is sought to be convened:

- (a) yet to receive all of its Scheme Consideration, and
- (b) where the Scheme Party has an Accepted Contingent Claim, such claim is not Extinguished or Expired.

“Eligible Scheme Parties’ Meeting” means a meeting of the Scheme Parties with Accepted Scheme Claims to consider any amendments to the Scheme that are procedural in nature, including any extension or abridgment of time in connection with anything to be done under the Scheme.

“Eligible Scheme Parties’ Resolution” means a resolution passed at any Eligible Scheme Parties’ Meeting with the support of a majority in number of the Eligible Scheme Parties’ present and voting (whether in person or by proxy) on the resolution and whose Accepted Scheme Claims at that time in aggregate constitutes more than one-half of the total of the Accepted Scheme Claims of all Eligible Scheme Parties present and voting on the resolution.

“Equity Payout Nominee” means any individual who an Unsecured Scheme Party:

- (a) has designated in writing as the recipient of any payout to be made to that Unsecured Scheme Party under Clauses 4.1.2, 4.1.5.2 and 4.1.7.3;
- (b) has acknowledged in writing that making the payout under (a) to would constitute full and final settlement of the payment to be made to that Unsecured Scheme Party under Clauses 4.1.2, 4.1.5.2 and 4.1.7.3; and
- (c) has provided relevant information in relation to that enables making the payout under (a) including details of that individual’s valid securities account with CDP,

to (i) Company, (ii) the Scheme Manager and (iii) the Escrow Agent at least fourteen (14) days before any payout is to be made under Clauses 4.1.2, 4.1.5.2 and 4.1.7.3.

“Escrow Account” means the escrow account maintained with the Escrow Agent in accordance with the terms of this Scheme.

“Escrow Agent” means an agent to be appointed by the Scheme Manager for the purposes

of managing the Escrow Account in accordance with the terms of this Scheme.

“Escrow Agreement” means the escrow agreement in a form to be agreed with the Advisors of the Unsecured Working Group and the Informal Steering Committee (Notes) to be entered into by and between the Company and the Escrow Agent in relation to the Escrow Account to be managed in accordance with the terms of this Scheme.

“Excluded Claim” means:

- (a) any Scheme Claim (as defined in each of the Hydrochem Scheme, the HMM Scheme and/or the HE Scheme);
- (b) any Claim in respect of Professional Advisor Fees;
- (c) any Claim of the Notes Trustee for its fees and related costs and expenses arising under or in respect of the Notes Trust Deed;
- (d) any Claim of the Perpetual Capital Securities Trustee for its fees and related costs and expenses arising under or in respect of the Perpetual Capital Securities Trust Deed;
- (e) any Claim arising under or in respect of each Finance Document (as defined in the TuasOne Facility) and each Project Document (as defined in the TuasOne Facility), save only for the TuasOne EPC Contract Parent Company Guarantee;
- (f) any Claim of Tuaspring Pte Ltd;
- (g) any Claim arising under or in respect of the MHI Settlement Agreement; or
- (h) any Claim arising under or in respect of the matters set out in Schedule 3 as supplemented, amended and restated from time to time.

“Expired Contingent Claim” means any Contingent Claim which:

- (a) is not an Extinguished Contingent Claim within forty-two (42) days from the Contingent Claim Expiry Date; and
- (b) is not a Crystallised Contingent Claim within forty-five (45) days from the Contingent Claim Expiry Date.

“Explanatory Statement” means the explanatory statement issued by the Company and dated 22 February 2019 relating to this Scheme.

“Extinguished” means, in respect of an Accepted Contingent Claim:

- (a) the issuance of a Contingent Claim Extinguishment Notice to which no Contingent Claim Extinguishment Challenge is received within fourteen (14) days; or
- (b) the issuance of a Contingent Claim Extinguishment Determination within twenty-one (21) days of receiving a Contingent Claim Extinguishment Challenge under which the subject Accepted Contingent Claim is determined by the Scheme Manager to be no longer a Liability of the Company on a date no later than the Contingent Claim Expiry Date.

“Facilities” means the loan agreements, credit agreements, facility letters and all other credit facility documents made between the Company and any bank or financial institution or executed by the Company in favour of any bank or financial institution as set out in Schedule 1.

“Facilities Lender” means each of the lenders under the respective Facilities.

“Facilities Claim” means any Claim of the Facilities Lenders that is not an Excluded Claim arising under or in respect of the Facilities.

“Final Distribution Date” means the date on which all Scheme Consideration shall have been issued and/or distributed (as applicable) to the Scheme Parties.

“Final Debt Securities Claim Cash Allocation” means in respect of the total value of all Accepted Debt Securities Claims, an amount to be calculated in the following manner:

$$FDSCCA = \left(\frac{u}{(q - x - y) + u} \times \left(\frac{\sum s + y}{q} \times UCCA - \sum SCCMP \right) \right)$$

where:

q is the total value of all Accepted Unsecured Claims;

$\sum s$ is the sum of all the values of the Accepted Contingent Claims that are Extinguished after the date falling one (1) year after the Restructuring Effective Date and within the Contingent Claim Expiry Date

u is the total value of all Accepted Debt Securities Claims;

x is the total value of all Accepted Contingent Claims that have been Extinguished within the Contingent Claim Expiry Date;

y is the total value of all Accepted Contingent Claims that become Expired Contingent Claims after the Contingent Claim Expiry Date;

$\sum SCCMP$ is the sum of all Second Contingent Claim Management Payouts

$UCCA$ is the Unsecured Claims Cash Allocation; and

$FDSCCA$ is the Final Debt Securities Claims Cash Allocation, to be rounded down to the nearest cent.

“Final Preference Shares Cash Allocation” means cash allocated from the Final Debt Securities Claim Cash Allocation to be calculated in the following manner:

$$FPSCA = \frac{b}{a + b} \times FDSCCA$$

where:

a is the total dollar value of all Accepted Perpetual Capital Securities Claims;

b is the total dollar value of all Accepted Preference Shares Claims;

$FDSCCA$ is the Final Debt Securities Claim Cash Allocation; and

$FPSCA$ is the Final Preference Shares Cash Allocation.

“Final Preference Shares Cash Payout” means in respect of each Accepted Preference Shares Claim, a cash payout to be calculated in the following manner:

$$FPSCP = \frac{e}{f} \times FPSCA$$

where:

e is the number of Preference Shares held by the Preference Shareholder in respect of the subject Accepted Preference Shares Claim;

f is the total number of Preference Shares in respect of all Accepted Preference Shares Claims;

$FPSCA$ is the Final Preference Shares Cash Allocation; and

$FPSCP$ is the Final Preference Shares Cash Payout for the subject Accepted Preference Shares Claim, to be rounded down to the nearest cent.

“Final Perpetual Capital Securities Cash Allocation” means cash allocated from the Final Debt Securities Claims Cash Allocation to be calculated in the following manner:

$$FPCSCA = \frac{a}{a + b} \times FDSCCA$$

where:

a is the total dollar value of all Accepted Perpetual Capital Securities Claims;

b is the total dollar value of all Accepted Preference Shares Claims;

$FDSCCA$ is the Final Debt Securities Claims Cash Allocation; and

$FPCSCA$ is the Final Perpetual Capital Securities Cash Allocation.

“Final Perpetual Capital Securities Cash Payout” means in respect of each Accepted Perpetual Capital Securities Claim, a cash payout to be calculated in the following manner:

$$FPCSCP = \frac{c}{d} \times FPCSCA$$

where:

c is the number of units of Perpetual Capital Securities held by the Perpetual Capital Securities Holder in respect of the subject Accepted Perpetual Capital Securities Claim;

d is the total number of units of Perpetual Capital Securities in respect of all Accepted Perpetual Capital Securities Claims;

$FPCSCA$ is the Final Perpetual Capital Securities Cash Allocation; and

$FPCSCP$ is the Final Perpetual Capital Securities Cash Payout for the subject Accepted Perpetual Capital Securities Claim, to be rounded down to the nearest cent.

“Final Unsecured Claim Cash Payout” means in respect of each Accepted Unsecured Claim that is not an Extinguished Contingent Claim or an Expired Contingent Claim after the Contingent Claim Expiry Date, a cash payout to be calculated in the following manner:

$$FUCCP = \left(\frac{p}{(q - x - y) + u} \times \left(\frac{\sum s + y}{q} \times UCCA - \sum SCCMP \right) \right)$$

where:

p is the value of the subject Accepted Unsecured Claim that is not an Extinguished Contingent Claim or an Expired Contingent Claim after the Contingent Claim Expiry Date;

q is the total value of all Accepted Unsecured Claims;

$\sum s$ is the sum of all the values of the Accepted Contingent Claims that are Extinguished after the date falling one (1) year after the Restructuring Effective Date and within the Contingent Claim Expiry Date

u is the total value of all Accepted Debt Securities Claims;

x is the total value of all Accepted Contingent Claims that have been Extinguished within the Contingent Claim Expiry Date;

y is the total value of all Accepted Contingent Claims that become Expired Contingent Claims after the Contingent Claim Expiry Date;

$\sum SCCMP$ is the sum of all Second Contingent Claim Management Payouts

$UCCA$ is the Unsecured Claims Cash Allocation; and

$FUCCP$ is the Final Unsecured Claim Cash Payout for the subject Accepted Unsecured Claim, to be rounded down to the nearest cent.

“Final Unsecured Claim Equity Payout” means in respect of each Accepted Unsecured Claim that is not an Extinguished Contingent Claim or an Expired Contingent Claim after the Contingent Claim Expiry Date, an allotment and issuance of Shares to be calculated in the following manner:

$$FUCEP = \left(\frac{p}{q - x - y} \times UCEC \right) - IUCEP - SUCEP$$

where:

p is the value of the subject Accepted Unsecured Claim that is not an Extinguished Contingent Claim or an Expired Contingent Claim after the Contingent Claim Expiry Date;

q is the total value of all Accepted Unsecured Claims;

x is the total value of all Accepted Contingent Claims that have been Extinguished within the Contingent Claim Expiry Date;

y is the total value of all Accepted Contingent Claims that become Expired Contingent Claims after the Contingent Claim Expiry Date;

$UCEC$ is the Unsecured Claims Equity Consideration;

$IUCEP$ is the Initial Unsecured Claim Equity Payout for the subject Accepted Unsecured Claim, to be rounded down to the nearest whole number;

$SUCEP$ is the Second Unsecured Claim Equity Payout for the subject Accepted Unsecured Claim, to be rounded down to the nearest whole number; and

$FUCEP$ is the Final Unsecured Claim Equity Payout for the subject Accepted Unsecured Claim, to be rounded down to the nearest whole number.

“First Contingent Claim Management Payout” means in respect of each Accepted Contingent Claim that is Extinguished within the date falling one (1) year after the Restructuring Effective Date, a cash payout to be calculated in the following manner:

$$FCCMP = 10\% \times \frac{r}{q} \times UCCA$$

where:

r is the value of the subject Accepted Contingent Claim that is Extinguished within the date falling one (1) year after the Restructuring Effective Date;

q is the total value of all Accepted Unsecured Claims;

$UCCA$ is the Unsecured Claims Cash Allocation; and

$FCCMP$ is the First Contingent Claim Management Payout for the subject Accepted Contingent Claim, to be rounded down to the nearest cent.

“Global Note Certificate” means a global certificate or global note in registered form representing the entire issue of the Series 008 Notes, the Series 009 Notes or the Series 010 Notes, as applicable.

“Global Share Certificates” means global share certificates in registered form representing the entire issue of the Preference Shares.

“Group” means the Company and its Subsidiaries.

“HE” means Hyflux Engineering Pte Ltd, a wholly-owned subsidiary of the Company incorporated in Singapore with registration number 200009792D whose registered office is

located at 80 Bendemeer Road, Hyflux Innovation Centre, Singapore 339949.

“HE Scheme” means the scheme of arrangement proposed by HE under Section 210 of the Act in its present form or with or subject to any modifications, additions or conditions approved or imposed by the Court or approved in accordance with its terms.

“HMM” means Hyflux Membrane Manufacturing (S) Pte Ltd, a wholly-owned subsidiary of the Company incorporated in Singapore with registration number 200702494M whose registered office is located at 80 Bendemeer Road, Hyflux Innovation Centre, Singapore 339949.

“HMM Scheme” means the scheme of arrangement proposed by HMM under Section 210 of the Act in its present form or with or subject to any modifications, additions or conditions approved or imposed by the Court or approved in accordance with its terms.

“Holding Period” means the period commencing on and from the Restructuring Effective Date and ending on the date falling six (6) months after the Final Distribution Date.

“HS Claim” means any Claim(s) of HyfluxShop Holdings Ltd or a Subsidiary of HyfluxShop Holdings Ltd that is not an Excluded Claim.

“HS Claimant” means any person that holds a HS Claim.

“Hydrochem” means Hydrochem (S) Pte Ltd, a wholly-owned subsidiary of the Company incorporated in Singapore with registration number 198902670Z, whose registered office is located at 80 Bendemeer Road, Hyflux Innovation Centre, Singapore 339949.

“Hydrochem Scheme” means the scheme of arrangement proposed by Hydrochem under Section 210 of the Act in its present form or with or subject to any modifications, additions or conditions approved or imposed by the Court or approved in accordance with its terms.

“Independent Assessor” means an independent assessor appointed in accordance with the Proof Regulations.

“Informal Steering Committee (Notes)” means the informal steering committee for Noteholders established by SIAS in connection with the Restructuring that is represented by FTI Consulting (Singapore) Pte Ltd, Akin Gump Strauss Hauer & Feld, Akin Gump Strauss Hauer & Feld LLP and BlackOak LLC.

“Informal Steering Committee (P&P)” means the informal steering committee for Perpetual Capital Securities Holders and Preference Shareholders established by SIAS in connection with the Restructuring that is represented by PricewaterhouseCoopers Advisory Services Pte Ltd and Drew & Napier LLC.

“Initial Debt Securities Claims Cash Allocation” means cash of an amount equal to S\$27,000,000.

“Initial Perpetual Capital Securities Cash Allocation” means cash allocated from the Initial Debt Securities Claims Cash Allocation to be calculated in the following manner:

$$IPCSCA = \frac{a}{a + b} \times IDSCCA$$

where:

a is the total dollar value of all Accepted Perpetual Capital Securities Claims;

b is the total dollar value of all Accepted Preference Shares Claims;

$IDSCCA$ is the Initial Debt Securities Claims Cash Allocation; and

$IPCSCA$ is the Initial Perpetual Capital Securities Cash Allocation.

“Initial Perpetual Capital Securities Cash Payout” means in respect of each Accepted Perpetual Capital Securities Claim, an amount to be calculated in the following manner:

$$IPCSCP = \frac{c}{d} \times IPCSCA$$

where:

c is the number of units of Perpetual Capital Securities held by the Perpetual Capital Securities Holder in respect of the subject Accepted Perpetual Capital Securities Claim;

d is the total number of units of Perpetual Capital Securities in respect of all Accepted Perpetual Capital Securities Claims;

$IPCSCA$ is the Initial Perpetual Capital Securities Cash Allocation; and

$IPCSCP$ is the Initial Perpetual Capital Securities Cash Payout for the subject Accepted Perpetual Capital Securities Claim, to be rounded down to the nearest cent.

“Initial Preference Shares Cash Allocation” means cash allocated from the Initial Debt Securities Claims Cash Allocation to be calculated in the following manner:

$$IPSCA = \frac{b}{a + b} \times IDSCCA$$

where:

a is the total dollar value of all Accepted Perpetual Capital Securities Claims;

b is the total dollar value of all Accepted Preference Shares Claims;

$IDSCCA$ is the Initial Debt Securities Claims Cash Allocation; and

$IPSCA$ is the Initial Preference Shares Cash Allocation.

“Initial Preference Shares Cash Payout” means in respect of each Accepted Preference Shares Claim, an amount to be calculated in the following manner:

$$IPSCP = \frac{e}{f} \times IPSCA$$

where:

e is the number of Preference Shares held by the Preference Shareholder in respect of the

subject Accepted Preference Shares Claim;

f is the total number of Preference Shares in respect of all Accepted Preference Shares Claims;

$IPSCA$ is the Initial Preference Shares Cash Allocation; and

$IPSCP$ is the Initial Preference Shares Cash Payout for the subject Accepted Preference Shares Claim, to be rounded down to the nearest cent.

“Initial Unsecured Claim Cash Payout” means in respect of each Accepted Unsecured Claim, a cash payout to be calculated in the following manner:

$$IUCCP = \frac{p}{q} \times UCCA$$

where:

p is the value of the subject Accepted Unsecured Claim;

q is the total value of all Accepted Unsecured Claims;

$UCCA$ is the Unsecured Claims Cash Allocation; and

$IUCCP$ is the Initial Unsecured Claim Cash Payout for the subject Accepted Unsecured Claim, to be rounded down to the nearest cent.

“Initial Unsecured Claim Equity Payout” means in respect of each Accepted Unsecured Claim, an allotment and issuance of Shares to be calculated in the following manner:

$$IUCEP = \frac{p}{q} \times UCEC$$

where:

p is the value of the subject Accepted Unsecured Claim;

q is the total value of all Accepted Unsecured Claims;

$UCEC$ is the Unsecured Claims Equity Consideration; and

$IUCEP$ is the Initial Unsecured Claim Equity Payout for the subject Accepted Unsecured Claim, to be rounded down to the nearest whole number.

“Intercompany Claim” means any Claim of a Subsidiary of the Company that is: (i) not an Excluded Claim; and (ii) not a Claim arising under or in respect of the TuasOne EPC Contract Parent Company Guarantee.

“Intercompany Claimant” means any person that holds an Intercompany Claim.

“Investor” means SM Investments Pte Ltd.

“KfW” means KfW IPEX-Bank GmbH.

“KfW Facility” means the facility agreement dated 29 May 2013 entered into between: (i) Hydrochem, as borrower; (ii) the Company, as guarantor; and (iii) KfW, as lender.

“KfW Claim” means any Claim of KfW that is not an Excluded Claim arising under or in respect of the KfW Facility.

“Liability” or **“Liabilities”** means any debt, liability or obligation whether it is fixed or undetermined, whether incurred solely or jointly or as principal or surety or in any other capacity, whether or not it involves the payment of money or performance of an act or obligation and whether it arises at common law, in equity or by statute, in Singapore or any other jurisdiction, or in any manner whatsoever. For the avoidance of doubt, Liability includes any debt, liability or obligation that is present, future, prospective, actual or contingent.

“Loan Agreement” means the shareholder’s loan agreement dated 18 October 2018 entered into between: (i) the Company, as borrower; and (ii) the Investor, as lender, and which is set out at Appendix C of the Explanatory Statement.

“Long-Stop Date” means the Long-Stop Date (as defined in the Restructuring Agreement) or such later date agreed between the Company and the Investor.

“MHI Settlement Agreement” means the settlement agreement dated 15 February 2019 entered into between: (i) Mitsubishi Heavy Industries, Ltd; (ii) Mitsubishi Heavy Industries Asia Pacific Pte Ltd; (iii) Mitsubishi Heavy Industries Environmental & Chemical Engineering Co, Ltd; (iv) the Company; (v) HE; (vi) Hydrochem; (vii) TuasOne Pte Ltd; and (viii) TuasOne Environmental Engineering Pte Ltd, a copy of which is set out at Appendix F of the Explanatory Statement.

“Non-Group Release Liability” means any Liability of an entity in the Group other than the Company:

- (a) in relation to the arbitration commenced by Yunnan Water (Hong Kong) Company Limited concerning disputes under a sale and purchase agreement dated 26 October 2016.;
- (b) in relation to the Parent Company Guarantee dated 28 January 2016 granted to Snamprogetti Saudi Arabia Co Ltd;
- (c) in relation to the TuasOne EPC Contract Parent Company Guarantee;
- (d) in relation to the facility agreement dated 11 March 2009 entered into between (i) Bank of China, Tianjin Dagang Branch as lender and (ii) Tianjin Dagang New Spring Co., Ltd., as borrower.

“Noteholders” means the Series 008 Noteholders, the Series 009 Noteholders and the Series 010 Noteholders.

“Notes” means the Series 008 Notes, the Series 009 Notes and the Series 010 Notes.

“Notes Claim” means any Claim of the Noteholders that is not an Excluded Claim arising

under or in respect of the Notes.

“Notes Trust Deed” means the trust deed dated 3 July 2008 entered into between: (i) the Company, as issuer; and (ii) the Notes Trustee, as trustee.

“Notes Trustee” means DBS Trustee Limited.

“Other Claim” means any Claim other than a Contingent Claim, an Excluded Claim, a Facilities Claim, the KfW Claim, a Subordinated Claim, a Notes Claim, a Perpetual Capital Securities Claim or a Preference Shares Claim.

“Other Claimant” means any person that holds an Other Claim.

“Perpetual Capital Securities” means the 6.00% perpetual capital securities (ISIN: SG31B4000005) issued by the Company and constituted pursuant to the Perpetual Securities Trust Deed, of which S\$500,000,000 in aggregate principal amount are outstanding as at the date of the Explanatory Statement.

“Perpetual Capital Securities Holder” means a person holding a Book Entry Interest in the Perpetual Capital Securities.

“Perpetual Capital Securities Claim” means any Claim of a Perpetual Capital Securities Holder that is not an Excluded Claim arising under or in respect of the Perpetual Capital Securities.

“Perpetual Capital Securities Equity Consideration” means Shares allocated from the Debt Securities Claims Equity Consideration to be calculated in the following manner:

$$PCSEC = \frac{a}{a + b} \times DSCEC$$

where:

a is the total dollar value of all Accepted Perpetual Capital Securities Claims;

b is the total dollar value of all Accepted Preference Shares Claims;

DSCEC is the Debt Securities Claims Equity Consideration; and

PCSEC is the Perpetual Capital Securities Equity Consideration.

“Perpetual Capital Securities Equity Payout” means in respect of each Accepted Perpetual Capital Securities Claim, an allotment and issuance of Shares to be calculated in the following manner:

$$PCSEP = \frac{c}{d} \times PCSEC$$

where:

c is the number of units of Perpetual Capital Securities held by the Perpetual Capital Securities Holder in respect of the subject Accepted Perpetual Capital Securities Claim;

d is the total number of units of Perpetual Capital Securities in respect of all Accepted Perpetual Capital Securities Claims;

$PCSEC$ is the Perpetual Capital Securities Equity Consideration; and

$PCSEP$ is the Perpetual Capital Securities Equity Payout for the subject Accepted Perpetual Capital Securities Claim, to be rounded down to the nearest whole number.

“Perpetual Capital Securities Trust Deed” means the trust deed dated 27 May 2016 entered into between: (i) the Company, as issuer; and (ii) the Perpetual Capital Securities Trustee, as trustee.

“Perpetual Capital Securities Trustee” means Perpetual (Asia) Limited.

“Personnel” means, in relation to any person, its current and former officers, partners, directors, employees, staff, agents, counsel and other representatives.

“Preference Shareholder” means a person holding a Book Entry Interest in the Preference Shares.

“Preference Shares” means the S\$400,000,000 8.00% cumulative non-convertible non-voting perpetual class A preference shares (ISIN: SG2D17969577) issued by the Company.

“Preference Shares Claim” means any Claim of a Preference Shareholder that is not an Excluded Claim arising under or in respect of the Preference Shares.

“Preference Shares Equity Consideration” means Shares allocated from the Debt Securities Claims Equity Consideration to be calculated in the following manner:

$$PSEC = \frac{b}{a + b} \times DSCEC$$

where:

a is the total dollar value of all Accepted Perpetual Capital Securities Claims;

b is the total dollar value of all Accepted Preference Shares Claims;

$DSCEC$ is the Debt Securities Claims Equity Consideration; and

$PSEC$ is the Preference Shares Equity Consideration.

“Preference Shares Equity Payout” means in respect of each Accepted Preference Shares Claim, an allotment and issuance of Shares to be calculated in the following manner:

$$PSEP = \frac{e}{f} \times PSEC$$

where:

e is the number of Preference Shares held by the Preference Shareholder in respect of the subject Accepted Preference Shares Claim;

f is the total number of Preference Shares in respect of all Accepted Preference Shares Claims;

PSEC is the Preference Shares Equity Consideration; and

PSEP is the Preference Shares Equity Payout for the subject Accepted Preference Shares Claim, to be rounded down to the nearest whole number.

“Professional Advisor Fees” means any professional advisory fees and disbursements of an Advisor reasonably incurred in connection with the Restructuring, which is to be paid by the Company seven (7) days before the Settlement Date.

“Proof of Claim” means a proof setting out the claim of a Scheme Party substantially in the form set out at Schedule 4 of this Scheme and Appendix D of the Explanatory Statement.

“Proof Regulations” means the Companies (Proofs of Debt in Schemes of Arrangement) Regulation 2017 (No S 245) of Singapore.

“PUB” means the Public Utilities Board of Singapore.

“Record Date” means 5:00 pm on 1 March 2019, being the latest time a Proof of Claim must be submitted to the Chairman to be assessed for the purposes of voting on this Scheme and determining the entitlements of the Scheme Parties to the Scheme Consideration.

“Restructuring” means the financial and corporate restructuring of the Group in accordance with and as implemented through the 211B Proceedings, the HE Scheme, the HMM Scheme, the Hydrochem Scheme, the Scheme and the Restructuring Documents.

“Restructuring Agreement” means the restructuring agreement dated 18 October 2018 entered into between: (i) the Company, as the target company; and (ii) the Investor, as the investor, and which is set out at Appendix B of the Explanatory Statement.

“Restructuring Documents” means the Restructuring Agreement and the Loan Agreement.

“Restructuring Effective Date” means the later of: (i) the date on which all of the Conditions Precedent (other than Clause 5.1(d) of the Restructuring Agreement) are fulfilled or waived; and (ii) the Scheme Effective Date.

“Scheme” means the scheme of arrangement proposed by the Company under Section 210 of the Act in its present form or with or subject to any modifications, additions or conditions approved or imposed by the Court or approved in accordance with its terms.

“Scheme Consideration” means, in respect of:

- (a) the Accepted Debt Securities Claims: (i) the Debt Securities Claims Cash Consideration; and (ii) the Debt Securities Claims Equity Consideration; and
- (b) the Accepted Unsecured Claims: (i) the Unsecured Claims Cash Consideration; and (ii) the Unsecured Claims Equity Consideration;
- (c) the Accepted Subordinated Party Claims: the Subordinated Claims Cash Consideration.

“Scheme Claims” means the Debt Securities Claims, the Unsecured Claims and the Subordinated Claims.

“Scheme Effective Date” means the date on which the Court order sanctioning the Scheme under the Act is lodged with ACRA.

“Scheme Manager” means the person appointed from time to time by the Court to administer the Scheme, which may include Ms Angela Ee and Mr Glenn Peters, both of Ernst & Young Solutions LLP.

“Scheme Meetings” means the meetings of the Scheme Parties to vote on the Scheme convened pursuant to an order of the Court (and any meetings called following an adjournment).

“Scheme Parties” means the Debt Securities Scheme Parties, the Unsecured Scheme Parties and the Subordinated Scheme Parties.

“Second Contingent Claim Management Payout” means in respect of each Accepted Contingent Claim that is Extinguished after the date falling one (1) year after the Restructuring Effective Date and within the Contingent Claim Expiry Date, a cash payout to be calculated in the following manner:

$$SCCMP = 10\% \times \frac{s}{q} \times UCCA$$

where:

s is the value of the subject Accepted Contingent Claim that is Extinguished after the date falling one (1) year after the Restructuring Effective Date and within the Contingent Claim Expiry Date;

q is the total value of all Accepted Unsecured Claims;

UCCA is the Unsecured Claims Cash Allocation; and

SCCMP is the Second Contingent Claim Management Payout for the subject Accepted Contingent Claim, to be rounded down to the nearest cent.

“Second Debt Securities Claims Cash Allocation” means in respect of the total value of all Accepted Debt Securities Claims, an amount to be calculated in the following manner:

$$SDSCCA = \left(\frac{u}{(q - t) + u} \times \left(\frac{\sum r}{q} \times UCCA - \sum FCCMP \right) \right)$$

where:

q is the total value of all Accepted Unsecured Claims;

$\sum r$ is the sum of the values of all Accepted Contingent Claims that are Extinguished within the date falling one (1) year after the Restructuring Effective Date;

t is the total value of all Accepted Contingent Claims that have been Extinguished within one (1) year after the Restructuring Effective Date;

u is the total value of all Accepted Debt Securities Claims;

$\Sigma FCCMP$ is the sum of all First Contingent Claim Management Payouts;

$UCCA$ is the Unsecured Claims Cash Allocation; and

$SDSCCA$ is the Second Debt Securities Claims Cash Allocation, to be rounded down to the nearest cent.

“Second Perpetual Capital Securities Cash Allocation” means cash allocated from the Second Debt Securities Claims Cash Allocation to be calculated in the following manner:

$$SPCSCA = \frac{a}{a + b} \times SDSCCA$$

where:

a is the total dollar value of all Accepted Perpetual Capital Securities Claims;

b is the total dollar value of all Accepted Preference Shares Claims;

$SDSCCA$ is the Second Debt Securities Claims Cash Allocation; and

$SPCSCA$ is the Second Perpetual Capital Securities Cash Allocation.

“Second Perpetual Capital Securities Cash Payout” means in respect of each Accepted Perpetual Capital Securities Claim, a cash payout to be calculated in the following manner:

$$SPCSCP = \frac{c}{d} \times SPCSCA$$

where:

c is the number of units of Perpetual Capital Securities held by the Perpetual Capital Securities Holder in respect of the subject Accepted Perpetual Capital Securities Claim;

d is the total number of units of Perpetual Capital Securities in respect of all Accepted Perpetual Capital Securities Claims;

$SPCSCA$ is the Second Perpetual Capital Securities Cash Allocation; and

$SPCSCP$ is the Second Perpetual Capital Securities Cash Payout for the subject Accepted Perpetual Capital Securities Claim, to be rounded down to the nearest cent.

“Second Preference Shares Cash Allocation” means cash allocated from the Second Debt Securities Claims Cash Allocation to be calculated in the following manner:

$$SPSCA = \frac{b}{a + b} \times SDSCCA$$

where:

a is the total dollar value of all Accepted Perpetual Capital Securities Claims;

b is the total dollar value of all Accepted Preference Shares Claims;

$SDSCCA$ is the Second Debt Securities Claims Cash Allocation; and

$SPSCA$ is the Second Preference Shares Cash Allocation.

“Second Preference Shares Cash Payout” means in respect of each Accepted Preference Shares Claim, a cash payout to be calculated in the following manner:

$$SPSCP = \frac{e}{f} \times SPSCA$$

where:

e is the number of Preference Shares held by the Preference Shareholder in respect of the subject Accepted Preference Shares Claim;

f is the total number of Preference Shares in respect of all Accepted Preference Shares Claims;

$SPSCA$ is the Second Preference Shares Cash Allocation; and

$SPSCP$ is the Second Preference Shares Cash Payout for the subject Accepted Preference Shares Claim, to be rounded down to the nearest cent.

“Second Unsecured Claim Cash Payout” means in respect of each Accepted Unsecured Claim that is not an Extinguished Contingent Claim within one (1) year after the Restructuring Effective Date, a cash payout to be calculated in the following manner:

$$SUCCP = \left(\frac{p}{(q - t) + u} \times \left(\frac{\sum r}{q} \times UCCA - \sum FCCMP \right) \right)$$

where:

p is the value of the subject Accepted Unsecured Claim that is not an Extinguished Contingent Claim within one (1) year after the Restructuring Effective Date;

q is the total value of all Accepted Unsecured Claims;

$\sum r$ is the sum of the values of all Accepted Contingent Claims that are Extinguished within the date falling one (1) year after the Restructuring Effective Date;

t is the total value of all Accepted Contingent Claims that have been Extinguished within one (1) year after the Restructuring Effective Date;

u is the total value of all Accepted Debt Securities Claims;

$\Sigma FCCMP$ is the sum of all First Contingent Claim Management Payouts;

$UCCA$ is the Unsecured Claims Cash Allocation; and

$SUCCP$ is the Second Unsecured Claim Cash Payout for the subject Accepted Unsecured Claim, to be rounded down to the nearest cent.

“Second Unsecured Claim Equity Payout” means in respect of each Accepted Unsecured Claim that is not an Extinguished Contingent Claim within one (1) year after the Restructuring Effective Date, an allotment and issuance of Shares to be calculated in the following manner:

$$SUCEP = \left(\frac{p}{q - t} \times UCEC \right) - IUCEP$$

where:

p is the value of the subject Accepted Unsecured Claim that is not an Extinguished Contingent Claim within one (1) year after the Restructuring Effective Date;

q is the total value of all Accepted Unsecured Claims;

t is the total value of all Accepted Contingent Claims that have been Extinguished within one (1) year after the Restructuring Effective Date;

$UCEC$ is the Unsecured Claims Equity Consideration;

$IUCEP$ is the Initial Unsecured Claim Equity Payout for the subject Accepted Unsecured Claim, to be rounded down to the nearest whole number; and

$SUCEP$ is the Second Unsecured Claim Equity Payout for the subject Accepted Unsecured Claim, to be rounded down to the nearest whole number.

“Securities” means the Notes, the Perpetual Securities and the Preference Shares.

“Series 008 Notes” means the 4.25% notes due 2018 (ISIN: SG6Q70974010) issued by the Company and constituted pursuant to the Notes Trust Deed, of which S\$100,000,000 in aggregate principal amount is outstanding as at the date of the Explanatory Statement.

“Series 008 Noteholders” means persons holding a Book Entry Interest in the Series 008 Notes.

“Series 009 Notes” means the 4.60% notes due 2019 (ISIN: SG6Q77974112) issued by the Company and constituted pursuant to the Notes Trust Deed, of which S\$65,000,000 in aggregate principal amount is outstanding as at the date of the Explanatory Statement.

“Series 009 Noteholders” means persons holding a Book Entry Interest in the Series 009 Notes.

“Series 010 Notes” means the 4.20% notes due 2019 (ISIN: SG6W23985057) issued by the Company and constituted pursuant to the Notes Trust Deed, of which S\$100,000,000 in aggregate principal amount is outstanding as at the date of the Explanatory Statement.

“Series 010 Noteholders” means persons holding a Book Entry Interest in the Series 010 Notes.

“Settlement Date” means the earlier of: (i) the date falling on or before twenty-eight (28) days after the Restructuring Effective Date, provided that Completion (as defined in the Restructuring Agreement) has occurred prior to such date; and (ii) the date falling twenty-one (21) days after the date the Completion Amount is received by the Company.

“SFA” means the Securities and Futures Act, Chapter 289 of Singapore.

“SGXNet” means the online announcement platform hosted by SGX-ST.

“SGX-ST” means the Singapore Exchange Securities Trading Limited.

“Shares” means ordinary shares in the capital of the Company.

“SIAS” means the Securities Investors Association (Singapore).

“Singapore” means the Republic of Singapore.

“SMC” means the Singapore Mediation Centre.

“Subordinated Claim” means any Intercompany Claim and any HS Claim.

“Subordinated Claims Cash Consideration” means cash of an amount equal to the total sum of all Subordinated Claim Cash Payouts.

“Subordinated Claim Cash Payout” means in respect of each Accepted Subordinated Claim, a cash payout of S\$1.

“Subordinated Scheme Parties” means the Intercompany Claimants and any HS Claimants.

“Subsidiary” means a subsidiary within the meaning of Section 5 of the Act.

“TuasOne EPC Contract” means the contract for design, engineering, procurement, construction, completion, start-up, testing and commissioning of waste-to-energy plant dated 26 April 2016 entered into between: (i) TuasOne Pte Ltd, as employer; and (ii) Hydrochem, as contractor.

“TuasOne EPC Contract Parent Company Guarantee” means the deed of guarantee dated 12 May 2016 made by the Company, as guarantor, for the benefit of TuasOne Pte Ltd, in respect of the obligations of Hydrochem under the TuasOne EPC Contract.

“TuasOne Facility” means the facility agreement dated 12 May 2016 entered into between: (i) TuasOne Pte Ltd, as borrower; (ii) the banks and financial institutions listed in Schedule 1, as original lenders; (iii) DBS Bank Ltd, Maybank Kim Eng Securities Pte Ltd, Mizuho Bank, Ltd and The Bank of Tokyo-Mitsubishi UFJ, Ltd, as arranger; (iv) Malayan Banking Berhad, Singapore Branch, as agent; and (v) the TuasOne Facility Security Trustee, as security trustee.

“TuasOne Facility Security Trustee” means Malayan Banking Berhad, Singapore Branch.

"TuasOne Intercreditor Agreement" means the intercreditor agreement dated 12 May 2016 entered into between (i) TuasOne Pte Ltd, as borrower; (ii) the Company and Mitsubishi Heavy Industries, Ltd, as shareholders; (iii) banks and financial institutions listed in Part I of Schedule 1, as original lenders; (iv) banks and financial institutions listed in Part II of Schedule 1, as original hedging banks; (v) Malayan Banking Berhad, Singapore Branch, as agent; and (v) Malayan Banking Berhad, Singapore Branch, as security trustee.

"TuasOne Share Charge" means the share charge executed by the Company dated 12 May 2016 in favour of the TuasOne Facility Security Trustee.

"Unsecured Claims" means the Contingent Claims, the Facilities Claims, the KfW Claim, the Other Claims and the Notes Claims.

"Unsecured Claims Cash Allocation" means cash of an amount equal to S\$232,000,000.

"Unsecured Claims Cash Consideration" means cash of an amount equal to the aggregate total of all Initial Unsecured Claims Cash Payouts less (i) the Second Debt Securities Claims Cash Allocation; and (ii) the Final Debt Securities Claims Cash Allocation.

"Unsecured Claims Cash Allocation Surplus Amount" means any residual cash from the Unsecured Claims Cash Allocation left in the Escrow Account or held by the Company three months before the expiry of the Holding Period that is not the subject of an ongoing dispute between Hyflux and the original beneficiary of that residual cash payment under the terms of this Scheme and after all cash payouts as set out in Clause 4.1.1 to Clause 4.1.9 have been made.

"Unsecured Claims Equity Consideration" means Shares constituting 27.00% of the issued and paid up capital in the Company after the New Shares (as defined in the Restructuring Agreement) have been allotted and issued under the Restructuring Agreement.

"Unsecured Claims Equity Consideration Surplus Amount" means any residual Shares from the Unsecured Claims Equity Consideration left in the Escrow Account or held by the Company three months before the expiry of the Holding Period that is not the subject of an ongoing dispute between Hyflux and the original beneficiary of those residual Shares under the terms of this Scheme and after all equity payouts as set out in Clause 4.1.1 to Clause 4.1.9 have been made.

"Unsecured Scheme Parties" means the Contingent Claimants, the Facilities Lenders, KfW, the Noteholders and the Other Claimants.

"Unsecured Working Group" means the unsecured working group comprising certain Unsecured Scheme Parties including Mizuho Bank, Ltd, KfW, Bangkok Bank Public Company Limited, Standard Chartered Bank, Singapore Branch, BNP Paribas, CTBC Bank Co, Ltd, The Korea Development Bank and The Korea Development Bank, Singapore Branch established in connection with the Restructuring that is represented by Borrelli Walsh Limited, Hogan Lovells Lee & Lee and Tan Kok Quan Partnership.

1.2 In this Scheme, unless the context otherwise requires or as otherwise expressly stated:

1.2.1 references to Clauses and Schedules are references to clauses and schedules of this Scheme;

- 1.2.2 references to a person include a reference to an individual, firm, partnership, company, corporation, unincorporated body of persons or any state or state agency;
- 1.2.3 references to a statute, statutory provision or regulatory rule or guidance include references to the same as subsequently modified, amended or re-enacted from time to time;
- 1.2.4 references to an agreement, deed or document shall be deemed also to refer to such agreement, deed or document as amended, supplemented, restated, verified, replaced and/or novated (in whole or in part) from time to time and to any agreement, deed or document executed pursuant thereto, provided that such amendment, supplement, restatement, verification, replacement and/or novation has, to the extent it relates to a Restructuring Document or this Scheme, been made in accordance with the terms of such Restructuring Document and/or this Scheme (as applicable);
- 1.2.5 the singular includes the plural and *vice versa* and words importing one gender shall include all genders;
- 1.2.6 references to “including” shall be construed as references to “including without limitation” and “include”, “includes” and “included” shall be construed accordingly;
- 1.2.7 headings to Clauses and Schedules are for ease of reference only and shall not affect the interpretation of this Scheme;
- 1.2.8 references to a period of days shall include Saturdays, Sundays and public holidays and where the date which is the final day of a period of days is not a Business Day, that date will be adjusted so that it is the first following day which is a Business Day;
- 1.2.9 references to “dollar” or to “S\$” are references to the lawful currency from time to time of Singapore;
- 1.2.10 references to time shall be to Singapore time; and
- 1.2.11 where any amount is specified in this Scheme (including in any definition) in respect of any Scheme Consideration, that amount is subject to rounding in accordance with the terms of this Scheme.

2. SCHEME EFFECTIVENESS

- 2.1 This Scheme provides for a compromise and an arrangement between the Company and all Scheme Parties in respect of all Scheme Claims, including the full and final satisfaction, settlement, release and discharge of claims owing by the Company or any other member of the Group to the Scheme Parties (including accrued and unpaid interest in relation thereto (including default interest, if any)).
- 2.2 The terms of this Scheme shall become effective on the Scheme Effective Date and shall take effect in accordance with its terms.
- 2.3 The Company shall promptly notify the Scheme Parties via an announcement made on SGXNet that the Scheme Effective Date has occurred.
- 2.4 On and from the Scheme Effective Date, the Company shall use all reasonable endeavours

to procure that the Conditions Precedent are satisfied and that Completion (as defined under the Restructuring Agreement) occurs as soon as reasonably practicable and in any event on or prior to the Long-Stop Date.

3. AUTHORISATION TO EXECUTE ANY UNDERTAKING TO BE BOUND BY THE RESTRUCTURING DOCUMENTS

3.1 On and from the Scheme Effective Date, in consideration of the rights provided to the Scheme Parties under this Scheme and notwithstanding any term of any relevant document, each Scheme Party hereby appoints the Scheme Manager as his or her attorney and agent and irrevocably authorises, directs, instructs and empowers the Scheme Manager (represented by any authorised representative) to:

3.1.1 enter into, execute and deliver (whether as a deed or otherwise) for and on behalf of such Scheme Party each other Restructuring Document to which the Scheme Parties, or any of them, are named as a party and any other document referred to, contemplated by or ancillary to any of the foregoing provided that such execution and delivery (whether as a deed or otherwise) does not have an adverse effect on the rights of any of the Scheme Parties under this Scheme;

3.1.2 in respect of Noteholders, Perpetual Capital Securities Holders and the Preference Shareholders:

3.1.2.1 attend, speak and vote at any meeting of the Noteholders, Perpetual Capital Securities Holders and/or the Preference Shareholders (as the case may be) to seek approval for any of the matters contemplated under this Scheme; and

3.1.2.2 take whatever action is necessary to ensure that the books and records of the CDP are updated to reflect the terms of this Scheme, including without limitation to:

3.1.2.2.1 instruct the CDP to debit the Notes, Perpetual Capital Securities and Preference Shares from the securities account or securities sub-account in which the Securities are credited (or the CDP Account Holder, as applicable);

3.1.2.2.2 authorise the cancellation of the Notes, Perpetual Capital Securities and Preference Shares; and

3.1.2.2.3 take or carry out any other step or procedure reasonably required to effect the settlement of this Scheme.

3.2 Any action taken by the Scheme Manager in accordance with this Scheme or the Restructuring Documents will not constitute a breach of the Facilities, the KfW Facility, the Notes Trust Deed, the Perpetual Capital Securities Trust Deed or the Constitutional Documents (or any other agreement or document governing the terms of any Scheme Claim).

3.3 The authority and power granted and conferred on the Scheme Manager under Clause 3.1 shall be treated, for all purposes whatsoever and without limitation, as having been granted and conferred by deed and the Scheme Manager shall be entitled to delegate the authority granted and conferred by Clause 3.1 to any duly authorised officer or agent of the Scheme Manager as necessary.

4. ALLOCATION AND DISTRIBUTION OF SCHEME CONSIDERATION

Unsecured Scheme Parties

- 4.1 On the Restructuring Effective Date, each Unsecured Scheme Party shall be entitled to, in respect of his or her Accepted Unsecured Claim, to a distribution of the Unsecured Claims Cash Allocation and the Unsecured Claims Equity Consideration in the following manner:

Initial global distribution

- 4.1.1 In respect of all Accepted Unsecured Claims except those that are Contingent Claims, the Company shall pay to each Unsecured Scheme Party the respective Initial Unsecured Claim Cash Payout on the Settlement Date.
- 4.1.2 In respect of all Accepted Unsecured Claims except those that are Contingent Claims, the Company shall allot and issue to each Unsecured Scheme Party the respective Initial Unsecured Claim Equity Payout on the Settlement Date.
- 4.1.3 In respect of all Accepted Contingent Claims, the Company shall pay into the Escrow Account the aggregate of the Initial Unsecured Claim Cash Payouts for the Accepted Contingent Claims on the Settlement Date and such amount shall be held in escrow by the Escrow Agent in accordance with the terms of the Escrow Agreement.
- 4.1.4 In respect of all Accepted Contingent Claims, the Company shall allot and issue the aggregate of the Initial Unsecured Claim Equity Payouts for the Accepted Contingent Claims on the Settlement Date to the Escrow Agent as Shares to be held in the Escrow Account in accordance with the terms of the Escrow Agreement.

Ongoing distribution for Crystallised Contingent Claims

- 4.1.5 If an Accepted Contingent Claim becomes a Crystallised Contingent Claim within the Contingent Claim Expiry Date:
- 4.1.5.1 the Scheme Manager shall procure the Escrow Agent to make payment of the respective Initial Unsecured Claim Cash Payout for that Accepted Contingent Claim to the respective Contingent Claimant from the Escrow Account within:
- 4.1.5.1.1 twenty one (21) days from the date of the respective Contingent Claim Crystallisation Determination; or
- 4.1.5.1.2 fifty nine (59) days from the date of the Contingent Claim Crystallisation Notice in the event that: (i) no Contingent Claim Crystallisation Challenge is issued within seventeen (17) days of the Contingent Claim Crystallisation Notice; and (ii) no Contingent Claim Crystallisation Determination is issued within thirty eight (38) days of the Contingent Claim Crystallisation Notice.
- 4.1.5.2 the Scheme Manager shall procure the Escrow Agent to transfer the respective Initial Unsecured Claim Equity Payout for that Accepted Contingent Claim to the respective Contingent Claimant from the Escrow Account within:

- 4.1.5.2.1 twenty one (21) days from the date of the respective Contingent Claim Crystallisation Determination; or
- 4.1.5.2.2 fifty nine (59) days from the date of the Contingent Claim Crystallisation Notice in the event that: (i) no Contingent Claim Crystallisation Challenge is issued within seventeen (17) days of the Contingent Claim Crystallisation Notice; and (ii) no Contingent Claim Crystallisation Determination is issued within thirty eight (38) days of the Contingent Claim Crystallisation Notice.

Second distribution

- 4.1.6 On the date falling one (1) year after the Restructuring Effective Date, the Scheme Manager shall take an account of all Extinguished Contingent Claims.
- 4.1.7 Within twenty-eight (28) days from the date falling one (1) year after the Restructuring Effective Date, the Scheme Manager shall:
 - 4.1.7.1 in respect of all Accepted Contingent Claims that have been Extinguished within one (1) year after the Restructuring Effective Date, procure the Escrow Agent to make payment of the First Contingent Claim Management Payouts to the Company from the Escrow Account;
 - 4.1.7.2 in respect of all Accepted Unsecured Claims that are not Contingent Claims and all Accepted Contingent Claims that have Crystallised within one (1) year after the Restructuring Effective Date, procure the Escrow Agent to make payment of the Second Unsecured Claim Cash Payout to the respective Unsecured Scheme Party from the Escrow Account; and
 - 4.1.7.3 in respect of all Accepted Unsecured Claims that are not Contingent Claims and all Accepted Contingent Claims that have Crystallised within one (1) year after the Restructuring Effective Date, procure the Escrow Agent to transfer the Second Unsecured Claim Equity Payout to the respective Unsecured Scheme Party from the Escrow Account.

Final distribution

- 4.1.8 On the date immediately following the Contingent Claim Expiry Date, the Scheme Manager shall take an account of all Extinguished Contingent Claims and Expired Contingent Claims.
- 4.1.9 Within fifty-two (52) days from the Contingent Claim Expiry Date, the Scheme Manager shall:
 - 4.1.9.1 in respect of all Accepted Contingent Claims that have been Extinguished one (1) year after the Restructuring Effective Date and within the Contingent Claim Expiry Date, procure the Escrow Agent to make payment of the Second Contingent Claim Management Payouts to the Company from the Escrow Account;

- 4.1.9.2 in respect of all Accepted Unsecured Claims that are not Contingent Claims and all Accepted Contingent Claims that have Crystallised within one (1) year after the Restructuring Effective Date, procure the Escrow Agent to make payment of the Final Unsecured Claim Cash Payout to the respective Unsecured Scheme Party from the Escrow Account;
- 4.1.9.3 in respect of all Accepted Unsecured Claims that are not Contingent Claims and all Accepted Contingent Claims that have Crystallised within one (1) year after the Restructuring Effective Date, procure the Escrow Agent to transfer the Final Unsecured Claim Equity Payout to the respective Unsecured Scheme Party from the Escrow Account;
- 4.1.9.4 in respect of all Accepted Contingent Claims that have Crystallised more than one (1) year after the Restructuring Effective Date and within the Contingent Claim Expiry Date, procure the Escrow Agent to make payment of the Second Unsecured Claim Cash Payout and Final Unsecured Claim Cash Payout to the respective Unsecured Scheme Party from the Escrow Account; and
- 4.1.9.5 in respect of all Accepted Contingent Claims that have Crystallised more than one (1) year after the Restructuring Effective Date and within the Contingent Claim Expiry Date, procure the Escrow Agent to transfer the Second Unsecured Claim Equity Payout and Final Unsecured Claim Equity Payout to the respective Unsecured Scheme Party from the Escrow Account.

Debt Securities Scheme Parties

- 4.2 On the Restructuring Effective Date, each Debt Securities Scheme Party shall be entitled to, in respect of his or her Accepted Debt Securities Claim, a distribution of the Debt Securities Claims Cash Consideration and the Debt Securities Claims Equity Consideration in the following manner:

Initial distribution

- 4.2.1 The Company shall pay to each Perpetual Capital Securities Holder the respective Initial Perpetual Capital Securities Cash Payout for his or her Accepted Perpetual Securities Claim on the Settlement Date.
- 4.2.2 The Company shall allot and issue to each Perpetual Capital Securities Holder the respective Perpetual Capital Securities Equity Payout for his or her Accepted Perpetual Securities Claim on the Settlement Date.
- 4.2.3 The Company shall pay to each Preference Shareholder the respective Initial Preference Shares Cash Payout for his or her Accepted Preference Shares Claim on the Settlement Date.
- 4.2.4 The Company shall allot and issue to each Preference Shareholder the respective Preference Shares Equity Payout for his or her Accepted Preference Shares Claim on the Settlement Date.

Second distribution

4.2.5 Within twenty-eight (28) days from the date falling one (1) year after the Restructuring Effective Date, the Scheme Manager shall:

4.2.5.1 procure the Escrow Agent to make payment to each Perpetual Capital Securities Holder the respective Second Perpetual Capital Securities Cash Payout for his or her Accepted Perpetual Securities Claim from the Escrow Account;.

4.2.5.2 procure the Escrow Agent to make payment to each Preference Shareholder the respective Second Preference Shares Cash Payout for his or her Accepted Preference Shares Claim on the Settlement Date from the Escrow Account;.

Final distribution

4.2.6 Within fifty-two (52) days from the Contingent Claim Expiry Date, the Scheme Manager shall:

4.2.6.1 procure the Escrow Agent to make payment to each Perpetual Capital Securities Holder the respective Final Perpetual Capital Securities Cash Payout for his or her Accepted Perpetual Securities Claim from the Escrow Account;.

4.2.6.2 procure the Escrow Agent to make payment to each Preference Shareholder the respective Final Preference Shares Cash Payout for his or her Accepted Preference Shares Claim on the Settlement Date from the Escrow Account;.

Subordinated Scheme Parties

4.3 On the Restructuring Effective Date, each Subordinated Scheme Party shall be entitled to, in respect of his or her Accepted Subordinated Claim, to a distribution of the Subordinated Claims Cash Consideration in the following manner:

4.3.1 The Company shall pay to each Subordinated Scheme Party the respective Subordinated Claim Cash Payout for his or her Accepted Subordinated Claim on the Settlement Date.

Surplus amounts

4.4 On the date falling three months before the expiry of the Holding Period, the Scheme Manager shall take an account of the Unsecured Claims Cash Allocation Surplus Amount and the Unsecured Claims Equity Consideration Surplus Amount.

4.5 The Scheme Manager shall upload a document setting out the quantum of the Unsecured Claims Cash Allocation Surplus Amount and the Unsecured Claims Equity Consideration Surplus Amount into the Data Room within seven (7) days from the date falling three months before the expiry of the Holding Period.

4.6 The Scheme Manager may, having considered the quantum of the Unsecured Claims Cash Allocation Surplus Amount, apply to Court for leave to further distribute the Unsecured Claims Cash Allocation Surplus Amount on a *pro rata* basis to:

- 4.6.1 the Unsecured Scheme Parties who have received a distribution in respect of their Accepted Unsecured Claims; and
- 4.6.2 the Debt Securities Scheme Parties who received a distribution in respect of their Accepted Debt Securities Claims.
- 4.7 The Scheme Manager may, having considered the quantum of the Unsecured Claims Equity Consideration Surplus Amount, apply to Court for leave to further distribute the Unsecured Claims Equity Consideration Surplus Amount to on a *pro rata* basis to the Unsecured Scheme Parties who have received a distribution in respect of their Accepted Unsecured Claims.
- 4.8 In making an assessment on whether to make any application to Court under Clause 4.6 and/or Clause 4.7, the Scheme Manager shall act reasonably and shall have regard to the materiality of any distributions which may be made under Clause 4.6 and/or Clause 4.7 on the basis of the quantum of the Unsecured Claims Cash Allocation Surplus Amount and the Unsecured Claims Equity Consideration Surplus Amount.
- 4.9 If any application is made to Court under Clause 4.6, the Scheme Manager shall upload the documents filed with the Court in respect of any such application within three (3) days from the filing date, and will not object to the participation of any Unsecured Scheme Party or Debt Securities Scheme Party in the application.
- 4.10 If any application is made to Court under Clause 4.7, the Scheme Manager shall upload the documents filed with the Court in respect of any such application within three (3) days from the filing date, and will not object to the participation of any Unsecured Scheme Party in the application.

Payment distribution

- 4.11 Where a cash payout is required to be made by the Company and/or the Escrow Agent to a Scheme Party pursuant to this Clause 4, the Scheme Manager, Company and/or Escrow Agent shall:
 - 4.11.1 in respect of a cash payout to be made to a Facilities Lender or KfW in connection with an Accepted Unsecured Claim which is not a Contingent Claim under:
 - 4.11.1.1 Clause 4.1.1, transfer the relevant cash payout to the account of the relevant Facilities Lender or KfW which the Company has been making payment to in its ordinary course of business with the relevant Facilities Lender or KfW;
 - 4.11.1.2 Clauses 4.1.7 and 4.1.9, where the relevant Facilities Lender or KfW does not have a valid securities account with CDP, the Escrow Agent shall not be obliged to make the cash payout owing to such Facilities Lender or KfW until the earlier of: (i) the setting up of a valid securities account with CDP by such Facilities Lender or KfW; and (ii) the provision of know-your-client documents and such other information required to effect such cash payout to the satisfaction of the Escrow Agent. In the case that (ii) occurs earlier, the relevant cash payouts shall be made by the Escrow Agent by direct transfer and do not need to be made by way of credit to the securities account of that Facilities Lender or KfW.
 - 4.11.2 in respect of any cash payout other than as described in Clause 4.11.1:

- 4.11.2.1 instruct CDP to credit such amount of payout to the securities account of that Scheme Party; or
 - 4.11.2.2 where the relevant Scheme Party does not have a valid securities account with CDP, the Scheme Manager and/or Company shall not be obliged to make or procure the Escrow Agent to make, as the case may be, the cash payout owing to such Scheme Party until the earlier of: (i) the setting up of a valid securities account with CDP by such Scheme Party; and (ii) the provision of know-your-client documents and such other information required to effect such cash payout to the satisfaction of the Escrow Agent, in respect of cash payouts under Clauses 4.1.5, 4.1.7, 4.1.9, 4.2.5, 4.2.6 or the Scheme Manager in respect of all other cash payouts. In the case that (ii) occurs earlier, the relevant cash payouts can be made, at the sole and absolute discretion of the Scheme Manager, by direct transfer and do not need to be made by way of credit to the securities account of that Scheme Party.
- 4.12 Where an equity payout is required to be made by the Scheme Manager (by procuring such transfer by the Escrow Agent or the Company, as the case may be) and/or the Company to a Scheme Party pursuant to this Clause 4, the Scheme Manager and/or Company shall instruct CDP to credit such number of Shares, representing the relevant equity payout, to the (i) the securities account of that Scheme Party, or (ii) where an Equity Payout Nominee has been designated by that Scheme Party, the Equity Payout Nominee of that Scheme Party. Where the Scheme Party or the Equity Payout Nominee, as the case may be, does not have a valid securities account with CDP, the Scheme Manager and/or Company shall not be obliged to make the equity payout owing to such Scheme Party until the setting up of a valid securities account with CDP by such Scheme Party or the appointment of an Equity Payout Nominee with a valid securities account with CDP before fifty-two (52) days after the Contingent Claims Expiry Date. In the case that such Scheme party has not set up a valid securities account with CDP or appoint of an Equity Payout Nominee with a valid securities account with CDP before fifty-two (52) days after the Contingent Claims Expiry Date, the relevant equity payouts can be made, at the sole and absolute discretion of the Scheme Manager, by direct issuance and do not need to be made by way of credit to (i) the securities account of that Scheme Party, or (ii) where an Equity Payout Nominee has been designated by that Scheme Party, the Equity Payout Nominee of that Scheme Party.
- 4.13 Where:
- 4.13.1 the number of Shares to be issued to a Scheme Party pursuant to an equity payout to be made by the Scheme Manager and/or the Company under this Clause 4 is less than 100;
 - 4.13.2 there are prohibitions or restrictions against the allocation of Shares to Scheme Parties in jurisdictions applicable to such Scheme Parties; or
 - 4.13.3 any Scheme party has not set up a valid securities account with CDP before fifty-two (52) days after the Contingent Claims Expiry Date,
- the Scheme Manager and/or the Company reserves the right to sell or procure the sale of such Shares in the market at the prevailing market price and distribute the proceeds from such sale to the Scheme Party within twenty-eight (28) days from the date the Shares were due to be allotted and issued to such Scheme Party, provided that the Scheme Party has a

valid CDP account or has provided know-your-client documents and such other information required to effect such cash payout to the satisfaction of the Scheme Manager.

- 4.14 With effect on and from the Restructuring Effective Date and until and including the Contingent Claims Expiry Date:

4.14.1 The Company shall procure that all of the First Contingent Claim Management Payouts and the Second Contingent Claim Management Payouts are paid to the relevant project staff of the Group that are responsible for any Accepted Contingent Claims having become Extinguished and the Company shall procure that no First Contingent Claim Management Payout or Second Contingent Claim Management Payout or any part thereof is paid to any person who is or was a member of the Company's board of directors or senior management on or prior to the Scheme Effective Date.

5. SCHEME PARTY UNDERTAKINGS AND RELEASES AND COMPANY RELEASES

- 5.1 In consideration for his or her entitlements under this Scheme, each Scheme Party hereby gives the undertakings, release and waivers in this Clause 5.

- 5.2 With effect on and from the Restructuring Effective Date, each Unsecured Scheme Party irrevocably, unconditionally, fully and absolutely:

5.2.1 ratifies and confirms everything which the Company (including his or her respective authorised signatories) may lawfully do or cause to be done in accordance with any authority conferred by this Scheme or the Restructuring Documents;

5.2.2 releases all of its rights, title and interest in its Unsecured Claim and undertakes to enter into, execute and (as necessary) deliver as a deed (or otherwise) any document and do any act or thing required to facilitate and give full effect to such release;

5.2.3 releases, discharges and/or (where relevant) reassigns to the relevant assignor, any rights (including any power of attorney) that it may have against any member of the Group with respect to any mortgage, lien, pledge, guarantee, security interest or similar interest in relation to any of the Facilities, the KfW Facility or the Contingent Claims and undertakes to enter into, execute and (as necessary) deliver as a deed (or otherwise) any document and do any act or thing required to facilitate and give full effect to such release, discharge and/or reassignment (including revoking any notices and registering or procuring the registration or such release, discharge and/or reassignment);

5.2.4 subject to Clause 5.7, waives, releases and discharges each and every claim which it ever had, may have or hereafter can, shall or may have against:

5.2.4.1 the Company or any other member of the Group

5.2.4.2 the Unsecured Working Group, the Informal Steering Committee (Notes), the Informal Steering Committee (P&P) and their respective Personnel and Affiliates; and

5.2.4.3 the Advisors and their respective Personnel and Affiliates,

for any Liability in respect of the preparation, negotiation, sanctioning or implementation of this Scheme and/or the Restructuring;

5.2.5 without affecting the generality of the foregoing, releases, discharges and/or (where relevant) reassigns to the relevant assignor, any rights (including any power of attorney) that it may have against Hydrochem with respect in relation to any of the Facilities, the KfW Facility or the Contingent Claims and undertakes to enter into, execute and (as necessary) deliver as a deed (or otherwise) any document and do any act or thing required to facilitate and give full effect to such release, discharge and/or reassignment (including revoking any notices and registering or procuring the registration or such release, discharge and/or reassignment);

5.2.6 subject to Clause 5.7, undertakes to the Company that it will not, and shall procure that its holding company or companies, Subsidiaries, associated companies, affiliates and/or other companies within its group of companies will not, commence or continue, or instruct, direct or authorise any other person to commence or continue, any proceedings in respect of or arising from:

5.2.6.1 any Unsecured Claim; or

5.2.6.2 any Liability in respect of:

5.2.6.2.1 the preparation, negotiation, sanctioning or implementation of this Scheme, the Restructuring and the Restructuring Documents; or

5.2.6.2.2 the execution of the Restructuring Documents and the carrying out of the steps and transactions contemplated therein in accordance with their terms; and

5.2.7 waives, releases and discharges each and every claim (that is not an Excluded Claim and/or is not a Non-Group Release Liability) which it ever had, may have or hereafter can, shall or may have against the Company or any other member of the Group for any Liability arising under or in connection with the Facilities, the KfW Facility, the Contingent Claims, the Other Claims, the Notes and the Notes Trust Deed.

5.3 With effect on and from the Restructuring Effective Date, each Debt Securities Scheme Party irrevocably, unconditionally, fully and absolutely:

5.3.1 agrees that the distribution of the Debt Securities Scheme Claims Cash Consideration and Debt Securities Claims Equity Consideration in accordance with the terms of this Scheme shall constitute a purchase of his or her Perpetual Capital Securities or Preference Shares (as the case may be) pursuant to the Act;

5.3.2 ratifies and confirms everything which the Company (including his or her respective authorised signatories) may lawfully do or cause to be done in accordance with any authority conferred by this Scheme or the Restructuring Documents;

5.3.3 releases all of its rights, title and interest in its Perpetual Capital Securities Claim or Preference Shares Claim (as the case may be) and undertakes to enter into, execute and (as necessary) deliver as a deed (or otherwise) any document and do any act or thing required to facilitate and give full effect to such release;

- 5.3.4 subject to Clause 5.7, waives, releases and discharges each and every claim which it ever had, may have or hereafter can, shall or may have against:
 - 5.3.4.1 the Company or any other member of the Group
 - 5.3.4.2 the Unsecured Working Group, the Informal Steering Committee (Notes), the Informal Steering Committee (P&P) and their respective Personnel and Affiliates; and
 - 5.3.4.3 the Advisors and their respective Personnel and Affiliates,for any Liability in respect of the preparation, negotiation, sanctioning or implementation of this Scheme and/or the Restructuring;
- 5.3.5 subject to Clause 5.7, undertakes to the Company that it will not, and shall procure that its holding company or companies, Subsidiaries, associated companies, affiliates and/or other companies within its group of companies will not, commence or continue, or instruct, direct or authorise any other person to commence or continue, any proceedings in respect of or arising from any:
 - 5.3.5.1 any Debt Securities Claim; or
 - 5.3.5.2 any Liability in respect of:
 - 5.3.5.2.1 the preparation, negotiation, sanctioning or implementation of this Scheme, the Restructuring and the Restructuring Documents; or
 - 5.3.5.2.2 the execution of the Restructuring Documents and the carrying out of the steps and transactions contemplated therein in accordance with their terms; and
- 5.3.6 waives, releases and discharges each and every claim (that is not an Excluded Claim) which it ever had, may have or hereafter can, shall or may have against the Company or any other member of the Group for any Liability arising under or in connection with its Perpetual Capital Securities Claim, its Preference Shares Claim or the Perpetual Capital Securities Trust Deed (as the case may be).
- 5.4 With effect on and from the Restructuring Effective Date, each Subordinated Scheme Party irrevocably, unconditionally, fully and absolutely:
 - 5.4.1 ratifies and confirms everything which the Company (including his or her respective authorised signatories) may lawfully do or cause to be done in accordance with any authority conferred by this Scheme or the Restructuring Documents;
 - 5.4.2 releases all of its rights, title and interest of its Subordinated Claim and undertakes to enter into, execute and (as necessary) deliver as a deed (or otherwise) any document and do any act or thing required to facilitate and give full effect to such release;
 - 5.4.3 releases, discharges and/or (where relevant) reassigns to the relevant assignor, any rights (including any power of attorney) that it may have against any member of the

Group with respect to any mortgage, lien, pledge, guarantee, security interest or similar interest in relation to any of the Subordinated Claims and undertakes to enter into, execute and (as necessary) deliver as a deed (or otherwise) any document and do any act or thing required to facilitate and give full effect to such release, discharge and/or reassignment (including revoking any notices and registering or procuring the registration or such release, discharge and/or reassignment);

5.4.4 subject to Clause 5.7, waives, releases and discharges each and every claim which it ever had, may have or hereafter can, shall or may have against:

5.4.4.1 the Company or any other member of the Group

5.4.4.2 the Unsecured Working Group, the Informal Steering Committee (Notes), the Informal Steering Committee (P&P) and their respective Personnel and Affiliates; and

5.4.4.3 the Advisors and their respective Personnel and Affiliates,

for any Liability in respect of the preparation, negotiation, sanctioning or implementation of this Scheme and/or the Restructuring or implementation;

5.4.5 subject to Clause 5.7, undertakes to the Company that it will, and shall procure that its holding company or companies, Subsidiaries, associated companies, affiliates and/or other companies within its group of companies will not, not commence or continue, or instruct, direct or authorise any other person to commence or continue, any proceedings in respect of or arising from:

5.4.5.1 any Subordinated Claim; or

5.4.5.2 any Liability in respect of:

5.4.5.2.1 the preparation, negotiation, sanctioning or implementation of this Scheme, the Restructuring and the Restructuring Documents; or

5.4.5.2.2 the execution of the Restructuring Documents and the carrying out of the steps and transactions contemplated therein in accordance with their terms; and

5.4.6 waives, releases and discharges each and every claim (that is not an Excluded Claim) which it ever had, may have or hereafter can, shall or may have against the Company or any other member of the Group for any Liability arising under or in connection with the Subordinated Claim.

5.5 On and from the Scheme Effective Date, each Scheme Party shall not, and shall procure that its holding company or companies, subsidiaries, associated companies, affiliates and/or other companies within its group of companies shall not, commence or continue, or instruct, direct or authorise any other person to commence or continue any proceedings in respect of or arising from any of the Scheme Claims.

5.6 To the extent permitted by law, none of the Scheme Parties nor the Company shall be entitled to challenge the validity of any act done or omitted to be done in good faith by the Company in connection with this Scheme and/or any Restructuring Document or the exercise by the

Company or the other members of the Group in good faith of any power conferred upon it for the purposes of any Restructuring Document if done, omitted or exercised in accordance with the provisions of this Scheme or any Restructuring Document.

- 5.7 The releases, waivers and undertakings under this Clause 5 shall:
- 5.7.1 not prejudice or impair any rights of any Scheme Party in connection with any Liability arising out of an Excluded Claim. (For the avoidance of doubt, nothing in this Scheme shall result in the Company not paying in full any Liability arising from an Excluded Claim specified in Schedule 3 (*Specified Excluded Claims*);
 - 5.7.2 not prejudice or impair any rights of any Scheme Party created under the Scheme and/or which arises as a result of a failure by the Company, the Scheme Manager or any party to the Scheme to comply with any terms of the Scheme; and
 - 5.7.3 exclude any and all claims or causes of action arising from or relating to fraud, dishonesty, wilful default or wilful misconduct.
- 5.8 With effect on and from the Restructuring Effective Date, the Company, any member of the Group and each of their predecessors, successors and assigns irrevocably, unconditionally, fully and absolutely waives, releases and discharges each and every claim which it ever had, may have or hereafter can, shall or may have against:
- 5.8.1 the Scheme Parties, their Personnel and Affiliates;
 - 5.8.2 the Unsecured Working Group, the Informal Steering Committee (Notes), the Informal Steering Committee (P&P) and their respective Personnel and Affiliates; and
 - 5.8.3 the Advisors and their respective Personnel and Affiliates,
- from any Liability in respect of the preparation, negotiation, sanctioning or implementation of this Scheme and/or the Restructuring.
- 6. DETERMINATION OF ACCEPTED CLAIMS**
- 6.1 All Accepted Scheme Claims shall be determined as at the Record Date. Any alleged Scheme Claim(s) not denominated in dollars (S\$) shall be converted to its value in dollars (S\$) using the Base Currency Conversion Rate.
- 6.2 All Persons claiming to be Scheme Parties must provide the Chairman with a duly completed Proof of Claim in respect of their Scheme Claims prior to the Record Date, unless:
- 6.2.1 such requirement is waived by the Chairman;
 - 6.2.2 such requirement is waived by the Court; or
 - 6.2.3 a Proof of Claim is filed on a Scheme Party's behalf by the Chairman or the Company.
- 6.3 Proofs of Claim delivered after the Record Date may, at the sole discretion of the Chairman, be disregarded for voting purposes at the Scheme Meetings.

- 6.4 If the Chairman refuses to Accept an alleged Scheme Claim received from an alleged Scheme Party, he or she shall, within a reasonable time, prepare a statement in writing or electronic mail of his or her reasons for doing so and promptly send such statement to the person alleging such Scheme Claim against the Company.
- 6.5 Neither the Company nor the Chairman shall recognise any sale, assignment, transfer or any disclosed sub-participation of any Scheme Claim after the Record Date for the purposes of determining entitlement to attend and vote at the Scheme Meetings. A transferee of a beneficial or proprietary interest in any Scheme Claim after the Record Date will, however, be bound by the terms of the Scheme in the event it becomes effective and the transferee will have to demonstrate, to the satisfaction of the Scheme Manager, that he or she is entitled to receive his or her share of the Scheme Consideration.
- 6.6 The Chairman shall not be liable for any claim or liability arising in respect of the performance of his or her duties as Chairman under this Scheme except where such claim or liability arises as a result of his or her own fraud, gross negligence or wilful misconduct.

Contingent Claims

- 6.7 At any time between the Restructuring Effective Date and the date falling seven (7) days after the Contingent Claim Expiry Date, a Contingent Claimant may issue a Contingent Claim Crystallisation Notice in respect of his or her or its Contingent Claim to the Scheme Manager.
- 6.8 Within seventeen (17) days of the issuance of a Contingent Claim Crystallisation Notice, any Unsecured Scheme Party (excluding any Unsecured Scheme Party who as at the date of such Contingent Claim Crystallisation Notice only has a Contingent Claim which has been Extinguished) may issue a Contingent Claim Crystallisation Challenge in respect of such Contingent Claim Crystallisation Notice to the Scheme Manager. For the avoidance of doubt, each Unsecured Scheme Party may only submit one (1) Contingent Claim Crystallisation Challenge in response to a Contingent Claim Crystallisation Notice.
- 6.9 Within thirty-eight (38) days of receiving a Contingent Claim Crystallisation Notice, the Scheme Manager shall issue a Contingent Claim Crystallisation Determination to the Contingent Claimant who issued such Contingent Claim Crystallisation Notice and the determination of the Scheme Manager shall be final in respect of whether or not the relevant Accepted Contingent Claim has become a Crystallised Contingent Claim within the Contingent Claim Expiry Date, save that:
- 6.9.1 any Contingent Claimant dissatisfied with the Scheme manager's determination of its Contingent Claim Crystallisation Notice shall have the right to request the appointment of an independent assessor to review the Contingent Claim Crystallisation Determination, and where applicable, arrive at his or her own determination as to whether the relevant Accepted Contingent Claim has become a Crystallised Contingent Claim within the Contingent Claim Expiry Date and any such determination shall be binding on the Contingent Claimant and the Scheme Manager unless disputed under Clause 6.9.3;
- 6.9.2 the choice of the independent assessor for the purpose of Clause 6.9.1 shall be:
- 6.9.2.1 by agreement of the Scheme Manager and the relevant Contingent Claimant who is requesting appointment of such independent assessor, or

- 6.9.2.2 where the Scheme Manager and the relevant Contingent Claimant who is requesting appointment of such independent assessor are unable to agree, either the Scheme Manager or the relevant Contingent Claimant who is requesting appointment of such independent assessor may apply to Court to seek direction on the appointment of such an independent assessor; and
- 6.9.3 the Scheme Manager or the relevant Contingent Claimant who requested appointment of the independent assessor for the purpose of Clause 6.9.1 may dispute any decision of the independent assessor in relation to the Contingent Claim Crystallisation Determination, and in the event of such dispute, the Scheme Manager and the relevant Contingent Claimant as referred to in Clause 6.9.1 agree that either of them may apply to Court to determine the dispute and that any such determination shall be binding on the Contingent Claimant and the Scheme Manager.
- 6.10 In arriving at his or her determination in the Contingent Claim Crystallisation Determination in Clause 6.9, the Scheme Manager shall review the contents of the relevant Contingent Claim Crystallisation Notice, any relevant Contingent Claim Crystallisation Challenge(s), as well as the Chairman's adjudication of the Proof of Claim filed by the Contingent Claimant or, where applicable, the final determination by the Independent Assessor or such final determination by the Court in respect of such Proof of Claim (the "**Final Adjudication Results**"). If the outcome of the Contingent Claim Crystallisation Determination differs from the outcome of the Final Adjudication Results in respect of the same Contingent Claim, the Scheme Manager shall, within a reasonable time, prepare a statement in writing of his or her reasons for departing from the Final Adjudication Results and promptly send such statement to the relevant Contingent Claimant.
- 6.11 An Accepted Contingent Claim shall become a Crystallised Contingent Claim if the relevant Contingent Claimant has issued a Contingent Claim Crystallisation Notice in respect of such Accepted Contingent Claim and the Scheme Manager has issued a Contingent Claim Crystallisation Determination under which the subject Accepted Contingent Claim is determined by the Scheme Manager to be a legally valid and binding debt of a definite amount then actually due from the Company.
- 6.12 The Company shall notify the Scheme Manager in writing as soon as practicable after the Company becomes aware of any event or other circumstances affecting an Accepted Contingent Claim or change of status of an Accepted Contingent Claim which has resulted in or may potentially result in such Accepted Contingent Claim being extinguished, waived or compromised or being, for any other reason, no longer a Liability of the Company on a date no later than the Contingent Claim Expiry Date.
- 6.13 In the period beginning on the Restructuring Effective Date and ending on the date falling seven (7) days after the Contingent Claim Expiry Date, the Scheme Manager shall issue a Contingent Claim Extinguishment Notice to a Contingent Claimant as soon as practicable after the Scheme Manager has determined that such Contingent Claimant's respective Accepted Contingent Claim has been extinguished, waived or compromised or is, for any other reason, no longer a Liability of the Company on a date no later than the Contingent Claim Expiry Date.
- 6.14 Within fourteen (14) days from a Contingent Claimant's receipt of a Contingent Claim

Extinguishment Notice, such Contingent Claimant may issue a Contingent Claim Extinguishment Challenge in respect of such Contingent Claim Extinguishment Notice to the Scheme Manager.

- 6.15 Within twenty-one (21) days of receiving a Contingent Claim Extinguishment Challenge from a Contingent Claimant, the Scheme Manager shall issue a Contingent Claim Extinguishment Determination to the Contingent Claimant who issued such Contingent Claim Extinguishment Challenge and the determination of the Scheme Manager as set out in the Contingent Claim Extinguishment Determination shall be final in respect of whether or not the relevant Accepted Contingent Claim has been extinguished, waived or compromised or is, for any other reason, no longer a Liability of the Company on a date no later than the Contingent Claim Expiry Date, save that:

6.15.1 any Contingent Claimant dissatisfied with the Scheme Manager's determination of its Contingent Claim Extinguishment Challenge shall have the right to request the appointment of an independent assessor to review the Contingent Claim Extinguishment Determination, and where applicable, arrive at his or her own determination as to whether the relevant Accepted Contingent Claim has been extinguished, waived, compromised or is, for any other reason, no longer a Liability of the Company on a date no later than the Contingent Claim Expiry Date and any such determination shall be binding on the Contingent Claimant and the Scheme Manager unless disputed under Clause 6.15.3;

6.15.2 the choice of the independent assessor for the purpose of Clause 6.15.3 shall be:

6.15.2.1 by agreement of the Scheme Manager and the relevant Contingent Claimant who is requesting appointment of such independent assessor, or

6.15.2.2 where the Scheme Manager and the relevant Contingent Claimant who is requesting appointment of such independent assessor are unable to agree, either the Scheme Manager or the relevant Contingent Claimant who is requesting appointment of such independent assessor may apply to Court to seek direction on the appointment of such an independent assessor; and

6.15.3 the Scheme Manager or the relevant Contingent Claimant who requested appointment of the independent assessor for the purpose of Clause 6.15.1 may dispute any decision of the independent assessor in relation to the Contingent Claim Extinguishment Determination, and in the event of such dispute, the Scheme Manager and the relevant Contingent Claimant as referred to in Clause 6.15.1 agree that either of them may apply to Court to determine the dispute and that any such determination shall be binding on the Contingent Claimant and the Scheme Manager.

- 6.16 An Accepted Contingent Claim shall become an Extinguished Contingent Claim if the Scheme Manager has issued a Contingent Claim Extinguishment Notice in respect of such Accepted Contingent Claim and:

6.16.1 no Contingent Claim Extinguishment Challenge is issued in respect thereof within fourteen (14) days of such Contingent Claim Extinguishment Notice; or

- 6.16.2 the Scheme Manager has issued a Contingent Claim Extinguishment Determination within twenty-one (21) days of receiving a Contingent Claim Extinguishment Challenge under which the subject Accepted Contingent Claim is determined by the Scheme Manager to be no longer a Liability of the Company on a date no later than the Contingent Claim Expiry Date.
- 6.17 Any Contingent Claim which:
- 6.17.1 is not an Extinguished Contingent Claim within forty-two (42) days from the Contingent Claim Expiry Date; and
- 6.17.2 is not a Crystallised Contingent Claim within forty-five (45) days from the Contingent Claim Expiry Date,
- shall be an Expired Contingent Claim.
- 6.18 Within twenty-eight (28) days from the Restructuring Effective Date, the Scheme Manager shall establish the Data Room.
- 6.19 Within fourteen (14) days from the Scheme Effective Date, each Unsecured Scheme Party shall notify the Scheme Manager of the relevant information (including electronic mail address) the Data Room Nominees. Each Unsecured Scheme Party shall be entitled to notify to the Scheme Manager of a change to the Data Room Nominees from time to time. The Scheme Manager shall procure that the Data Room Nominees receive automated notifications each time the Scheme Manager uploads a document into the Data Room.
- 6.20 The Scheme Manager shall upload into the Data Room:
- 6.20.1 each Contingent Claim Crystallisation Notice within three (3) days of his or her receipt of such Contingent Claim Crystallisation Notice;
- 6.20.2 each Contingent Claim Crystallisation Challenge within three (3) days of his or her receipt of such Contingent Claim Crystallisation Challenge;
- 6.20.3 each Contingent Claim Crystallisation Determination within three (3) days of his or her issuance of such Contingent Claim Crystallisation Determination;
- 6.20.4 each Contingent Claim Extinguishment Notice within three (3) days of his or her issuance of such Contingent Claim Extinguishment Notice;
- 6.20.5 each Contingent Claim Extinguishment Challenge within three (3) days of his or her receipt of such Contingent Claim Extinguishment Challenge; and
- 6.20.6 each Contingent Claim Extinguishment Determination within three (3) days of his or her issuance of such Contingent Claim Extinguishment Determination.
- 6.21 Where any application to Court under Clause 6.9.2, 6.9.3, 6.15.2, and/or 6.15.3 remains pending as of the Contingent Claim Expiry Date, the Scheme Manager may apply to Court for directions on how the amounts allocated to that Contingent Claimant are to be treated, including seeking directions from the Court for the amounts allocated to that Contingent Claimant to be paid into an escrow account or such other account as directed by the Court.
- 6.22 If any application is made to Court under Clause 6.21, the Scheme Manager shall upload the

documents filed with the Court in respect of any such application within three (3) days from the filing date, and will not object to the participation of any Unsecured Scheme Party or Debt Securities Scheme Party in the application.

7. SCHEME MANAGER

- 7.1 The Scheme Manager shall oversee and be responsible for the implementation of and compliance with the provisions of this Scheme and shall have the power to do all such things as he or she may consider necessary towards fulfilment of this Scheme.
- 7.2 Save as provided under the Act and the Proof Regulations and subject to Clauses 6.9 and 6.15, any decision, including calculations or payments, made by the Scheme Manager in carrying out his or her functions and/or duties under and/or in fulfilment of this Scheme shall be final and binding on all Scheme Parties.
- 7.3 The Scheme Manager may engage legal, financial or other professional advisors and consultants to advise and assist the Scheme Manager in the exercise of his or her rights and the performance or discharge of his or her duties as the Scheme Manager.
- 7.4 The Scheme Manager shall not be liable to any Scheme Party for any and all losses, damages, charges, costs and expenses of whatsoever nature which such Scheme Party may sustain, incur or suffer in connection with or arising from the performance by the Scheme Manager of his or her duties as Scheme Manager under this Scheme, including any decisions, calculations or payments in carrying out his or her functions and/or duties under and/or in fulfilment of this Scheme, unless directly caused by fraud, gross negligence or wilful misconduct on his or her part. This Clause shall remain in full force and effect notwithstanding the termination, resignation or removal of the Scheme Manager.
- 7.5 The Company shall at all times indemnify and keep harmless the Scheme Manager from and against any and all losses, damage, charges, costs and expenses of whatsoever nature which he may at any time and from time to time sustain, incur or suffer at any time, whether before or after the end of the Holding Period, in connection with the exercise of his or her powers in the performance of his duties under this Scheme unless such losses, damage, charges, costs or expense arise out of the gross negligence, fraud or wilful default of the Scheme Manager.
- 7.6 Any Scheme Party that intends to challenge any act or omission of the Scheme Manager in connection with or arising from any decision, including calculations or payments, made by the Scheme Manager in carrying out his or her functions and/or duties under and/or in fulfilment of this Scheme shall notify the Scheme Manager of such notice at least seven (7) Business Days before any such challenge is made to a Court or in any other forum. Any Scheme Party who makes a challenge without providing such appropriate notice shall be deemed to have agreed to: (i) if such challenge is dismissed by the Court, be liable for the costs, expenses and disbursements incurred by the Scheme Manager in connection with resisting any such challenge on an indemnity basis; and (ii) in any case, be solely responsible for any cost, expenses and disbursements it incurs in connection with the challenge.
- 7.7 In exercising his or her powers and carrying out his or her duties and functions under and in fulfilment of this Scheme, the Scheme Manager shall be deemed at all times to act as an agent for and on behalf of the Company and the Scheme Parties as a whole. The Company shall do everything that is necessary to give effect to the directions and instructions of the Scheme Manager, to the extent reasonably necessary and expedient to enable the Scheme Manager to carry out his or her functions under the Scheme, and the Company shall not prevent, frustrate, object to or otherwise prejudice the carrying out by the Scheme Manager

of his or her duties and functions under the Scheme.

- 7.8 The Scheme Manager may resign at any time after the Scheme Effective Date if he or she gives at least thirty (30) days' prior written notice to the Company. The resignation of the Scheme Manager shall not take effect unless and until a new scheme manager is appointed. The resigning Scheme Manager may appoint a successor scheme manager, suitably qualified, who shall have the capacity and experience to undertake the duties undertaken by the Scheme Manager.
- 7.9 The Scheme Manager shall cease to hold office as the Scheme Manager upon the occurrence of any of the following events:
- 7.9.1 the Scheme Manager resigns in accordance with Clause 7.8;
- 7.9.2 upon the making of an order of the Court for the removal or replacement of the Scheme Manager; or
- 7.9.3 the death or bankruptcy of the Scheme Manager.
- 7.10 The Scheme Manager shall be entitled to such reasonable fees and remuneration for the performance of his or her duties and services as Scheme Manager and for taking any action that he or she is required, authorised or empowered to take under or in respect of this Scheme as may be agreed with the Company or determined by the Court.

8. MODIFICATION OF THE SCHEME

- 8.1 The Company may, prior to the calling of any Scheme Meeting, delete, modify, amend or add to the terms of this Scheme which the Company, upon further consultation with Scheme Parties as necessary or relevant, may think fit or appropriate for the implementation of the Restructuring.
- 8.2 Each of the Scheme Parties hereby agree that the Company may at any Court hearing to sanction this Scheme, consent on behalf of itself and all Scheme Parties and anyone else concerned to any modification of, or addition to, this Scheme or any terms or conditions which, in each case, the Court may think fit to approve or impose which is necessary for the implementation of the Restructuring, provided that such modification, addition, term or condition does not have an adverse effect on the rights of the Scheme Parties, or any of them, under this Scheme.
- 8.3 The Scheme Manager may at any time convene an Eligible Scheme Parties' Meeting. Any such Eligible Scheme Parties' Meeting shall only be to consider any amendments to the Scheme that are procedural in nature (including any extension or abridgment of time in connection with anything to be done under the Scheme) provided that such amendments do not have an adverse effect on any of the Scheme Parties and/or their rights under the Scheme and no amendments can be made at an Eligible Scheme Parties' Meeting in connection with:
- 8.3.1 any payment, distribution, transfer and/or allocation obligations of the Company, the Scheme Manager and/or the Escrow Agent under the Scheme (including without limitation the payment, distribution, transfer and/or allocation of the Scheme Consideration and/or any cash or equity payouts) including, for the avoidance of doubt the due date of any payment or distribution;
- 8.3.2 any extension of the Contingent Claim Expiry Date;

- 8.3.3 the Record Date, the Claim Date and the deadline for proofs of claim;
 - 8.3.4 any rights of any Scheme Party to issue a Contingent Claim Crystallisation Notice, a Contingent Claim Crystallisation Challenge and/or a Contingent Claim Extinguishment Challenge;
 - 8.3.5 any obligations of the Scheme Manager to issue a Contingent Claim Crystallisation Determination, a Contingent Claim Extinguishment Notice and/or a Contingent Claim Extinguishment Determination;
 - 8.3.6 the Escrow Agreement;
 - 8.3.7 the obligations of the Company under Clause 6.12;
 - 8.3.8 Clause 8; and/or
 - 8.3.9 Clause 15.
- 8.4 The Scheme Manager shall convene a meeting of the Eligible Scheme Parties upon the submission of a written request from any two or more such Eligible Scheme Parties whose Accepted Scheme Claims in aggregate constitute not less than 25% of the total Accepted Scheme Claims of all the Eligible Scheme Parties. Any such written request shall only be to consider any amendments to the Scheme that are procedural in nature (including any extension or abridgment of time in connection with anything to be done under the Scheme) provided that such amendments do not have an adverse effect on any of the Scheme Parties and/or their rights under the Scheme and no amendments can be made at an Eligible Scheme Parties' Meeting in connection with:
- 8.4.1 any payment, distribution, transfer and/or allocation obligations of the Company, the Scheme Manager and/or the Escrow Agent under the Scheme (including without limitation the payment, distribution, transfer and/or allocation of the Scheme Consideration and/or any cash or equity payouts) including, for the avoidance of doubt the due date of any payment or distribution;
 - 8.4.2 any extension of the Contingent Claim Expiry Date;
 - 8.4.3 the Record Date, the Claim Date and the deadline for proofs of claim;
 - 8.4.4 any rights of any Scheme Party to issue a Contingent Claim Crystallisation Notice, a Contingent Claim Crystallisation Challenge and/or a Contingent Claim Extinguishment Challenge;
 - 8.4.5 any obligations of the Scheme Manager to issue a Contingent Claim Crystallisation Determination, a Contingent Claim Extinguishment Notice and/or a Contingent Claim Extinguishment Determination;
 - 8.4.6 the Escrow Agreement;
 - 8.4.7 the obligations of the Company under Clause 6.12;
 - 8.4.8 Clause 8; and/or

8.4.9 Clause 15.

- 8.5 All Eligible Scheme Parties' Meetings shall be held in Singapore.
- 8.6 At least 14 days' notice shall be given to the Eligible Scheme Parties who has any Accepted Scheme Claims subsisting at the time. The notice convening any Eligible Scheme Parties' Meeting shall specify the time and venue of the Eligible Scheme Parties' Meeting and shall state the resolutions or the matters proposed to be discussed and resolved at the Eligible Scheme Parties' Meeting. The non-receipt of any notice by any Eligible Scheme Party shall not invalidate any meeting or proceedings thereat. No resolution shall be passed and no matter shall be discussed or resolved at any Eligible Scheme Parties' Meeting other than the resolutions or matters stated in such notice.
- 8.7 No resolution shall be passed and no matters shall be discussed or resolved at any Eligible Scheme Parties' Meeting, unless a quorum of Eligible Scheme Parties is present at the time appointed for the Eligible Scheme Parties' Meeting. The quorum for any Eligible Scheme Parties' Meeting convened by the Scheme Manager shall be any two Eligible Scheme Parties who have Accepted Scheme Claims subsisting at the time, and the quorum for any Eligible Scheme Parties' Meeting convened by the Eligible Scheme Parties shall be any two Eligible Scheme Parties whose Accepted Scheme Claims subsisting at the time in aggregate constitute not less than 25% of the total of the Accepted Scheme Claims of all Eligible Scheme Parties subsisting at the time. If within half an hour from the time appointed for any meeting, a quorum of the Eligible Scheme Parties is not present, then the meeting shall be dissolved.
- 8.8 Any of the Scheme Managers or any person as may be nominated by them shall be appointed to act as the chairman of any meeting of the Eligible Scheme Parties.
- 8.9 The chairman may, provided that there is a quorum constituted, with the consent of a majority in number of the Eligible Scheme Parties present at any Eligible Scheme Parties' Meeting adjourn the Eligible Scheme Parties' Meeting from time to time and from place to place, but no matter shall be discussed, dealt with or resolved upon at the adjourned Eligible Scheme Parties' Meeting other than those which remain unfinished at the Eligible Scheme Parties' Meeting from which the adjournment took place.
- 8.10 Every resolution of the Eligible Scheme Parties or any matter before an Eligible Scheme Parties' Meeting shall be passed only with the support of a majority in number of the Eligible Scheme Parties present and voting (whether in person or by proxy) on the resolution and whose Accepted Scheme Claims at that time in aggregate constitutes more than one-half of the total Accepted Scheme Claims of all Eligible Scheme Parties present and voting on the resolution.
- 8.11 Any Eligible Scheme Party which is not a natural person must appoint a proxy to attend and vote on its behalf at any or all Eligible Scheme Parties' Meeting and any Eligible Scheme Party may appoint any natural person to be its proxy to attend and vote on its behalf at any or all Eligible Scheme Parties' Meetings. No Eligible Scheme Party shall be entitled to appoint more than one proxy to attend and vote at any Eligible Scheme Parties' Meeting and the proxy shall not be allowed to attend and vote at any Eligible Scheme Parties' Meeting except in the absence of its appointer. An Eligible Scheme Party may revoke the appointment of any person as its proxy by giving written notice thereof to the Scheme Manager.
- 8.12 Any instrument or document appointing any person as proxy of any Eligible Scheme Parties'

Meeting must be in the form and terms prescribed or approved by the Scheme Manager from time to time and shall be delivered to the Scheme Manager at such address as the Scheme Manager may specify not less than 72 hours before the time appointed for any Eligible Scheme Parties' Meeting. The Scheme Manager shall be entitled to reject and disregard whether for any particular Eligible Scheme Parties' Meeting or for all Eligible Scheme Parties' Meetings any instrument or document submitted or delivered in contravention of this Clause 8.12.

- 8.13 The Scheme Manager shall determine whether a proposed modification amendment and/or decision to be taken regarding the Scheme is procedural in nature for the purpose of Clause 8.3 and Clause 8.4. For the avoidance of doubt, any amendments to Clause 4.11, Clause 4.12, and/or Clause 4.13 are amendments that are procedural in nature for the purpose of Clause 8.3 and Clause 8.4.
- 8.14 The Company shall be entitled to receive the notice of and attend an Eligible Scheme Parties' Meeting, but shall not be entitled to vote at any Eligible Scheme Parties' Meeting.

9. TERMINATION OF THE SCHEME

- 9.1 If:
- 9.1.1 the Restructuring Effective Date does not occur on or before the Long-Stop Date;
 - 9.1.2 the Restructuring Agreement and/or Loan Agreement terminates in accordance with their respective terms; or
 - 9.1.3 the Completion Amount to be paid to the Company in accordance with the terms of the Restructuring Agreement is not received by the Company within 30 days after the Restructuring Effective Date,

the terms of and the obligations of the parties under or pursuant to this Scheme shall lapse and all the compromises and arrangements provided by this Scheme and any releases granted pursuant to this Scheme shall be of no effect and shall be construed as if it had never become effective, and the rights and obligations of the Scheme Parties shall not be affected and shall be reinstated and remain in full force and effect.

10. COMPLETION OF THE SCHEME

- 10.1 The implementation and operation of this Scheme shall be deemed to be completed following the end of the Holding Period upon which all duties and responsibilities of the Scheme Manager shall cease.

11. NOTICES

- 11.1 Any notice or other written communication to be given under or in relation to this Scheme (other than any Proof of Claim, which is to be delivered in accordance with the instructions contained therein) shall be given by way of an announcement made on SGXNet or in writing and, in the case of the latter, shall be deemed to have been duly given if it is delivered by hand, sent by courier, pre-paid first class post, airmail or electronic mail to:

- 11.1.1 in the case of the Company:

Hyflux Ltd

80 Bendemeer Road
Hyflux Innovation Centre
Singapore 339949
investor@hyflux.com

11.1.2 in the case of the Scheme Manager:

Scheme Manager – Hyflux Ltd
c/o Ernst & Young Solutions LLP
One Raffles Quay
North Tower, Level 18
Singapore 048583
hyfluxqueries@sg.ey.com

11.1.3 in the case of a Scheme Party, its last known address according to the Company, or, if so directed in writing by that Scheme Party to the Company, the postal or electronic mail address of the persons entitled to receive such notice or written communication on the Scheme Party's behalf; and

11.1.4 in the case of any other person, to any postal or electronic mail address set forth for that person in any written agreement entered into in connection with the Scheme.

11.2 Any notice or written communication to be given under or in relation to this Scheme (other than any Proof of Claim, which is to be delivered in accordance with the instructions contained therein), shall be deemed to have been delivered and served:

11.2.1 if delivered by hand or courier, when actually received provided that, if such receipt occurs after 5:00 pm in the place of receipt, the following Business Day;

11.2.2 if sent by pre-paid first class post or airmail, on the second Business Day after posting if the recipient is in the country of dispatch, otherwise the seventh Business Day after posting;

11.2.3 if sent electronically, when actually received in readable form provided that, if such receipt in readable form occurs after 5:00 pm in the place of receipt, the following Business Day; and

11.2.4 if by advertisement or stock exchange announcement, on the date of publication.

11.3 In proving service, it shall be sufficient proof, in the case of a notice sent by pre-paid first class post or airmail, that the envelope was properly stamped, addressed and placed in the post.

11.4 The accidental omission to send any notice, written communication or other document in accordance with any of Clauses 11.1 to 11.3, or the non-receipt of any such notice by any Scheme Party, shall not affect any part or provision of this Scheme.

11.5 Notwithstanding any provision to the contrary contained in this Scheme, notice to the Noteholders, Perpetual Capital Securities Holders and the Preference Shareholders may be given instead by stock exchange announcement and such notices shall be deemed to have been given on the date of such announcement.

12. COSTS AND EXPENSES

12.1 The Company shall pay, or procure the payment of, in full all costs, charges, expenses and disbursements incurred by it in connection with the negotiation, sanctioning, preparation and implementation of this Scheme as and when they arise, including, but not limited to, any costs incurred by the Chairman of the Scheme Manager in defending any action brought against any of them in connection with any of their duties and responsibilities under this Scheme (save in the case of fraud, gross-negligence or wilful misconduct), the holding of the Scheme Meetings, the costs of obtaining the sanction of the Court and the costs of issuing notices (if any) required by this Scheme.

12.2 The Company shall pay, or procure the payment of, in full, all Professional Advisor Fees seven (7) days before the Settlement Date.

13. CONFLICT & INCONSISTENCY

13.1 In the case of a conflict or inconsistency between the terms of this Scheme and the terms of the Explanatory Statement, the terms of this Scheme shall prevail.

14. SEVERABILITY

14.1 If any provision in this Scheme shall be held to be invalid, illegal or unenforceable, in whole or in part, the provision shall apply with whatever deletion or modification as and only to the extent necessary so that the provision is legal, valid and enforceable and gives effect to the commercial intentions of the Company.

14.2 To the extent it is not possible to delete or modify the provision in whole or in part, under Clause 14.1, then such provision or part of it shall, to the extent that it is invalid, illegal or enforceable, be deemed not to form part of this Scheme and the validity, legality and enforceability of the remainder of this Scheme shall not be affected.

15. GOVERNING LAW AND JURISDICTION

15.1 The operative terms of this Scheme and any non-contractual obligations arising out of or in connection with this Scheme shall be governed by and construed in accordance with the laws of Singapore.

15.2 The Scheme Parties and the Company hereby agree that the courts of Singapore, including the Court shall have exclusive jurisdiction to hear and determine any suit, action or proceeding (the "**Proceedings**") and to settle any dispute which arises out of or in connection with the terms of this Scheme or its implementation or out of any action taken or omitted to be taken under this Scheme or in connection with the administration of this Scheme and for such purposes the Scheme Parties and the Company irrevocably submit to the jurisdiction of the courts of Singapore, including the Court, provided, however, that nothing in this Clause 15.2 and Clause 15.1 shall affect the validity of other provisions determining governing law and jurisdiction as between the Company and the Scheme Parties, whether contained in contract or otherwise. A Scheme Party or any Advisor may take action in any other court of competent jurisdiction in order to enforce a judgment made in its favour in relation to the Proceedings.

15.3 Any dispute arising out of or in connection with the payment of Professional Advisor Fees under Clause 12.2 shall first be submitted for mediation at the SMC in accordance with SMC's Mediation Procedure in force for the time being. Either the Company, or any of the Advisors or Scheme Parties may submit a request to mediate to SMC upon which the other party or parties will be bound to participate in the mediation within fourteen (14) days thereof. Only one (1) mediator shall be appointed by agreement between the parties in dispute, failing which

the sole mediator shall be appointed by the SMC. The mediation will take place in Singapore in the English language and the parties in dispute agree to be bound by any settlement agreement reached. In the event that no settlement is reached between the parties in respect of the subject dispute at such mediation, Clause 15.2 shall apply *in pari materia* to that dispute and for the avoidance of doubt, any relevant Advisor whose Professional Advisor Fees are subject to that dispute may at any time thereafter initiate Proceedings with the Court to settle such dispute.

- 15.4 The terms of this Scheme and the obligations imposed on the Company and the Scheme Parties (and, for the avoidance of doubt, those terms and obligations which may be construed as being imposed on any Scheme Party) hereunder shall take effect subject to any prohibition or condition imposed by applicable law.

**SCHEDULE 1
LIST OF FACILITIES**

The facility letter dated 26 November 2010 issued by BNP Paribas and accepted by the Company and Hydrochem on 14 December 2010.

The facility letter dated 18 January 2012 issued by The Hongkong and Shanghai Banking Corporation Limited and accepted by the Company and Hydrochem as borrowers on 10 February 2012.

The uncommitted credit facilities offered by Chinatrust Commercial Bank Co, Ltd, Singapore Branch on 9 April 2012 and accepted by the Company on 23 April 2012.

The facility letter dated 6 November 2015 issued by Standard Chartered Bank, Singapore Branch and accepted by the Company on 12 November 2015.

The facility letter dated 16 January 2016 issued by United Overseas Bank Limited and accepted by the Company on 31 January 2016.

The facility agreement dated 31 March 2016 entered into between: (i) the Company, as borrower; (ii) Hydrochem, as guarantor; and (iii) BNP Paribas, DBS Bank Ltd and Mizuho Bank Ltd as mandated lead arrangers and bookrunners; with (iv) DBS Bank Ltd acting as agent.

The facility letter dated 19 May 2016 issued by DBS Bank Ltd and accepted by: (i) the Company, as borrower, on 24 May 2016; and (ii) Hydrochem, as guarantor, on 24 May 2016.

The revolving short term loan facility dated 17 August 2016 entered into between (i) the Company, as borrower; and (ii) Bangkok Bank Public Company Limited, as lender.

The facility agreement dated 20 October 2015 entered into between (i) the Company, as borrower; and (ii) Mizuho Bank Ltd, Singapore Branch, as lender.

The amended and restated facility agreement dated 28 October 2016 entered into between (i) the Company, as borrower; and (ii) Mizuho Bank Ltd, Singapore Branch, as lender.

The revolving short term loan facility dated 6 December 2016 entered into between (i) the Company, as borrower; and (ii) Bangkok Bank Public Company Limited, as lender.

SCHEDULE 2
NON-EXHAUSTIVE LIST OF CONTINGENT CLAIMS

Party	Basis for Claim
Algerian Energy Company SpA	Potential dispute under a joint venture agreement dated 28 March 2007
Malakoff Berhad	
Almiyah Attilemçania SpA	Letter of Undertaking dated 3 June 2011
Arab Banking Corporation BSC	Counter Guarantee No ILG/11/20000 Counter Guarantee No ILG/15/20066 Counter Guarantee No ILG/16/20073 Counter Guarantee No ILG/16/20075 Counter Guarantee No ILG/16/20119
BNP Paribas, Singapore Branch	Contre-Garantie nr 00001BGG0901976
DBS Bank Ltd	Banker's Guarantee No 550-02-1173270 Banker's Guarantee No 550-02-1210943 Banker's Guarantee No 550-02-1221496 Banker's Guarantee No 550-02-1381161 Banker's Guarantee No 550-02-1381189
HSBC Institutional Trust Services (Singapore) Limited in its capacity as trustee of Ascendas REIT	Guarantee and Undertaking dated 4 April 2005 Guarantee and Undertaking dated 30 June 2014 Guarantee and Undertaking dated 15 February 2017
Mizuho Bank Ltd, Singapore Branch	Banker's Guarantee No LOD-BDC-009784 Banker's Guarantee No LOD-BDC-010929/010930 only to extent of the Company's share amounting to S\$22,500,000.
RBC Investor Services Trust Singapore Limited in its capacity as trustee of ESR-REIT	Corporate Guarantee dated 13 December 2017
Samsung Engineering Co, Ltd	Corporate Guarantee issued by the Company dated 17 September 2018
Snamprogetti Saudi Arabia Co Ltd	Parent Company Guarantee dated 28 January 2016
Standard Chartered Bank	Performance Bond No 779020462133-R
TuasOne Pte Ltd	TuasOne EPC Contract Parent Company Guarantee (as defined in the Scheme)
Yunnan Water (Hong Kong) Company Limited	Arbitration concerning disputes under a sale and purchase agreement dated 26 October 2016
中国银行股份有限公司天津大港支行	保证合同 编号: 2009年港保字003号

**SCHEDULE 3
SPECIFIED EXCLUDED CLAIMS**

Party	Basis for Claim
BNP Paribas, Singapore Branch	Banker's Guarantee No 000011GN1830394
DBS Bank Ltd	Banker's Guarantee No 550-02-0864917 Security Bonds for Foreign Workers (Domestic and non-Domestic) issued pursuant to the Employment of Foreign Manpower Act (Chapter 91A)
Mizuho Bank Ltd, Singapore Branch	Banker's Guarantee No LOD-GTO-009479 Banker's Guarantee No LOD-GTO-009459
PUB (as defined in the Scheme)	Guarantee made by the Company, as guarantor, for the benefit of PUB dated 4 July 2011
Qurayyat Desalination SAOC	Guarantee dated 28 October 2015
The Hong Kong and Shanghai Banking Corporation Limited	Banker's Guarantee No FNGOCB628508
Tokio Marine Singapore	Security Bonds for Foreign Workers (Domestic and non-Domestic) issued pursuant to the Employment of Foreign Manpower Act (Chapter 91A)
TuasOne Pte Ltd	O&M Contract Parent Company Guarantee issued by (i) the Company and (ii) Mitsubishi Heavy Instructed Ltd dated 12 May 2016 TuasOne EPC Contract (as defined in the Scheme) TuasOne Share Charge (as defined in the Scheme) TuasOne Intercreditor Agreement (as defined in the Scheme)

DATED 26 MAR 2019

**SCHEDULE 4
FORM OF PROOF OF CLAIM**

IN THE HIGH COURT OF THE REPUBLIC OF SINGAPORE

HC/OS ~~XXX~~205/2019

In the Matter of Part VII, Section 210(1) of the Companies Act
(Cap 50)

And

In the Matter of **HYFLUX LTD**
(Singapore UEN No 200002722Z)

... Applicant

SCHEME OF ARRANGEMENT

PURSUANT TO SECTION 210 OF THE COMPANIES ACT (CAP 50, 2006 REV ED)

Between

HYFLUX LTD
(Singapore UEN No. 200002722Z)

And

THE SCHEME PARTIES
(as defined herein)

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1. DEFINITIONS AND INTERPRETATION

- 1.0 In this Scheme, unless inconsistent with the subject or context, the following expressions shall have the following meanings:

“211B Proceedings” means the applications for a moratorium under Section 211B(1) of the Act filed by each of the Company, HE, Hyflux Innovation Centre Pte Ltd, HMM and Hydrochem, *vide* HC/OS 633/2018, HC/OS 634/2018, HC/OS 635/2018, HC/OS 636/2018 and HC/OS 638/2018, respectively, and all associated proceedings therein.

“Accepted” means, in relation to a Scheme Claim, the acceptance by the Chairman of such Claim (or part thereof) for the purposes of determining entitlement to attend and vote at the Scheme Meetings without dispute or, where applicable, the acceptance or determination by the Independent Assessor of such Claim (or part thereof) for such purpose in accordance with the Proof Regulations.

~~**“Account Holder”** means any person recorded directly in the records of CDP as holding an interest in any of the Notes, the Perpetual Capital Securities or the Preference Shares in an account held with CDP either for his or her own account or on behalf of its principal or client.~~

“ACRA” means the Accounting and Corporate Regulatory Authority of Singapore.

“Act” means the Companies Act, Chapter 50 of Singapore.

“Advisor” means any of the professional advisors advising the Group, [PUB](#), the Contingent Claimants, the Facilities Lenders, KfW, the Other Claimants, the Noteholders, the Notes Trustee, the Perpetual Capital Securities Holders, the Perpetual Capital Securities Trustee and/or the Preference Shareholders in connection with the Restructuring. For the avoidance of doubt, Advisors include but are not limited to:

- (a) [in relation to the Contingent Claimants, including but not limited to Clifford Chance Pte Ltd, Linklaters Singapore Pte. Ltd., Maître Naciri Mohamed, Rajah & Tann Singapore LLP and TSMP Law Corporation;](#)
- (b) [in relation to the Facilities Lenders, including but not limited to Shook Lin & Bok LLP, TSMP Law Corporation, Clifford Chance Pte Ltd, Linklaters Singapore Pte. Ltd., Rajah & Tann Singapore LLP;](#)
- (c) ~~(a)~~ in relation to the Informal Steering Committee (Notes), FTI Consulting (Singapore) Pte Ltd, Akin Gump Strauss Hauer & Feld, Akin Gump Strauss Hauer & Feld LLP and BlackOak LLC;
- (d) ~~(b)~~ in relation to the Informal Steering Committee (P&P), Pricewaterhouse Coopers Advisory Services Pte Ltd and Drew & Napier LLC;
- (e) [in relation to KfW, Clifford Chance Pte Ltd;](#)
- (f) [in relation to the Other Claimants, including but not limited to Clifford Chance Pte Ltd, Linklaters Singapore Pte. Ltd., Maître Naciri Mohamed and Rajah & Tann Singapore LLP;](#)
- (g) [in relation to PUB, Allen & Gledhill LLP, Drew & Napier LLC and KPMG Services Pte Ltd;](#)

(h) ~~(e)~~ in relation to the Unsecured Working Group, Borrelli Walsh Limited, Hogan Lovells Lee & Lee and Tan Kok Quan Partnership; and

(i) ~~(d)~~ in relation to the Group, Ernst & Young Solutions LLP, Ernst & Young Corporate Finance Pte Ltd and WongPartnership LLP.

“Affiliates” means, in relation to any person, its current and former direct and indirect Subsidiaries, subsidiary undertakings, parent companies, holding companies, partners, equity holders, members and managing members, affiliated partnerships and any of their respective Affiliates.

“Base Currency Conversion Rate” means the conversion rate of any foreign currency denomination to dollars (S\$) either: (i) as published in The Business Times on [1 March 2019] or (ii) the applicable foreign currency rate which appears on the Currency Converter webpage of the OANDA Corporation’s website at <<https://www.oanda.com/currency/converter/>> on 1 March 2019.

“Book Entry Interest” means:

- (a) in relation to the Notes, a beneficial interest as principal in a Global Note Certificate;
- (b) in relation to the Perpetual Capital Securities, a beneficial interest as principal in the Global Certificate (as defined in the Perpetual Capital Securities Trust Deed); and
- (c) in relation to the Preference Shares, a beneficial interest as principal in the Global Share Certificates,

in each case held through accounts with and shown on records maintained by the CDP.

“Business Day” means a day (other than a Saturday, Sunday or public holiday) on which commercial banks are open for business in Singapore.

“CDP” means The Central Depository (Pte) Limited.

“CDP Account Holder” means a Depositor (which excludes a sub-account holder) who has Notes, Perpetual Capital Securities, or Preference Shares entered against his or her name in the Depository Register (as defined in Section 81SF of the SFA) of CDP. For the avoidance of doubt, the term “Direct Accountholder” used in HC/ORC 1515/2019 refers to a CDP Account Holder.

“Chairman” means the chairman of the Scheme Meetings appointed pursuant to Section 211F(5) of the Act.

“Claim” means any Liability of the Company, together with any of the following matters relating to or arising in respect of such Liability:

- (a) any refinancing, novation, deferral or extension;
- (b) any claim for breach of guarantee, representation, warranty and/or undertaking or an event of default or under any indemnity given under or in connection with any document or agreement evidencing or constituting any other Liability falling within this definition;

- (c) any claim for damages or restitution;

and any amounts which would be included in any of the above but for any discharge, non-provability, unenforceability or non-allowance of those amounts in any insolvency or other proceedings.

"Claim Date" means 25 March 2019.

"Completion Amount" means Completion Amount as defined in the Restructuring Agreement.

"Company" means Hyflux Ltd, a company incorporated in Singapore with registration number 200002722Z, whose registered office is located at 80 Bendemeer Road, Hyflux Innovation Centre, Singapore 339949.

"Conditions Precedent" means the Conditions as defined in the Restructuring Agreement and the Conditions Precedent as defined in the Loan Agreement.

"Constitutional Documents" means the Memorandum and Articles of Association and any other constituent documents of the Company.

"Contingent Claim" means any Claim that is not an Excluded Claim, which, as at the ~~time of the determination of any matter under or in connection with this Scheme~~ Claim Date, is a contingent Liability of the Company which may or may not arise in the future, but in respect of which, as at such time, is not then a legally valid and binding debt of a definite amount then actually due from the Company. A Contingent Claim shall include any Claim contingent Liability of the Company arising under or in respect of the matters set out in Schedule 2 as supplemented, amended and restated from time to time.

"Contingent Claim Crystallisation Challenge" means a written response to a Contingent Claim Crystallisation Notice to be issued by any Unsecured Scheme Party (excluding any Unsecured Scheme Party who as at the date of that Contingent Claim Crystallisation Notice only has a Contingent Claim which has been Extinguished) to the Scheme Manager within seventeen (17) days of the date of the Contingent Claim Crystallisation Notice setting out the following information:

- (a) proof that his or her Unsecured Claim was Accepted; and
- (b) objection(s) to the contents of the subject Contingent Claim Crystallisation Notice, in particular, the reasons as to why the respective Contingent Claim should not be regarded as a legally valid and binding debt of a definite amount then actually due from the Company; and
- (c) any evidence or documents in support of (b) above.

~~The Scheme Manager shall upload each Contingent Claim Crystallisation Challenge into the Data Room within three (3) days of his or her receipt of such Contingent Claim Crystallisation Challenge. For the avoidance of doubt, each Unsecured Scheme Party can only submit one (1) Contingent Claim Crystallisation Challenge in response to a Contingent Claim Crystallisation Notice.~~

"Contingent Claim Crystallisation Determination" means a written determination ~~to be~~

issued by the Scheme Manager to a Contingent Claimant within thirty eight (38) days of receiving a Contingent Claim Crystallisation Notice from that Contingent Claimant stating ~~that whether~~ the Accepted Contingent Claim referred to in ~~the~~a Contingent Claim Crystallisation Notice has been determined by the Scheme Manager to have become a legally valid and binding debt of a definite amount then actually due from the Company. ~~In arriving at his or her determination, the Scheme Manager shall review the contents of the Contingent Claim Crystallisation Notice as well as any Contingent Claim Crystallisation Challenge(s) submitted.~~

~~The Scheme Manager shall upload each Contingent Claim Crystallisation Determination into the Data Room within three (3) days of his or her issuance of such Contingent Claim Crystallisation Determination.~~

"Contingent Claim Crystallisation Notice" means a written notice ~~to be~~ issued by a Contingent Claimant to the Scheme Manager by no later than seven (7) days after the Contingent Claim Expiry Date setting out the following information:

- (a) proof that his or her Contingent Claim was Accepted;
- (b) the basis for the Accepted Contingent Claim becoming a legally valid and binding debt of a definite amount then actually due from the Company on a date no later than the Contingent Claim Expiry Date; and
- (c) any evidence or documents in support of (b) above.

~~The Scheme Manager shall upload each Contingent Claim Crystallisation Notice into the Data Room within three (3) days of his or her receipt of such Contingent Claim Crystallisation Notice.~~

"Contingent Claim Expiry Date" means the date falling two (2) years after the Restructuring Effective Date.

"Contingent Claim Extinguishment Challenge" means a written notice to be issued by the subject Contingent Claimant to the Scheme Manager within fourteen (14) days from the Contingent Claimant's receipt of a Contingent Claim Extinguishment Notice indicating the Contingent Claimant's objection to the Scheme Manager's determination under the Contingent Claim Extinguishment Notice and setting out the reasons for such objection (including any supporting evidence or documents).

~~The Scheme Manager shall upload each Contingent Claim Extinguishment Challenge into the Data Room within three (3) days of his or her receipt of such Contingent Claim Extinguishment Challenge.~~

"Contingent Claim Extinguishment Determination" means a written determination to be issued by the Scheme Manager to a Contingent Claimant within ~~twenty-one~~twenty-one (21) days of receiving a Contingent Claim Extinguishment Challenge from that Contingent Claimant stating whether the objections raised therein have been accepted by the Scheme Manager or whether the Scheme Manager has nonetheless determined that the subject Accepted Contingent Claim is no longer a Liability of the Company on a date no later than the Contingent Claim Expiry Date.

~~The Scheme Manager shall upload each Contingent Claim Extinguishment Determination into the Data Room within three (3) days of his or her issuance of such Contingent Claim Extinguishment Determination.~~

"Contingent Claim Extinguishment Notice" means a written notice ~~to be~~ issued by the Scheme

Manager to a Contingent Claimant by no later than seven (7) days after the Contingent Claim Expiry Date notifying the Contingent Claimant that his or her respective Accepted Contingent Claim has been, as determined by the Scheme Manager, extinguished, waived or compromised or is, for any other reason, no longer a Liability of the Company on a date no later than the Contingent Claim Expiry Date.

~~The Scheme Manager shall upload each Contingent Claim Extinguishment Notice into the Data Room within three (3) days of his or her issuance of such Contingent Claim Extinguishment Notice.~~

"Contingent Claimant" means any person that holds a Contingent Claim.

"Court" means the High Court of Singapore.

"Crystallised" means, in respect of an Accepted Contingent Claim:

~~(a) the issuance of a Contingent Claim Crystallisation Determination under which the subject Accepted Contingent Claim is determined by the Scheme Manager to be a legally valid and binding debt of a definite amount then actually due from the Company; or~~

~~(b) the issuance of a Contingent Claim Crystallisation Notice to which: (i) no Contingent Claim Crystallisation Challenge is issued in response within seventeen (17) days of such Contingent Claim Crystallisation Notice; and (ii) no Contingent Claim Crystallisation Determination is issued within thirty eight (38) days of such Contingent Claim Crystallisation Notice.~~

"Data Room" means the virtual data room to be established by the Scheme Manager within twenty eight (28) days from the Restructuring Effective Date through a service provider of the Scheme Manager's choice. ~~Within fourteen (14) days from the Scheme Effective Date, each Unsecured Scheme Party shall notify the Scheme Manager of the~~

"Data Room Nominees" means two individuals whose relevant information (including electronic mail address) ~~of two individuals whom~~ is provided by each Unsecured Scheme Party to the Scheme Manager ~~shall grant access rights to the Data Room. These individuals will receive automated notifications each time the Scheme Manager uploads a document into the Data Room.~~

"Debt Securities Claims" means the Perpetual Capital Securities Holders Claims and the Preference Shareholders Claims.

"Debt Securities Claims Cash Consideration" means ~~cash of~~ an amount equal to ~~[S\$27,000,000]~~ (i) the Initial Debt Securities Claims Cash Allocation; (ii) the Second Debt Securities Claims Cash Allocation; and (iii) the Final Debt Securities Claims Cash Allocation.

"Debt Securities Claims Equity Consideration" means Shares constituting ~~[9.00%]~~ of the issued and paid up capital in the Company after the New Shares (as defined in the Restructuring Agreement) have been allotted and issued under the Restructuring Agreement.

"Debt Securities Scheme Parties" means the Perpetual Capital Securities Holders and the Preference Shareholders.

"Depositor" means "depositor" under section 81SF of the SFA.

"Eligible Scheme Party" means a Scheme Party who has an Accepted Scheme Claim and who is, at the time where a Eligible Scheme Parties' Meeting is sought to be convened:

- (a) yet to receive all of its Scheme Consideration, and
- (b) where the Scheme Party has an Accepted Contingent Claim, such claim is not Extinguished or Expired.

“Eligible Scheme Parties’ Meeting” means a meeting of the Scheme Parties with Accepted Scheme Claims to consider any amendments to the Scheme that are procedural in nature, including any extension or abridgment of time in connection with anything to be done under the Scheme.

“Eligible Scheme Parties’ Resolution” means a resolution passed at any Eligible Scheme Parties’ Meeting with the support of a majority in number of the Eligible Scheme Parties’ present and voting (whether in person or by proxy) on the resolution and whose Accepted Scheme Claims at that time in aggregate constitutes more than one-half of the total of the Accepted Scheme Claims of all Eligible Scheme Parties present and voting on the resolution.

“Equity Payout Nominee” means any individual who an Unsecured Scheme Party:

- (a) has designated in writing as the recipient of any payout to be made to that Unsecured Scheme Party under Clauses 4.1.2, 4.1.5.2 and 4.1.7.3;
- (b) has acknowledged in writing that making the payout under (a) to would constitute full and final settlement of the payment to be made to that Unsecured Scheme Party under Clauses 4.1.2, 4.1.5.2 and 4.1.7.3; and
- (c) has provided relevant information in relation to that enables making the payout under (a) including details of that individual's valid securities account with CDP,

to (i) Company, (ii) the Scheme Manager and (iii) the Escrow Agent at least fourteen (14) days before any payout is to be made under Clauses 4.1.2, 4.1.5.2 and 4.1.7.3.

“Escrow Account” means the escrow account maintained with the Escrow Agent in accordance with the terms of this Scheme.

“Escrow Agent” means an agent to be appointed by the Scheme Manager for the purposes of managing the Escrow Account in accordance with the terms of this Scheme.

“Escrow Agreement” means the escrow agreement in a form to be agreed with the Advisors of the Unsecured Working Group and the Informal Steering Committee (Notes) to be entered into by and between the Company and the Escrow Agent in relation to the Escrow Account to be managed in accordance with the terms of this Scheme.

“Excluded Claim” means:

- (a) any Scheme Claim (as defined in each of the Hydrochem Scheme, the HMM Scheme and/or the HE Scheme);
- (b) any Claim in respect of Professional Advisor Fees;
- (c) any Claim of the Notes Trustee for its fees and related costs and expenses arising under or in respect of the Notes Trust Deed;

- (d) any Claim of the Perpetual Capital Securities Trustee for its fees and related costs and expenses arising under or in respect of the Perpetual Capital Securities Trust Deed;
- (e) any Claim arising under or in respect of each Finance Document (as defined in the TuasOne Facility) and each Project Document (as defined in the TuasOne Facility), save only for the TuasOne EPC Contract Parent Company Guarantee;
- (f) ~~(e)~~ any Claim of Tuaspring Pte Ltd;
- (g) ~~(f)~~ any Claim arising under or in respect of the MHI Settlement Agreement; or
- ~~(g) any Claim arising under or in respect of the TuasOne Share Charge; or~~
- (h) any Claim arising under or in respect of the matters set out in Schedule 3 as supplemented, amended and restated from time to time.

“Expired Contingent Claim” means any Contingent Claim which:

- (a) is not an Extinguished Contingent Claim within ~~28~~fourty-two (42) days from the Contingent Claim Expiry Date; and
- (b) is not a Crystallised Contingent Claim within fourty-five (45) days from the Contingent Claim Expiry Date.

“Explanatory Statement” means the explanatory statement issued by the Company and dated ~~14~~22 February 2019 relating to this Scheme.

“Extinguished” means, in respect of an Accepted Contingent Claim:

- (a) the issuance of a Contingent Claim Extinguishment Notice to which no Contingent Claim Extinguishment Challenge is received within fourteen (14) days; or
- (b) the issuance of a Contingent Claim Extinguishment Determination within twenty-one (21) days of receiving a Contingent Claim Extinguishment Challenge under which the subject Accepted Contingent Claim is determined by the Scheme Manager to be no longer a Liability of the Company on a date no later than the Contingent Claim Expiry Date.

“Facilities” means the loan agreements, credit agreements, facility letters and all other credit facility documents made between the Company and any bank or financial institution or executed by the Company in favour of any bank or financial institution as set out in Schedule 1.

“Facilities Lender” means each of the lenders under the respective Facilities.

“Facilities Claim” means any Claim of the Facilities Lenders that is not an Excluded Claim arising under or in respect of the Facilities.

“Final Distribution Date” means the date on which all Scheme Consideration shall have been issued and/or distributed (as applicable) to the Scheme Parties.

“Final Debt Securities Claim Cash Allocation” means in respect of the total value of all Accepted Debt Securities Claims, an amount to be calculated in the following manner:

$$\text{(Add)}_{FDSCCA} = \left(\frac{u}{(q - x - y) + u} \times \left(\frac{\sum s + y}{q} \times UCCA - \sum SCCMP \right) \right)$$

where:

$(\frac{1}{q})$

q is the total value of all Accepted Unsecured Claims;

$(\frac{1}{\sum s})$

$\sum s$ is the sum of all the values of the Accepted Contingent Claims that are Extinguished after the date falling one (1) year after the Restructuring Effective Date and within the Contingent Claim Expiry Date

$(\frac{1}{u})$

u is the total value of all Accepted Debt Securities Claims;

$(\frac{1}{x})$

x is the total value of all Accepted Contingent Claims that have been Extinguished within the Contingent Claim Expiry Date;

$(\frac{1}{y})$

y is the total value of all Accepted Contingent Claims that become Expired Contingent Claims after the Contingent Claim Expiry Date;

$(\text{Add})_{\sum SCCMP}$

$\sum SCCMP$ is the sum of all Second Contingent Claim Management Payouts

$UCCA$ is the Unsecured Claims Cash Allocation; and

$FDSCCA$ is the Final Debt Securities Claims Cash Allocation, to be rounded down to the nearest cent.

“Final Preference Shares Cash Allocation” means cash allocated from the Final Debt Securities Claim Cash Allocation to be calculated in the following manner:

$$\text{(Add)}_{FPSCA} = \frac{b}{a + b} \times FDSCCA$$

where:

a is the total dollar value of all Accepted Perpetual Capital Securities Claims;

b is the total dollar value of all Accepted Preference Shares Claims;

$FDSCCA$ is the Final Debt Securities Claim Cash Allocation; and

$FPSCA$ is the Final Preference Shares Cash Allocation.

“Final Preference Shares Cash Payout” means in respect of each Accepted Preference Shares Claim, a cash payout to be calculated in the following manner:

$$(Add)_P = \frac{e}{f} \times FPSCA$$

where:

e is the number of Preference Shares held by the Preference Shareholder in respect of the subject Accepted Preference Shares Claim;

f is the total number of Preference Shares in respect of all Accepted Preference Shares Claims;

FPSCA is the Final Preference Shares Cash Allocation; and

FPSCP is the Final Preference Shares Cash Payout for the subject Accepted Preference Shares Claim, to be rounded down to the nearest cent.

“Final Perpetual Capital Securities Cash Allocation” means cash allocated from the Final Debt Securities Claims Cash Allocation to be calculated in the following manner:

$$(Add)_{CA} = \frac{a}{a+b} \times FDSCCA$$

where:

a is the total dollar value of all Accepted Perpetual Capital Securities Claims;

b is the total dollar value of all Accepted Preference Shares Claims;

FDSCCA is the Final Debt Securities Claims Cash Allocation; and

FPCSCA is the Final Perpetual Capital Securities Cash Allocation.

“Final Perpetual Capital Securities Cash Payout” means in respect of each Accepted Perpetual Capital Securities Claim, a cash payout to be calculated in the following manner:

$$(Add)_{CP} = \frac{c}{d} \times FPCSCA$$

where:

c is the number of units of Perpetual Capital Securities held by the Perpetual Capital Securities Holder in respect of the subject Accepted Perpetual Capital Securities Claim;

d is the total number of units of Perpetual Capital Securities in respect of all Accepted Perpetual Capital Securities Claims;

FPCSCA is the Final Perpetual Capital Securities Cash Allocation; and

FPCSCP is the Final Perpetual Capital Securities Cash Payout for the subject Accepted Perpetual Capital Securities Claim, to be rounded down to the nearest cent.

“Final Unsecured Claim Cash Payout” means in respect of each Accepted Unsecured Claim

that is not an Extinguished Contingent Claim or an Expired Contingent Claim after the Contingent Claim Expiry Date, a cash payout to be calculated in the following manner:

$$FUCEP = \left(\frac{p}{q-x-y} \times (UCCC - \sum FCCMP - \sum UCCA - \sum SCCMP) \right) - IUCCP - SUCCP$$

where:

p is the value of the subject Accepted Unsecured Claim that is not an Extinguished Contingent Claim or an Expired Contingent Claim after the Contingent Claim Expiry Date;

q is the total value of all Accepted Unsecured Claims;

$\sum s$ is the ~~total value~~ sum of all the values of the Accepted Contingent Claims that ~~have been~~ are Extinguished after the date falling one (1) year after the Restructuring Effective Date and within the Contingent Claim Expiry Date;

u is the total value of all Accepted Debt Securities Claims;

x is the total value of all Accepted Contingent Claims that ~~become Expired Contingent Claims after~~ have been Extinguished within the Contingent Claim Expiry Date;

~~UCCC is the Unsecured Claims Cash Consideration;~~

~~$\sum FCCMP$ is the sum of all First Contingent Claim Management Payouts;~~
is the total value of all Accepted Contingent Claims that become Expired Contingent Claims after the Contingent Claim Expiry Date;

$\sum SCCMP$ is the sum of all Second Contingent Claim Management Payouts;

~~$IUCCP/UCCA$ is the Initial Unsecured Claim Claims Cash Payout for the subject Accepted Unsecured Claim, to be rounded down to the nearest cent~~ Allocation; and

~~$SUCCP$ is the Second Unsecured Claim Cash Payout for the subject Accepted Unsecured Claim, to be rounded down to the nearest cent; and~~

$FUCEP$ is the Final Unsecured Claim Cash Payout for the subject Accepted Unsecured Claim, to be rounded down to the nearest cent.

“Final Unsecured Claim Equity Payout” means in respect of each Accepted Unsecured Claim that is not an Extinguished Contingent Claim or an Expired Contingent Claim after the Contingent Claim Expiry Date, an allotment and issuance of Shares to be calculated in the following manner:

$$FUCEP = \left(\frac{p}{q-x-y} \times UCEC \right) - IUCEP - SUCEP$$

where:

p is the value of the subject Accepted Unsecured Claim that is not an Extinguished Contingent Claim or an Expired Contingent Claim after the Contingent Claim Expiry Date;

q is the total value of all Accepted Unsecured Claims;

x is the total value of all Accepted Contingent Claims that have been Extinguished within the Contingent Claim Expiry Date;

y is the total value of all Accepted Contingent Claims that become Expired Contingent Claims after the Contingent Claim Expiry Date;

$UCEC$ is the Unsecured Claims Equity Consideration;

$IUCEP$ is the Initial Unsecured Claim Equity Payout for the subject Accepted Unsecured Claim, to be rounded down to the nearest whole number;

$SUCEP$ is the Second Unsecured Claim Equity Payout for the subject Accepted Unsecured Claim, to be rounded down to the nearest whole number; and

$FUCEP$ is the Final Unsecured Claim Equity Payout for the subject Accepted Unsecured Claim, to be rounded down to the nearest whole number.

"First Contingent Claim Management Payout" means in respect of each Accepted Contingent Claim that is Extinguished within the date falling one (1) year after the Restructuring Effective Date, a cash payout to be calculated in the following manner:

$$FCCMP = 10\% \times \frac{r}{q} \times UCCA$$

where:

r is the value of the subject Accepted Contingent Claim that is Extinguished within the date falling one (1) year after the Restructuring Effective Date;

q is the total value of all Accepted Unsecured Claims;

~~UCCG~~UCCA is the Unsecured Claims Cash ~~Consideration~~Allocation; and

$FCCMP$ is the First Contingent Claim Management Payout for the subject Accepted Contingent Claim, to be rounded down to the nearest cent.

"Global Note Certificate" means a global certificate or global note in registered form representing the entire issue of the Series 008 Notes, the Series 009 Notes or the Series 010 Notes, as applicable.

"Global Share Certificates" means global share certificates in registered form representing the entire issue of the Preference Shares.

"Group" means the Company and its Subsidiaries.

"HE" means Hyflux Engineering Pte Ltd, a wholly-owned subsidiary of the Company incorporated in Singapore with registration number 200009792D whose registered office is

located at 80 Bendemeer Road, Hyflux Innovation Centre, Singapore 339949.

“HE Scheme” means the scheme of arrangement proposed by HE under Section 210 of the Act in its present form or with or subject to any modifications, additions or conditions approved or imposed by the Court or approved in accordance with its terms.

“HMM” means Hyflux Membrane Manufacturing (S) Pte Ltd, a wholly-owned subsidiary of the Company incorporated in Singapore with registration number 200702494M whose registered office is located at 80 Bendemeer Road, Hyflux Innovation Centre, Singapore 339949.

“HMM Scheme” means the scheme of arrangement proposed by HMM under Section 210 of the Act in its present form or with or subject to any modifications, additions or conditions approved or imposed by the Court or approved in accordance with its terms.

“Holding Period” means the period commencing on and from the Restructuring Effective Date and ending on the date falling six (6) months after the Final Distribution Date.

“HS Claim” means any Claim(s) of HyfluxShop Holdings Ltd or a Subsidiary of HyfluxShop Holdings Ltd that is not an Excluded Claim.

“HS Claimant” means any person that holds a HS Claim.

“Hydrochem” means Hydrochem (S) Pte Ltd, a wholly-owned subsidiary of the Company incorporated in Singapore with registration number 198902670Z, whose registered office is located at 80 Bendemeer Road, Hyflux Innovation Centre, Singapore 339949.

“Hydrochem Scheme” means the scheme of arrangement proposed by Hydrochem under Section 210 of the Act in its present form or with or subject to any modifications, additions or conditions approved or imposed by the Court or approved in accordance with its terms.

“Independent Assessor” means an independent assessor appointed in accordance with the Proof Regulations.

“Informal Steering Committee (Notes)” means the informal steering committee for Noteholders established by SIAS in connection with the Restructuring that is represented by FTI Consulting (Singapore) Pte Ltd, Akin Gump Strauss Hauer & Feld, Akin Gump Strauss Hauer & Feld LLP and BlackOak LLC.

“Informal Steering Committee (P&P)” means the informal steering committee for Perpetual Capital Securities Holders and Preference Shareholders established by SIAS in connection with the Restructuring that is represented by PricewaterhouseCoopers Advisory Services Pte Ltd and Drew & Napier LLC.

“Initial Debt Securities Claims Cash Allocation” means cash of an amount equal to S\$27,000,000.

“Initial Perpetual Capital Securities Cash Allocation” means cash allocated from the Initial Debt Securities Claims Cash Allocation to be calculated in the following manner:

$$(Add) \cdot A = \frac{a}{a + b} \times IDSCCA$$

where:

a is the total dollar value of all Accepted Perpetual Capital Securities Claims;

b is the total dollar value of all Accepted Preference Shares Claims;

IDSCCA is the Initial Debt Securities Claims Cash Allocation; and

IPCSCA is the Initial Perpetual Capital Securities Cash Allocation.

“Initial Perpetual Capital Securities Cash Payout” means in respect of each Accepted Perpetual Capital Securities Claim, an amount to be calculated in the following manner:

$$(Add)_{IPCSP} = \frac{c}{d} \times IPCSCA$$

where:

c is the number of units of Perpetual Capital Securities held by the Perpetual Capital Securities Holder in respect of the subject Accepted Perpetual Capital Securities Claim;

d is the total number of units of Perpetual Capital Securities in respect of all Accepted Perpetual Capital Securities Claims;

IPCSCA is the Initial Perpetual Capital Securities Cash Allocation; and

IPCSCP is the Initial Perpetual Capital Securities Cash Payout for the subject Accepted Perpetual Capital Securities Claim, to be rounded down to the nearest cent.

“Initial Preference Shares Cash Allocation” means cash allocated from the Initial Debt Securities Claims Cash Allocation to be calculated in the following manner:

$$(Add)_{IPSCA} = \frac{b}{a + b} \times IDSCCA$$

where:

a is the total dollar value of all Accepted Perpetual Capital Securities Claims;

b is the total dollar value of all Accepted Preference Shares Claims;

IDSCCA is the Initial Debt Securities Claims Cash Allocation; and

IPSCA is the Initial Preference Shares Cash Allocation.

“Initial Preference Shares Cash Payout” means in respect of each Accepted Preference Shares Claim, an amount to be calculated in the following manner:

$$(Add)_{IPSCP} = \frac{e}{f} \times IPSCA$$

where:

e is the number of Preference Shares held by the Preference Shareholder in respect of the

subject Accepted Preference Shares Claim;

f is the total number of Preference Shares in respect of all Accepted Preference Shares Claims;

$IPSCA$ is the Initial Preference Shares Cash Allocation; and

$IPSCP$ is the Initial Preference Shares Cash Payout for the subject Accepted Preference Shares Claim, to be rounded down to the nearest cent.

“Initial Unsecured Claim Cash Payout” means in respect of each Accepted Unsecured Claim, a cash payout to be calculated in the following manner:

$$IUCCP = \frac{p}{q} \times UCCA$$

where:

p is the value of the subject Accepted Unsecured Claim;

q is the total value of all Accepted Unsecured Claims;

~~UCCG~~UCCA is the Unsecured Claims Cash ~~Consideration~~Allocation; and

$IUCCP$ is the Initial Unsecured Claim Cash Payout for the subject Accepted Unsecured Claim, to be rounded down to the nearest cent.

“Initial Unsecured Claim Equity Payout” means in respect of each Accepted Unsecured Claim, an allotment and issuance of Shares to be calculated in the following manner:

$$IUCEP = \frac{p}{q} \times UCEC$$

where:

p is the value of the subject Accepted Unsecured Claim;

q is the total value of all Accepted Unsecured Claims;

$UCEC$ is the Unsecured Claims Equity Consideration; and

$IUCEP$ is the Initial Unsecured Claim Equity Payout for the subject Accepted Unsecured Claim, to be rounded down to the nearest whole number.

“Intercompany Claim” means any Claim of a Subsidiary of the Company that is: (i) not an Excluded Claim; and (ii) not a Claim arising under or in respect of the TuasOne EPC Contract Parent Company Guarantee.

“Intercompany Claimant” means any person that holds an Intercompany Claim.


“Investor” means SM Investments Pte Ltd.

“**KfW**” means KfW IPEX-Bank GmbH.


“**KfW Facility**” means the facility agreement dated 29 May 2013 entered into between: (i) Hydrochem, as borrower; (ii) the Company, as guarantor; and (iii) KfW, as lender.

“**KfW Claim**” means any Claim of KfW that is not an Excluded Claim arising under or in respect of the KfW Facility.

“**Liability**” or “**Liabilities**” means any debt, liability or obligation whether it is fixed or undetermined, whether incurred solely or jointly or as principal or surety or in any other capacity, whether or not it involves the payment of money or performance of an act or obligation and whether it arises at common law, in equity or by statute, in Singapore or any other jurisdiction, or in any manner whatsoever. For the avoidance of doubt, Liability includes any debt, liability or obligation that is present, future, prospective, actual or contingent.

“**Loan Agreement**” means the shareholder’s loan agreement dated 18 October 2018 entered into between: (i) the Company, as borrower; and (ii) the Investor, as lender, and which is set out at Appendix C of the Explanatory Statement.

“**Long-Stop Date**” means the Long-Stop Date (as defined in the Restructuring Agreement) or such later date agreed between the Company and the Investor.

“**MHI Settlement Agreement**” means the settlement agreement dated 15 February 2019 entered into between: (i) Mitsubishi Heavy Industries, Ltd; (ii) Mitsubishi Heavy Industries Asia Pacific Pte Ltd; (iii) Mitsubishi Heavy Industries Environmental & Chemical Engineering Co, Ltd; (iv) the Company; (v) HE; (vi) Hydrochem; (vii) TuasOne Pte Ltd; and (viii) TuasOne Environmental Engineering Pte Ltd, a copy of which is set out at Appendix F of the Explanatory Statement.

“**Non-Group Release Liability**” means any Liability of an entity in the Group other than the Company:

- (a) in relation to the arbitration commenced by Yunnan Water (Hong Kong) Company Limited concerning disputes under a sale and purchase agreement dated 26 October 2016.;
- (b) in relation to the Parent Company Guarantee dated 28 January 2016 granted to Snamprogetti Saudi Arabia Co Ltd;
- (c) in relation to the TuasOne EPC Contract Parent Company Guarantee;
- (d) in relation to the facility agreement dated 11 March 2009 entered into between (i) Bank of China, Tianjin Dagang Branch as lender and (ii) Tianjin Dagang New Spring Co., Ltd., as borrower.

“**Noteholders**” means the Series 008 Noteholders, the Series 009 Noteholders and the Series 010 Noteholders.

“**Notes**” means the Series 008 Notes, the Series 009 Notes and the Series 010 Notes.

“**Notes Claim**” means any Claim of the Noteholders that is not an Excluded Claim arising

under or in respect of the Notes.

“Notes Trust Deed” means the trust deed dated 3 July 2008 entered into between: (i) the Company, as issuer; and (ii) the Notes Trustee, as trustee.

“Notes Trustee” means DBS Trustee Limited.

“Other Claim” means any Claim other than a Contingent Claim, an Excluded Claim, a Facilities Claim, the KfW Claim, a Subordinated Claim, a Notes Claim, a Perpetual Capital Securities Claim or a Preference Shares Claim.

“Other Claimant” means any person that holds an Other Claim.

“Perpetual Capital Securities” means the 6.00% perpetual capital securities (ISIN: SG31B4000005) issued by the Company and constituted pursuant to the Perpetual Securities Trust Deed, of which S\$500,000,000 in aggregate principal amount are outstanding as at the date of the Explanatory Statement.

“Perpetual Capital Securities Holder” means a person holding a Book Entry Interest in the Perpetual Capital Securities.

~~**“Perpetual Capital Securities Cash Consideration”** means cash allocated from the Debt Securities Claims Cash Consideration to be calculated in the following manner:~~

~~$$(Del)C = \frac{a}{a + b} \times DSCCC$$~~

~~where:~~

~~a is the total dollar value of all Accepted Perpetual Capital Securities Claims;~~

~~b is the total dollar value of all Accepted Preference Shares Claims;~~

~~DSCCC is the Debt Securities Claims Cash Consideration; and~~

~~PCSCC is the Perpetual Capital Securities Cash Consideration.~~

~~**“Perpetual Capital Securities Cash Payout”** means in respect of each Accepted Perpetual Capital Securities Claim, a cash payout to be calculated in the following manner:~~

~~$$(Del)CP = \frac{c}{d} \times PCSCC$$~~

~~where:~~

~~c is the number of units of Perpetual Capital Securities held by the Perpetual Capital Securities Holder in respect of the subject Accepted Perpetual Capital Securities Claim;~~

~~d is the total number of units of Perpetual Capital Securities in respect of all Accepted Perpetual Capital Securities Claims;~~

~~PCSCC is the Perpetual Capital Securities Cash Consideration; and~~

~~PCSCP is the Perpetual Capital Securities Cash Payout for the subject Accepted Perpetual Capital Securities Claim, to be rounded down to the nearest cent.~~

“Perpetual Capital Securities Claim” means any Claim of a Perpetual Capital Securities Holder that is not an Excluded Claim arising under or in respect of the Perpetual Capital Securities.

“Perpetual Capital Securities Equity Consideration” means Shares allocated from the Debt Securities Claims Equity Consideration to be calculated in the following manner:

$$PCSEC = \frac{a}{a + b} \times DSCEC$$

where:

a is the total dollar value of all Accepted Perpetual Capital Securities Claims;

b is the total dollar value of all Accepted Preference Shares Claims;

$DSCEC$ is the Debt Securities Claims Equity Consideration; and

$PCSEC$ is the Perpetual Capital Securities Equity Consideration.

“Perpetual Capital Securities Equity Payout” means in respect of each Accepted Perpetual Capital Securities Claim, an allotment and issuance of Shares to be calculated in the following manner:

$$PCSEP = \frac{c}{d} \times PCSEC$$

where:

c is the number of units of Perpetual Capital Securities held by the Perpetual Capital Securities Holder in respect of the subject Accepted Perpetual Capital Securities Claim;

d is the total number of units of Perpetual Capital Securities in respect of all Accepted Perpetual Capital Securities Claims;

$PCSEC$ is the Perpetual Capital Securities Equity Consideration; and

$PCSEP$ is the Perpetual Capital Securities Equity Payout for the subject Accepted Perpetual Capital Securities Claim, to be rounded down to the nearest whole number.

“Perpetual Capital Securities Trust Deed” means the trust deed dated 27 May 2016 entered into between: (i) the Company, as issuer; and (ii) the Perpetual Capital Securities Trustee, as trustee.

“Perpetual Capital Securities Trustee” means Perpetual (Asia) Limited.

“Personnel” means, in relation to any person, its current and former officers, partners, directors, employees, staff, agents, counsel and other representatives.

“Preference Shareholder” means a person holding a Book Entry Interest in the Preference Shares.

“Preference Shares” means the S\$400,000,000 8.00% cumulative non-convertible non-voting perpetual class A preference shares (ISIN: SG2D17969577) issued by the Company.

~~**“Preference Shares Cash Consideration”** means cash allocated from the Debt Securities Claims Cash Consideration to be calculated in the following manner:~~

~~$$PSCC = \frac{b}{a + b} \times DSCCC$$~~

~~where:~~

~~a is the total dollar value of all Accepted Perpetual Capital Securities Claims;~~

~~b is the total dollar value of all Accepted Preference Shares Claims;~~

~~DSCCC is the Debt Securities Claims Cash Consideration; and
PSCC is the Preference Shares Cash Consideration.~~

~~“Preference Shares Cash Payout” means in respect of each Accepted Preference Shares Claim, a cash payout to be calculated in the following manner:~~

$$\text{PSCP} = \frac{e}{f} \times \text{PSCC}$$

~~where:~~

~~e is the number of Preference Shares held by the Preference Shareholder in respect of the subject Accepted Preference Shares Claim;~~

~~f is the total number of Preference Shares in respect of all Accepted Preference Shares Claims;~~

~~PSCC is the Preference Shares Cash Consideration; and~~

~~PSCP is the Preference Shares Cash Payout for the subject Accepted Preference Shares Claim, to be rounded down to the nearest cent.~~

“Preference Shares Claim” means any Claim of a Preference Shareholder that is not an Excluded Claim arising under or in respect of the Preference Shares.

“Preference Shares Equity Consideration” means Shares allocated from the Debt Securities Claims Equity Consideration to be calculated in the following manner:

$$\text{PSEC} = \frac{b}{a + b} \times \text{DSCEC}$$

where:

a is the total dollar value of all Accepted Perpetual Capital Securities Claims;

b is the total dollar value of all Accepted Preference Shares Claims;

DSCEC is the Debt Securities Claims Equity Consideration; and

PSEC is the Preference Shares Equity Consideration.

“Preference Shares Equity Payout” means in respect of each Accepted Preference Shares Claim, an allotment and issuance of Shares to be calculated in the following manner:

$$\text{PSEP} = \frac{e}{f} \times \text{PSEC}$$

where:

e is the number of Preference Shares held by the Preference Shareholder in respect of the subject Accepted Preference Shares Claim;

f is the total number of Preference Shares in respect of all Accepted Preference Shares Claims;

PSEC is the Preference Shares Equity Consideration; and

PSEP is the Preference Shares Equity Payout for the subject Accepted Preference Shares Claim, to be rounded down to the nearest whole number.

“Professional Advisor Fees” means any professional advisory fees and disbursements of an Advisor reasonably incurred in connection with the Restructuring, which is to be paid by the Company seven (7) days before the Settlement Date.

“Proof of Claim” means a proof setting out the claim of a Scheme Party substantially in the form set out at Schedule 4 of this Scheme and Appendix [FID](#) of the Explanatory Statement.

“Proof Regulations” means the Companies (Proofs of Debt in Schemes of Arrangement) Regulation 2017 (No S 245) of Singapore.

“PUB” means the [Public Utilities Board of Singapore](#).

“Record Date” means 5:00 pm on 1 March 2019, being the latest time a Proof of Claim must be submitted to the Chairman to be assessed for the purposes of voting on this Scheme and determining the entitlements of the Scheme Parties to the Scheme Consideration.

“Restructuring” means the financial and corporate restructuring of the Group in accordance with and as implemented through the 211B Proceedings, the HE Scheme, the HMM Scheme, the Hydrochem Scheme, the Scheme and the Restructuring Documents.

“Restructuring Agreement” means the restructuring agreement dated 18 October 2018 entered into between: (i) the Company, as the target company; and (ii) the Investor, as the investor, and which is set out at Appendix [FIB](#) of the Explanatory Statement.

“Restructuring Documents” means the Restructuring Agreement and the Loan Agreement.

“Restructuring Effective Date” means [the](#) later of: (i) the date on which all of the Conditions Precedent (other than Clause 5.1(d) of the Restructuring Agreement) are fulfilled or waived; and (ii) the Scheme Effective Date.

“Scheme” means the scheme of arrangement proposed by the Company under Section 210 of the Act in its present form or with or subject to any modifications, additions or conditions approved or imposed by the Court or approved in accordance with its terms.

“Scheme Consideration” means, in respect of:

- (a) the Accepted Debt Securities Claims: (i) the Debt Securities Claims Cash Consideration; and (ii) the Debt Securities Claims Equity Consideration; and
- (b) the Accepted Unsecured Claims: (i) the Unsecured Claims Cash Consideration; and (ii) the Unsecured Claims Equity Consideration;
- (c) the Accepted Subordinated Party Claims: the Subordinated Claims Cash Consideration.

“Scheme Claims” means the Debt Securities Claims, the Unsecured Claims and the Subordinated Claims.

“Scheme Effective Date” means the date on which the Court order sanctioning the Scheme under the Act is lodged with ACRA.

“Scheme Manager” means the person appointed from time to time by the Court to administer

the Scheme, which may include Ms Angela Ee and Mr Glenn Peters, both of Ernst & Young Solutions LLP.

“Scheme Meetings” means the meetings of the Scheme Parties to vote on the Scheme convened pursuant to an order of the Court (and any meetings called following an adjournment).

“Scheme Parties” means the Debt Securities Scheme Parties, the Unsecured Scheme Parties and the Subordinated Scheme Parties.

“Second Contingent Claim Management Payout” means in respect of each Accepted Contingent Claim that is Extinguished after the date falling one (1) year after the Restructuring Effective Date and within the Contingent Claim Expiry Date, a cash payout to be calculated in the following manner:

$$^{(Mod)}_{SCCMP} = 10\% \times \frac{s}{q} \times UCCA$$

where:

s is the value of the subject Accepted Contingent Claim that is Extinguished after the date falling one (1) year after the Restructuring Effective Date and within the Contingent Claim Expiry Date;

q is the total value of all Accepted Unsecured Claims;

~~UCCC~~UCCA is the Unsecured Claims Cash ~~Consideration~~Allocation; and

SCCMP is the Second Contingent Claim Management Payout for the subject Accepted Contingent Claim, to be rounded down to the nearest cent.

“Second Debt Securities Claims Cash Allocation” means in respect of the total value of all Accepted Debt Securities Claims, an amount to be calculated in the following manner:

$$^{(Add)}_{SDSCCA} = \left(\frac{u}{(q - t) + u} \times \left(\frac{\sum r}{q} \times UCCA - \sum FCCMP \right) \right)$$

where:

q is the total value of all Accepted Unsecured Claims;

$\sum r$ is the sum of the values of all Accepted Contingent Claims that are Extinguished within the date falling one (1) year after the Restructuring Effective Date;

t is the total value of all Accepted Contingent Claims that have been Extinguished within one (1) year after the Restructuring Effective Date;

(4)

"u is the total value of all Accepted Debt Securities Claims;

(Add)

$\sum FCCMP$ is the sum of all First Contingent Claim Management Payouts;

UCCA is the Unsecured Claims Cash Allocation; and

SDSCCA is the Second Debt Securities Claims Cash Allocation, to be rounded down to the nearest cent.

"Second Perpetual Capital Securities Cash Allocation" means cash allocated from the Second Debt Securities Claims Cash Allocation to be calculated in the following manner:

$$(Add)_{CA} = \frac{a}{a + b} \times SDSCCA$$

where:

a is the total dollar value of all Accepted Perpetual Capital Securities Claims;

b is the total dollar value of all Accepted Preference Shares Claims;

SDSCCA is the Second Debt Securities Claims Cash Allocation; and

SPCSCA is the Second Perpetual Capital Securities Cash Allocation.

"Second Perpetual Capital Securities Cash Payout" means in respect of each Accepted Perpetual Capital Securities Claim, a cash payout to be calculated in the following manner:

$$(Add)_{CP} = \frac{c}{d} \times SPCSCA$$

where:

c is the number of units of Perpetual Capital Securities held by the Perpetual Capital Securities Holder in respect of the subject Accepted Perpetual Capital Securities Claim;

d is the total number of units of Perpetual Capital Securities in respect of all Accepted Perpetual Capital Securities Claims;

SPCSCA is the Second Perpetual Capital Securities Cash Allocation; and

SPCSCP is the Second Perpetual Capital Securities Cash Payout for the subject Accepted Perpetual Capital Securities Claim, to be rounded down to the nearest cent.

"Second Preference Shares Cash Allocation" means cash allocated from the Second Debt Securities Claims Cash Allocation to be calculated in the following manner:

$$(Add)_{PSCA} = \frac{b}{a + b} \times SDSCCA$$

where:

a is the total dollar value of all Accepted Perpetual Capital Securities Claims;

b is the total dollar value of all Accepted Preference Shares Claims;

$SDSCCA$ is the Second Debt Securities Claims Cash Allocation; and

$SPSCA$ is the Second Preference Shares Cash Allocation.

“Second Preference Shares Cash Payout” means in respect of each Accepted Preference Shares Claim, a cash payout to be calculated in the following manner:

$$(Add)_P = \frac{e}{f} \times SPSCA$$

where:

e is the number of Preference Shares held by the Preference Shareholder in respect of the subject Accepted Preference Shares Claim;

f is the total number of Preference Shares in respect of all Accepted Preference Shares Claims;

$SPSCA$ is the Second Preference Shares Cash Allocation; and

$SPSCP$ is the Second Preference Shares Cash Payout for the subject Accepted Preference Shares Claim, to be rounded down to the nearest cent.

“Second Unsecured Claim Cash Payout” means in respect of each Accepted Unsecured Claim that is not an Extinguished Contingent Claim within one (1) year after the Restructuring Effective Date, a cash payout to be calculated in the following manner:

$$(Mod)_{Unsec} = \left(\frac{p}{(q-t) + u} \times (UCCP - \left(\frac{\sum_t}{q} \times \sum_t FCCMP \right) - \sum_t FCCMP) \right)$$

where:

p is the value of the subject Accepted Unsecured Claim that is not an Extinguished Contingent Claim within one (1) year after the Restructuring Effective Date;

q is the total value of all Accepted Unsecured Claims;

\sum_t is the sum of the values of all Accepted Contingent Claims that are Extinguished within the date falling one (1) year after the Restructuring Effective Date;

t is the total value of all Accepted Contingent Claims that have been Extinguished within one (1) year after the Restructuring Effective Date;

~~UCCC~~ is the ~~Unsecured~~ total value of all Accepted Debt Securities Claims ~~Cash Consideration~~;

$\Sigma FCCMP$ is the sum of all First Contingent Claim Management Payouts;

~~IUCPUCCA~~ is the ~~Initial~~ Unsecured Claim Claims Cash ~~Payout for the subject Accepted Unsecured Claim, to be rounded down to the nearest cent~~ Allocation; and

SUCCP is the Second Unsecured Claim Cash Payout for the subject Accepted Unsecured Claim, to be rounded down to the nearest cent.

“Second Unsecured Claim Equity Payout” means in respect of each Accepted Unsecured Claim that is not an Extinguished Contingent Claim within one (1) year after the Restructuring Effective Date, an allotment and issuance of Shares to be calculated in the following manner:

$$SUCEP = \left(\frac{p}{q - t} \times UCEC \right) - IUCEP$$

where:

p is the value of the subject Accepted Unsecured Claim that is not an Extinguished Contingent Claim within one (1) year after the Restructuring Effective Date;

q is the total value of all Accepted Unsecured Claims;

t is the total value of all Accepted Contingent Claims that have been Extinguished within one (1) year after the Restructuring Effective Date;

UCEC is the Unsecured Claims Equity Consideration;

IUCEP is the Initial Unsecured Claim Equity Payout for the subject Accepted Unsecured Claim, to be rounded down to the nearest whole number; and

SUCEP is the Second Unsecured Claim Equity Payout for the subject Accepted Unsecured Claim, to be rounded down to the nearest whole number.

“Securities” means the Notes, the Perpetual Securities and the Preference Shares.

“Series 008 Notes” means the 4.25% notes due 2018 (ISIN: SG6Q70974010) issued by the Company and constituted pursuant to the Notes Trust Deed, of which S\$100,000,000 in aggregate principal amount is outstanding as at the date of the Explanatory Statement.

“Series 008 Noteholders” means persons holding a Book Entry Interest in the Series 008 Notes.

“Series 009 Notes” means the 4.60% notes due 2019 (ISIN: SG6Q77974112) issued by the Company and constituted pursuant to the Notes Trust Deed, of which S\$65,000,000 in aggregate principal amount is outstanding as at the date of the Explanatory Statement.

“Series 009 Noteholders” means persons holding a Book Entry Interest in the Series 009

Notes.

“Series 010 Notes” means the 4.20% notes due 2019 (ISIN: SG6W23985057) issued by the Company and constituted pursuant to the Notes Trust Deed, of which S\$100,000,000 in aggregate principal amount is outstanding as at the date of the Explanatory Statement.

“Series 010 Noteholders” means persons holding a Book Entry Interest in the Series 010 Notes.

“Settlement Date” means the earlier of: (i) the date falling on or before ~~twenty-eight~~twenty-eight (28) days after the ~~Completion~~Restructuring Effective Date, provided that Completion (as defined in the Restructuring Agreement) has occurred prior to such date; and (ii) the date falling twenty-one (21) days after the date the Completion Amount is received by the Company.

“SFA” means the Securities and Futures Act, Chapter 289 of Singapore.

“SGXNet” means the online announcement platform hosted by SGX-ST.

“SGX-ST” means the Singapore Exchange Securities Trading Limited.

“Shares” means ordinary shares in the capital of the Company.

“SIAS” means the Securities Investors Association (Singapore).

“Singapore” means the Republic of Singapore.

“SMC” means the Singapore Mediation Centre.

“Subordinated Claim” means any Intercompany Claim and any HS Claim.

“Subordinated Claims Cash Consideration” means cash of an amount equal to the total sum of all Subordinated Claim Cash Payouts.

“Subordinated Claim Cash Payout” means in respect of each Accepted Subordinated Claim, a cash payout of S\$1.

“Subordinated Scheme Parties” means the Intercompany Claimants and any HS Claimants.

“Subsidiary” means a subsidiary within the meaning of Section 5 of the Act.

“TuasOne EPC Contract” means the contract for design, engineering, procurement, construction, completion, start-up, testing and commissioning of waste-to-energy plant dated 26 April 2016 entered into between: (i) TuasOne Pte Ltd, as employer; and (ii) Hydrochem, as contractor.

“TuasOne EPC Contract Parent Company Guarantee” means the deed of guarantee dated 12 May 2016 made by the Company, as guarantor, for the benefit of TuasOne Pte Ltd, in respect of the obligations of Hydrochem under the TuasOne EPC Contract.

“TuasOne Facility” means the facility agreement dated 12 May 2016 entered into between: (i) TuasOne Pte Ltd, as borrower; (ii) the banks and financial institutions listed in Schedule 1,

as original lenders; (iii) DBS Bank Ltd, Maybank Kim Eng Securities Pte Ltd, Mizuho Bank, Ltd and The Bank of Tokyo-Mitsubishi UFJ, Ltd, as arranger; (iv) Malayan Banking Berhad, Singapore Branch, as agent; and (v) the TuasOne Facility Security Trustee, as security trustee.

"TuasOne Facility Security Trustee" means Malayan Banking Berhad, Singapore Branch.

"TuasOne Intercreditor Agreement" means the [intercreditor agreement dated 12 May 2016 entered into between \(i\) TuasOne Pte Ltd, as borrower; \(ii\) the Company and Mitsubishi Heavy Industries, Ltd, as shareholders; \(iii\) banks and financial institutions listed in Part I of Schedule 1, as original lenders; \(iv\) banks and financial institutions listed in Part II of Schedule 1, as original hedging banks; \(v\) Malayan Banking Berhad, Singapore Branch, as agent; and \(v\) Malayan Banking Berhad, Singapore Branch, as security trustee.](#)

"TuasOne Share Charge" means the share charge executed by the Company dated 12 May 2016 in favour of the TuasOne Facility Security Trustee.

"Unsecured Claims" means the Contingent Claims, the Facilities Claims, the KfW Claim, the Other Claims and the Notes Claims.

"Unsecured Claims Cash ~~Consideration~~ Allocation" means cash of an amount equal to ~~US\$232,000,000~~.

"Unsecured Claims Cash Consideration" means cash of an amount equal to the aggregate total of all Initial Unsecured Claims Cash Payouts less (i) the Second Debt Securities Claims Cash Allocation; and (ii) the Final Debt Securities Claims Cash Allocation.

"Unsecured Claims Cash ~~Consideration~~ Allocation Surplus Amount" means any residual cash from the Unsecured Claims Cash ~~Consideration~~ Allocation left in the Escrow Account or held by the Company three months before the expiry of the Holding Period that is not the subject of an ongoing dispute between Hyflux and the original beneficiary of that residual cash payment under the terms of this Scheme and after all cash payouts as set out in Clause 4.1.1 to Clause ~~4.1.9~~ [4.1.9](#) have been made.

"Unsecured Claims Equity Consideration" means Shares constituting ~~27.00~~% of the issued and paid up capital in the Company after the New Shares (as defined in the Restructuring Agreement) have been allotted and issued under the Restructuring Agreement.

"Unsecured Claims Equity Consideration Surplus Amount" means any residual Shares from the Unsecured Claims Equity Consideration left in the Escrow Account or held by the Company three months before the expiry of the Holding Period that is not the subject of an ongoing dispute between Hyflux and the original beneficiary of those residual Shares under the terms of this Scheme and after all equity payouts as set out in Clause 4.1.1 to Clause ~~4.1.9~~ [4.1.9](#) have been made.

"Unsecured Scheme Parties" means the Contingent Claimants, the Facilities Lenders, KfW, the Noteholders and the Other Claimants.

"Unsecured Working Group" means the unsecured working group comprising certain Unsecured Scheme Parties including Mizuho Bank, Ltd, KfW, Bangkok Bank Public Company Limited, Standard Chartered Bank, Singapore Branch, BNP Paribas, CTBC Bank Co, Ltd, The Korea Development Bank and The Korea Development Bank, Singapore Branch

established in connection with the Restructuring that is represented by Borrelli Walsh Limited, Hogan Lovells Lee & Lee and Tan Kok Quan Partnership.

- 1.1 In this Scheme, unless the context otherwise requires or as otherwise expressly stated:
- 1.1.1 references to Clauses and Schedules are references to clauses and schedules of this Scheme;
 - 1.1.2 references to a person include a reference to an individual, firm, partnership, company, corporation, unincorporated body of persons or any state or state agency;
 - 1.1.3 references to a statute, statutory provision or regulatory rule or guidance include references to the same as subsequently modified, amended or re-enacted from time to time;
 - 1.1.4 references to an agreement, deed or document shall be deemed also to refer to such agreement, deed or document as amended, supplemented, restated, verified, replaced and/or novated (in whole or in part) from time to time and to any agreement, deed or document executed pursuant thereto, provided that such amendment, supplement, restatement, verification, replacement and/or novation has, to the extent it relates to a Restructuring Document or this Scheme, been made in accordance with the terms of such Restructuring Document and/or this Scheme (as applicable);
 - 1.1.5 the singular includes the plural and *vice versa* and words importing one gender shall include all genders;
 - 1.1.6 references to “including” shall be construed as references to “including without limitation” and “include”, “includes” and “included” shall be construed accordingly;
 - 1.1.7 headings to Clauses and Schedules are for ease of reference only and shall not affect the interpretation of this Scheme;
 - 1.1.8 references to a period of days shall include Saturdays, Sundays and public holidays and where the date which is the final day of a period of days is not a Business Day, that date will be adjusted so that it is the first following day which is a Business Day;
 - 1.1.9 references to “dollar” or to “S\$” are references to the lawful currency from time to time of Singapore;
 - 1.1.10 references to time shall be to Singapore time; and
 - 1.1.11 where any amount is specified in this Scheme (including in any definition) in respect of any Scheme Consideration, that amount is subject to rounding in accordance with the terms of this Scheme.

2. SCHEME EFFECTIVENESS

- 2.1 This Scheme provides for a compromise and an arrangement between the Company and all Scheme Parties in respect of all Scheme Claims, including the full and final satisfaction, settlement, release and discharge of claims owing by the Company or any other member of the Group to the Scheme Parties (including accrued and unpaid interest in relation thereto (including default interest, if any)).

- 2.2 The terms of this Scheme shall become effective on the Scheme Effective Date and shall take effect in accordance with its terms.
- 2.3 The Company shall promptly notify the Scheme Parties via an announcement made on SGXNet that the Scheme Effective Date has occurred.
- 2.4 On and from the Scheme Effective Date, the Company shall use all reasonable endeavours to procure that the Conditions Precedent are satisfied and that Completion (as defined under the Restructuring Agreement) occurs as soon as reasonably practicable and in any event on or prior to the Long-Stop Date.

3. AUTHORISATION TO EXECUTE ANY UNDERTAKING TO BE BOUND BY THE RESTRUCTURING DOCUMENTS

- 3.1 On and from the Scheme Effective Date, in consideration of the rights provided to the Scheme Parties under this Scheme and notwithstanding any term of any relevant document, each Scheme Party hereby appoints the Scheme Manager as his or her attorney and agent and irrevocably authorises, directs, instructs and empowers the Scheme Manager (represented by any authorised representative) to:
 - 3.1.1 enter into, execute and deliver (whether as a deed or otherwise) for and on behalf of such Scheme Party each other Restructuring Document to which the Scheme Parties, or any of them, are named as a party and any other document referred to, contemplated by or ancillary to any of the foregoing provided that such execution and delivery (whether as a deed or otherwise) does not have an adverse effect on the rights of any of the Scheme Parties under this Scheme;
 - 3.1.2 in respect of Noteholders, Perpetual Capital Securities Holders and the Preference Shareholders:
 - 3.1.2.1 attend, speak and vote at any meeting of the Noteholders, Perpetual Capital Securities Holders and/or the Preference Shareholders (as the case may be) to seek approval for any of the matters contemplated under this Scheme; and
 - 3.1.2.2 take whatever action is necessary to ensure that the books and records of the CDP are updated to reflect the terms of this Scheme, including without limitation to:
 - 3.1.2.2.1 instruct the CDP to debit the Notes, Perpetual Capital Securities and Preference Shares from the securities account or securities sub-account in which the Securities are credited (or the [CDP](#) Account Holder, as applicable);
 - 3.1.2.2.2 authorise the cancellation of the Notes, Perpetual Capital Securities and Preference Shares; and
 - 3.1.2.2.3 take or carry out any other step or procedure reasonably required to effect the settlement of this Scheme.
- 3.2 Any action taken by the Scheme Manager in accordance with this Scheme or the Restructuring Documents will not constitute a breach of the Facilities, the KfW Facility, the

Notes Trust Deed, the Perpetual Capital Securities Trust Deed or the Constitutional Documents (or any other agreement or document governing the terms of any Scheme Claim).

- 3.3 The authority and power granted and conferred on the Scheme Manager under Clause 3.1 shall be treated, for all purposes whatsoever and without limitation, as having been granted and conferred by deed and the Scheme Manager shall be entitled to delegate the authority granted and conferred by Clause 3.1 to any duly authorised officer or agent of the Scheme Manager as necessary.

4. ALLOCATION AND DISTRIBUTION OF SCHEME CONSIDERATION

Unsecured Scheme Parties

- 4.1 On the Restructuring Effective Date, each Unsecured Scheme Party shall be entitled to, in respect of his or her Accepted Unsecured Claim, to a distribution of the Unsecured Claims Cash ~~Consideration~~Allocation and the Unsecured Claims Equity Consideration in the following manner:

Initial global distribution

- 4.1.1 In respect of all Accepted Unsecured Claims except those that are Contingent Claims, the Company shall pay to each Unsecured Scheme Party the respective Initial Unsecured Claim Cash Payout on the Settlement Date.
- 4.1.2 In respect of all Accepted Unsecured Claims except those that are Contingent Claims, the Company shall allot and issue to each Unsecured Scheme Party the respective Initial Unsecured Claim Equity Payout on the Settlement Date.
- 4.1.3 In respect of all Accepted Contingent Claims, the Company shall pay into the Escrow Account the aggregate of the Initial Unsecured Claim Cash Payouts for the Accepted Contingent Claims on the Settlement Date and such amount shall be held in escrow by the Escrow Agent in accordance with the terms of the Escrow Agreement.
- 4.1.4 In respect of all Accepted Contingent Claims, the Company shall allot and issue the aggregate of the Initial Unsecured Claim Equity Payouts for the Accepted Contingent Claims on the Settlement Date to the Escrow Agent as Shares to be held in the Escrow Account in accordance with the terms of the Escrow Agreement.

Ongoing distribution for Crystallised Contingent Claims

- 4.1.5 If an Accepted Contingent Claim becomes a Crystallised Contingent Claim within the Contingent Claim Expiry Date:
- 4.1.5.1 the Scheme Manager shall procure the Escrow Agent to make payment of the respective Initial Unsecured Claim Cash Payout for that Accepted Contingent Claim ~~shall be paid~~ to the respective Contingent Claimant from the Escrow Account within:
- 4.1.5.1.1 twenty one (21) days from the date of the respective Contingent Claim Crystallisation Determination; or
- 4.1.5.1.2 fifty nine (59) days from the date of the Contingent Claim Crystallisation Notice in the event that: (i) no Contingent

Claim Crystallisation Challenge is issued within seventeen (17) days of the Contingent Claim Crystallisation Notice; and (ii) no Contingent Claim Crystallisation Determination is issued within thirty eight (38) days of the Contingent Claim Crystallisation Notice.

4.1.5.2 the [Scheme Manager shall procure the Escrow Agent to transfer the](#) respective Initial Unsecured Claim Equity Payout for that Accepted Contingent Claim ~~shall be transferred~~ to the respective Contingent Claimant from the Escrow Account within:

4.1.5.2.1 twenty one (21) days from the date of the respective Contingent Claim Crystallisation Determination; or

4.1.5.2.2 fifty nine (59) days from the date of the Contingent Claim Crystallisation Notice in the event that: (i) no Contingent Claim Crystallisation Challenge is issued within seventeen (17) days of the Contingent Claim Crystallisation Notice; and (ii) no Contingent Claim Crystallisation Determination is issued within thirty eight (38) days of the Contingent Claim Crystallisation Notice.

Second distribution

4.1.6 On the date falling one (1) year after the Restructuring Effective Date, the Scheme Manager shall take an account of all Extinguished Contingent Claims.

4.1.7 Within ~~twenty-eight~~[twenty-eight](#) (28) days from the date falling one (1) year after the Restructuring Effective Date, the Scheme Manager shall:

4.1.7.1 in respect of all Accepted Contingent Claims that have been Extinguished within one (1) year after the Restructuring Effective Date, [procure the Escrow Agent to](#) make payment of the First Contingent Claim Management Payouts to the Company from the Escrow Account;

4.1.7.2 in respect of all Accepted Unsecured Claims that are not Contingent Claims and all Accepted Contingent Claims that have Crystallised within one (1) year after the Restructuring Effective Date, [procure the Escrow Agent to](#) make payment of the Second Unsecured Claim Cash Payout to the respective Unsecured Scheme Party from the Escrow Account; and

4.1.7.3 in respect of all Accepted Unsecured Claims that are not Contingent Claims and all Accepted Contingent Claims that have Crystallised within one (1) year after the Restructuring Effective Date, [procure the Escrow Agent to](#) transfer the Second Unsecured Claim Equity Payout to the respective Unsecured Scheme Party from the Escrow Account.

Final distribution

4.1.8 On the date immediately following the Contingent Claim Expiry Date, the Scheme Manager shall take an account of all Extinguished Contingent Claims and Expired Contingent Claims.

- 4.1.9 Within ~~fifty-two~~fifty-two (52) days from the Contingent Claim Expiry Date, the Scheme Manager shall:
- 4.1.9.1 in respect of all Accepted Contingent Claims that have been Extinguished one (1) year after the Restructuring Effective Date and within the Contingent Claim Expiry Date, procure the Escrow Agent to make payment of the Second Contingent Claim Management Payouts to the Company from the Escrow Account;
 - 4.1.9.2 in respect of all Accepted Unsecured Claims that are not Contingent Claims and all Accepted Contingent Claims that have Crystallised within one (1) year after the Restructuring Effective Date, procure the Escrow Agent to make payment of the Final Unsecured Claim Cash Payout to the respective Unsecured Scheme Party from the Escrow Account;
 - 4.1.9.3 in respect of all Accepted Unsecured Claims that are not Contingent Claims and all Accepted Contingent Claims that have Crystallised within one (1) year after the Restructuring Effective Date, procure the Escrow Agent to transfer the Final Unsecured Claim Equity Payout to the respective Unsecured Scheme Party from the Escrow Account;
 - 4.1.9.4 in respect of all Accepted Contingent Claims that have Crystallised more than one (1) year after the Restructuring Effective Date and within the Contingent Claim Expiry Date, procure the Escrow Agent to make payment of the Second Unsecured Claim Cash Payout and Final Unsecured Claim Cash Payout to the respective Unsecured Scheme Party from the Escrow Account; and
 - 4.1.9.5 in respect of all Accepted Contingent Claims that have Crystallised more than one (1) year after the Restructuring Effective Date and within the Contingent Claim Expiry Date, procure the Escrow Agent to transfer the Second Unsecured Claim Equity Payout and Final Unsecured Claim Equity Payout to the respective Unsecured Scheme Party from the Escrow Account.

Surplus amounts

- ~~4.1.10 On the date falling three months before the expiry of the Holding Period, the Scheme Manager shall take an account of the Unsecured Claims Cash Consideration Surplus Amount and the Unsecured Cash Claims Equity Consideration Surplus Amount.~~
- ~~4.1.11 The Scheme Manager shall upload a document setting out the quantum of the Unsecured Claims Cash Consideration Surplus Amount and the Unsecured Cash Claims Equity Consideration Surplus Amount into the Data Room within seven (7) days from the date falling three months before the expiry of the Holding Period.~~
- ~~4.1.12 The Scheme Manager may, having considered the quantum of the Unsecured Claims Cash Consideration Surplus Amount and the Unsecured Claims Equity Consideration Surplus Amount, apply to Court for leave to further distribute the Unsecured Claims Cash Consideration Surplus Amount and the Unsecured Cash Claims Equity Consideration Surplus Amount to on a pro rata basis the Unsecured Scheme Parties who have received a distribution in respect of their Accepted Unsecured Claims. The Scheme Manager shall upload the documents filed with the~~

~~Court in respect of any such application within three (3) days from the filing date, and will not object to the participation of any Unsecured Scheme Party in the application.~~

Debt Securities Scheme Parties

- 4.2 On the Restructuring Effective Date, each Debt Securities Scheme Party shall be entitled to, in respect of his or her Accepted Debt Securities Claim, a distribution of the Debt Securities Claims Cash Consideration and the Debt Securities Claims Equity Consideration in the following manner:

Initial distribution

- 4.2.1 The Company shall pay to each Perpetual Capital Securities Holder the respective Initial Perpetual Capital Securities Cash Payout for his or her Accepted Perpetual Securities Claim on the Settlement Date.
- 4.2.2 The Company shall allot and issue to each Perpetual Capital Securities Holder the respective Perpetual Capital Securities Equity Payout for his or her Accepted Perpetual Securities Claim on the Settlement Date.
- 4.2.3 The Company shall pay to each Preference Shareholder the respective Initial Preference Shares Cash Payout for his or her Accepted Preference Shares Claim on the Settlement Date.
- 4.2.4 The Company shall allot and issue to each Preference Shareholder the respective Preference Shares Equity Payout for his or her Accepted Preference Shares Claim on the Settlement Date.

Second distribution

- 4.2.5 Within twenty-eight (28) days from the date falling one (1) year after the Restructuring Effective Date, the Scheme Manager shall:

4.2.5.1 procure the Escrow Agent to make payment to each Perpetual Capital Securities Holder the respective Second Perpetual Capital Securities Cash Payout for his or her Accepted Perpetual Securities Claim from the Escrow Account;.

4.2.5.2 procure the Escrow Agent to make payment to each Preference Shareholder the respective Second Preference Shares Cash Payout for his or her Accepted Preference Shares Claim on the Settlement Date from the Escrow Account;.

Final distribution

- 4.2.6 Within fifty-two (52) days from the Contingent Claim Expiry Date, the Scheme Manager shall:

4.2.6.1 procure the Escrow Agent to make payment to each Perpetual Capital Securities Holder the respective Final Perpetual Capital Securities Cash Payout for his or her Accepted Perpetual Securities Claim from the Escrow Account;.

4.2.6.2 procure the Escrow Agent to make payment to each Preference Shareholder the respective Final Preference Shares Cash Payout for his or her Accepted Preference Shares Claim on the Settlement Date from the Escrow Account;.

Subordinated Scheme Parties

4.3 On the Restructuring Effective Date, each Subordinated Scheme Party shall be entitled to, in respect of his or her Accepted Subordinated Claim, to a distribution of the Subordinated Claims Cash Consideration in the following manner:

4.3.1 The Company shall pay to each Subordinated Scheme Party the respective Subordinated Claim Cash Payout for his or her Accepted Subordinated Claim on the Settlement Date.

Surplus amounts

4.4 On the date falling three months before the expiry of the Holding Period, the Scheme Manager shall take an account of the Unsecured Claims Cash Allocation Surplus Amount and the Unsecured Claims Equity Consideration Surplus Amount.

4.5 The Scheme Manager shall upload a document setting out the quantum of the Unsecured Claims Cash Allocation Surplus Amount and the Unsecured Claims Equity Consideration Surplus Amount into the Data Room within seven (7) days from the date falling three months before the expiry of the Holding Period.

4.6 The Scheme Manager may, having considered the quantum of the Unsecured Claims Cash Allocation Surplus Amount, apply to Court for leave to further distribute the Unsecured Claims Cash Allocation Surplus Amount on a *pro rata* basis to:

4.6.1 the Unsecured Scheme Parties who have received a distribution in respect of their Accepted Unsecured Claims; and

4.6.2 the Debt Securities Scheme Parties who received a distribution in respect of their Accepted Debt Securities Claims.

4.7 The Scheme Manager may, having considered the quantum of the Unsecured Claims Equity Consideration Surplus Amount, apply to Court for leave to further distribute the Unsecured Claims Equity Consideration Surplus Amount to on a *pro rata* basis to the Unsecured Scheme Parties who have received a distribution in respect of their Accepted Unsecured Claims.

4.8 In making an assessment on whether to make any application to Court under Clause 4.6 and/or Clause 4.7, the Scheme Manager shall act reasonably and shall have regard to the materiality of any distributions which may be made under Clause 4.6 and/or Clause 4.7 on the basis of the quantum of the Unsecured Claims Cash Allocation Surplus Amount and the Unsecured Claims Equity Consideration Surplus Amount.

4.9 If any application is made to Court under Clause 4.6, the Scheme Manager shall upload the documents filed with the Court in respect of any such application within three (3) days from the filing date, and will not object to the participation of any Unsecured Scheme Party or Debt Securities Scheme Party in the application.

4.10 If any application is made to Court under Clause 4.7, the Scheme Manager shall upload the

documents filed with the Court in respect of any such application within three (3) days from the filing date, and will not object to the participation of any Unsecured Scheme Party in the application.

Payment distribution

4.11 ~~4.4~~ Where a cash payout is required to be made by the ~~Scheme Manager~~ Company and/or the ~~Company~~ Escrow Agent to a Scheme Party pursuant to this Clause 4, the Scheme Manager, Company and/or ~~Company~~ Escrow Agent shall:

4.11.1 in respect of a cash payout to be made to a Facilities Lender or KfW in connection with an Accepted Unsecured Claim which is not a Contingent Claim under:

4.11.1.1 Clause 4.1.1, transfer the relevant cash payout to the account of the relevant Facilities Lender or KfW which the Company has been making payment to in its ordinary course of business with the relevant Facilities Lender or KfW;

4.11.1.2 Clauses 4.1.7 and 4.1.9, where the relevant Facilities Lender or KfW does not have a valid securities account with CDP, the Escrow Agent shall not be obliged to make the cash payout owing to such Facilities Lender or KfW until the earlier of: (i) the setting up of a valid securities account with CDP by such Facilities Lender or KfW; and (ii) the provision of know-your-client documents and such other information required to effect such cash payout to the satisfaction of the Escrow Agent. In the case that (ii) occurs earlier, the relevant cash payouts shall be made by the Escrow Agent by direct transfer and do not need to be made by way of credit to the securities account of that Facilities Lender or KfW.

4.11.2 in respect of any cash payout other than as described in Clause 4.11.1:

4.11.2.1 instruct CDP to credit such amount of payout to the securities account of that Scheme Party. ~~Where; or~~

4.11.2.2 where the relevant Scheme Party does not have a valid securities account with CDP, the Scheme Manager and/or Company shall not be obliged to make or procure the Escrow Agent to make, as the case may be, the cash payout owing to such Scheme Party until the earlier of: (i) the setting up of a valid securities account with CDP by such Scheme Party; and (ii) the provision of know-your-client documents and such other information required to effect such cash payout to the satisfaction of the Escrow Agent, in respect of cash payouts under Clauses 4.1.5, 4.1.7 ~~and~~ 4.1.9, 4.2.5, 4.2.6 or the Scheme Manager in respect of all other cash payouts. In the case that (ii) occurs earlier, the relevant cash payouts can be made, at the sole and absolute discretion of the Scheme Manager, by direct transfer and do not need to be made by way of credit to the securities account of that Scheme Party.

4.12 ~~4.5~~ Where an equity payout is required to be made by the Scheme Manager (by procuring such transfer by the Escrow Agent or the Company, as the case may be) and/or the Company to a Scheme Party pursuant to this Clause 4, the Scheme Manager and/or Company shall instruct CDP to credit such number of Shares, representing the relevant equity payout, to the (i) the securities account of that Scheme Party, or (ii) where an Equity Payout Nominee has

been designated by that Scheme Party, the Equity Payout Nominee of that Scheme Party. Where the Scheme Party or the Equity Payout Nominee, as the case may be, does not have a valid securities account with CDP, the Scheme Manager and/or Company shall not be obliged to make the equity payout owing to such Scheme Party until the ~~earlier of: (i) the setting up of a valid securities account with CDP by such Scheme Party; and (ii) the provision of know-your-client documents and such other information required to effect such equity payout to the satisfaction of the Escrow Agent, in respect of equity payouts under Clauses 4.1.5, 4.1.7 and 4.1.9, or the Scheme Manager in respect of all other equity payouts. In the case that (ii) occurs earlier,~~ or the appointment of an Equity Payout Nominee with a valid securities account with CDP before fifty-two (52) days after the Contingent Claims Expiry Date. In the case that such Scheme party has not set up a valid securities account with CDP or appoint of an Equity Payout Nominee with a valid securities account with CDP before fifty-two (52) days after the Contingent Claims Expiry Date, the relevant equity payouts can be made, at the sole and absolute discretion of the Scheme Manager, by direct issuance and do not need to be made by way of credit to (i) the securities account of that Scheme Party, or (ii) where an Equity Payout Nominee has been designated by that Scheme Party, the Equity Payout Nominee of that Scheme Party.

4.13 ~~4.6~~ Where:

4.13.1 ~~4.6.1~~ the number of Shares to be issued to a Scheme Party pursuant to an equity payout to be made by the Scheme Manager and/or the Company under this Clause 4 is less than 100; ~~or~~

4.13.2 ~~4.6.2~~ there are prohibitions or restrictions against the allocation of Shares to Scheme Parties in ~~certain Jurisdictions;~~ jurisdictions applicable to such Scheme Parties; or

4.13.3 any Scheme party has not set up a valid securities account with CDP before fifty-two (52) days after the Contingent Claims Expiry Date.

the Scheme Manager and/or the Company ~~shall reserve~~ reserves the right to sell or procure the sale of such Shares in the market at the prevailing market price and distribute the proceeds from such sale to the Scheme Party within ~~twenty-eight~~ twenty-eight (28) days from the date the Shares were due to be allotted and issued to such Scheme Party, provided that the Scheme Party has a valid CDP account or has ~~provide~~ provided know-your-client documents and such other information required to effect such cash payout to the satisfaction of the Scheme Manager.

4.1 With effect on and from the Restructuring Effective Date and until and including the Contingent Claims Expiry Date:

4.1.1 The Company shall procure that all of the First Contingent Claim Management Payouts and the Second Contingent Claim Management Payouts are paid to the relevant project staff of the Group that are responsible for any Accepted Contingent Claims having become Extinguished and the Company shall procure that no First Contingent Claim Management Payout or Second Contingent Claim Management Payout or any part thereof is paid to any person who is or was a member of the Company's board of directors or senior management on or prior to the Scheme Effective Date.

5. SCHEME PARTY UNDERTAKINGS AND RELEASES AND COMPANY RELEASES

5.1 In consideration for his or her entitlements under this Scheme, each Scheme Party hereby

gives the undertakings, release and waivers in this Clause 5.

5.2 With effect on and from the Restructuring Effective Date, each Unsecured Scheme Party irrevocably, unconditionally, fully and absolutely:

5.2.1 ratifies and confirms everything which the Company (including his or her respective authorised signatories) may lawfully do or cause to be done in accordance with any authority conferred by this Scheme or the Restructuring Documents;

5.2.2 releases all of its rights, title and interest in its Unsecured Claim and undertakes to enter into, execute and (as necessary) deliver as a deed (or otherwise) any document and do any act or thing required to facilitate and give full effect to such release;

5.2.3 releases, discharges and/or (where relevant) reassigns to the relevant assignor, any rights (including any power of attorney) that it may have against any member of the Group with respect to any mortgage, lien, pledge, guarantee, security interest or similar interest in relation to any of the Facilities, the KfW Facility or the Contingent Claims and undertakes to enter into, execute and (as necessary) deliver as a deed (or otherwise) any document and do any act or thing required to facilitate and give full effect to such release, discharge and/or reassignment (including revoking any notices and registering or procuring the registration or such release, discharge and/or reassignment);

5.2.4 subject to Clause 5.7, waives, releases and discharges each and every claim which it ever had, may have or hereafter can, shall or may have against:

5.2.4.1 the Company or any other member of the Group

5.2.4.2 the Unsecured Working Group, the Informal Steering Committee (Notes), the Informal Steering Committee (P&P) and their respective Personnel and Affiliates; and

5.2.4.3 the Advisors and their respective Personnel and Affiliates,

for any Liability in respect of the preparation, negotiation ~~or~~, sanctioning or implementation of this Scheme and/or the Restructuring;

5.2.5 without affecting the generality of the foregoing, releases, discharges and/or (where relevant) reassigns to the relevant assignor, any rights (including any power of attorney) that it may have against Hydrochem with respect in relation to any of the Facilities, the KfW Facility or the Contingent Claims and undertakes to enter into, execute and (as necessary) deliver as a deed (or otherwise) any document and do any act or thing required to facilitate and give full effect to such release, discharge and/or reassignment (including revoking any notices and registering or procuring the registration or such release, discharge and/or reassignment);

5.2.6 subject to Clause 5.7, undertakes to the Company that it will not, and shall procure that its holding company or companies, Subsidiaries, associated companies, affiliates and/or other companies within its group of companies will not, commence or continue, or instruct, direct or authorise any other person to commence or continue, any proceedings in respect of or arising from:

- 5.2.6.1 any Unsecured Claim; or
- 5.2.6.2 any Liability in respect of:
 - 5.2.6.2.1 the preparation, negotiation—~~or~~, sanctioning or implementation of this Scheme, the Restructuring and the Restructuring Documents; or
 - 5.2.6.2.2 the execution of the Restructuring Documents and the carrying out of the steps and transactions contemplated therein in accordance with their terms; and
- 5.2.7 waives, releases and discharges each and every claim (that is not an Excluded Claim and/or is not a Non-Group Release Liability) which it ever had, may have or hereafter can, shall or may have against the Company or any other member of the Group for any Liability arising under or in connection with the Facilities, the KfW Facility, the Contingent Claims, the Other Claims, the Notes and the Notes Trust Deed.

5.3 ~~5.1~~ With effect on and from the Restructuring Effective Date, each Debt Securities Scheme Party irrevocably, unconditionally, fully and absolutely:

5.3.1 ~~5.1.1~~ agrees that the distribution of the Debt Securities Scheme Claims Cash Consideration and Debt Securities Claims Equity Consideration in accordance with the terms of this Scheme shall constitute a purchase of his or her Perpetual Capital Securities or Preference Shares (as the case may be) pursuant to the Act;

5.3.2 ~~5.1.2~~ ratifies and confirms everything which the Company (including his or her respective authorised signatories) may lawfully do or cause to be done in accordance with any authority conferred by this Scheme or the Restructuring Documents;

5.3.3 ~~5.1.3~~ releases all of its rights, title and interest in its Perpetual Capital Securities Claim or Preference Shares Claim (as the case may be) and undertakes to enter into, execute and (as necessary) deliver as a deed (or otherwise) any document and do any act or thing required to facilitate and give full effect to such release;

5.3.4 ~~5.1.4~~ subject to Clause 5.7, waives, releases and discharges each and every claim which it ever had, may have or hereafter can, shall or may have against:

5.3.4.1 ~~5.1.4.1~~ the Company or any other member of the Group

5.3.4.2 ~~5.1.4.2~~ the Unsecured Working Group, the Informal Steering Committee (Notes), the Informal Steering Committee (P&P) and their respective Personnel and Affiliates; and

5.3.4.3 ~~5.1.4.3~~ the Advisors and their respective Personnel and Affiliates,

for any Liability in respect of the preparation, negotiation—~~or~~, sanctioning or implementation of this Scheme and/or the Restructuring;

5.3.5 ~~5.1.5~~ subject to Clause 5.7, undertakes to the Company that it will not, and shall procure that its holding company or companies, Subsidiaries, associated

companies, affiliates and/or other companies within its group of companies will not, commence or continue, or instruct, direct or authorise any other person to commence or continue, any proceedings in respect of or arising from any:

5.3.5.1 ~~5.1.5.1~~ any Debt Securities Claim; or

5.3.5.2 ~~5.1.5.2~~ any Liability in respect of:

5.3.5.2.1 ~~5.1.5.2.1~~ the preparation, negotiation~~or~~, sanctioning or implementation of this Scheme, the Restructuring and the Restructuring Documents; or

5.3.5.2.2 ~~5.1.5.2.2~~ the execution of the Restructuring Documents and the carrying out of the steps and transactions contemplated therein in accordance with their terms; and

5.3.6 ~~5.1.6~~ waives, releases and discharges each and every claim (that is not an Excluded Claim) which it ever had, may have or hereafter can, shall or may have against the Company or any other member of the Group for any Liability arising under or in connection with its Perpetual Capital Securities Claim, its Preference Shares Claim or the Perpetual Capital Securities Trust Deed (as the case may be).

5.4 ~~5.2~~ With effect on and from the Restructuring Effective Date, each Subordinated Scheme Party irrevocably, unconditionally, fully and absolutely:

5.4.1 ~~5.2.1~~ ratifies and confirms everything which the Company (including his or her respective authorised signatories) may lawfully do or cause to be done in accordance with any authority conferred by this Scheme or the Restructuring Documents;

5.4.2 ~~5.2.2~~ releases all of its rights, title and interest of its Subordinated Claim and undertakes to enter into, execute and (as necessary) deliver as a deed (or otherwise) any document and do any act or thing required to facilitate and give full effect to such release;

5.4.3 ~~5.2.3~~ releases, discharges and/or (where relevant) reassigns to the relevant assignor, any rights (including any power of attorney) that it may have against any member of the Group with respect to any mortgage, lien, pledge, guarantee, security interest or similar interest in relation to any of the Subordinated Claims and undertakes to enter into, execute and (as necessary) deliver as a deed (or otherwise) any document and do any act or thing required to facilitate and give full effect to such release, discharge and/or reassignment (including revoking any notices and registering or procuring the registration or such release, discharge and/or reassignment);

5.4.4 ~~5.2.4~~ subject to Clause 5.7, waives, releases and discharges each and every claim which it ever had, may have or hereafter can, shall or may have against:

5.4.4.1 ~~5.2.4.1~~ the Company or any other member of the Group

5.4.4.2 ~~5.2.4.2~~ the Unsecured Working Group, the Informal Steering Committee (Notes), the Informal Steering Committee (P&P) and their respective Personnel and Affiliates; and

5.4.4.3 ~~5.2.4.3~~ the Advisors and their respective Personnel and Affiliates,

for any Liability in respect of the preparation, negotiation ~~or~~, sanctioning or implementation of this Scheme and/or the Restructuring or implementation;

5.4.5 ~~5.2.5~~ subject to Clause 5.7, undertakes to the Company that it will, and shall procure that its holding company or companies, Subsidiaries, associated companies, affiliates and/or other companies within its group of companies will not, not commence or continue, or instruct, direct or authorise any other person to commence or continue, any proceedings in respect of or arising from:

5.4.5.1 ~~5.2.5.1~~ any Subordinated Claim; or

5.4.5.2 ~~5.2.5.2~~ any Liability in respect of:

5.4.5.2.1 ~~5.2.5.2.1~~ the preparation, negotiation, sanctioning or implementation of this Scheme, the Restructuring and the Restructuring Documents; or

5.4.5.2.2 ~~5.2.5.2.2~~ the execution of the Restructuring Documents and the carrying out of the steps and transactions contemplated therein in accordance with their terms; and

5.4.6 ~~5.2.6~~ waives, releases and discharges each and every claim (that is not an Excluded Claim) which it ever had, may have or hereafter can, shall or may have against the Company or any other member of the Group for any Liability arising under or in connection with the Subordinated Claim.

5.5 ~~5.3~~ On and from the Scheme Effective Date, each Scheme Party shall not, and shall procure that its holding company or companies, subsidiaries, associated companies, affiliates and/or other companies within its group of companies shall not, commence or continue, or instruct, direct or authorise any other person to commence or continue any proceedings in respect of or arising from any of the Scheme Claims.

5.6 ~~5.4~~ To the extent permitted by law, none of the Scheme Parties nor the Company shall be entitled to challenge the validity of any act done or omitted to be done in good faith by the Company in connection with this Scheme and/or any Restructuring Document or the exercise by the Company or the other members of the Group in good faith of any power conferred upon it for the purposes of any Restructuring Document if done, omitted or exercised in accordance with the provisions of this Scheme or any Restructuring Document.

5.7 ~~5.5~~ The releases, waivers and undertakings under this Clause 5 shall:

5.7.1 not prejudice or impair any rights of any Scheme Party in connection with any Liability arising out of an Excluded Claim. (For the avoidance of doubt, nothing in this Scheme shall result in the Company not paying in full any Liability arising from an Excluded Claim specified in Schedule 3 (Specified Excluded Claims);

5.7.2 ~~5.5.4~~ not prejudice or impair any rights of any Scheme Party created under the Scheme and/or which arises as a result of a failure by the Company, the Scheme Manager or any party to the Scheme to comply with any terms of the Scheme; and

5.7.3 ~~5.5.2~~ exclude any and all claims or causes of action arising ~~from~~from or relating to fraud, dishonesty, wilful default or wilful ~~conduct~~misconduct.

5.8 ~~5.6~~ With effect on and from the Restructuring Effective Date, the Company, any member of the Group and each of their predecessors, successors and assigns irrevocably, unconditionally, fully and absolutely waives, releases and discharges each and every claim which it ever had, may have or hereafter can, shall or may have against:

5.8.1 ~~5.6.1~~ the Scheme Parties, their Personnel and Affiliates;

5.8.2 ~~5.6.2~~ the Unsecured Working Group, the Informal Steering Committee (Notes), the Informal Steering Committee (P&P) and their respective Personnel and Affiliates; and

5.8.3 ~~5.6.3~~ the Advisors and their respective Personnel and Affiliates,

from any Liability in respect of the preparation, negotiation, sanctioning or implementation of this Scheme and/or the Restructuring.

6. DETERMINATION OF ACCEPTED CLAIMS

6.1 All Accepted Scheme Claims shall be determined as at the Record Date. Any alleged Scheme Claim(s) not denominated in dollars (S\$) shall be converted to its value in dollars (S\$) using the Base Currency Conversion Rate ~~for the purposes of determination of whether such alleged Scheme Claim(s) is/are Accepted.~~

6.2 All Persons claiming to be Scheme Parties must provide the Chairman with a duly completed Proof of Claim in respect of their Scheme Claims prior to the Record Date, unless:

6.2.1 such requirement is waived by the Chairman;

6.2.2 such requirement is waived by the Court; or

6.2.3 a Proof of Claim is filed on a Scheme Party's behalf by the Chairman or the Company.

6.3 Proofs of Claim delivered after the Record Date may, at the sole discretion of the Chairman, be disregarded for voting purposes at the Scheme Meetings.

6.4 If the Chairman refuses to Accept an alleged Scheme Claim received from an alleged Scheme Party, he or she shall, within a reasonable time, prepare a statement in writing or electronic mail of his or her reasons for doing so and promptly send such statement to the person alleging such Scheme Claim against the Company.

6.5 Neither the Company nor the Chairman shall recognise any sale, assignment, transfer or any disclosed sub-participation of any Scheme Claim after the Record Date for the purposes of determining entitlement to attend and vote at the Scheme Meetings. A transferee of a beneficial or proprietary interest in any Scheme Claim after the Record Date will, however, be bound by the terms of the Scheme in the event it becomes effective and the transferee will have to demonstrate, to the satisfaction of the Scheme Manager, that he or she is entitled to receive his or her share of the Scheme Consideration.

6.6 The Chairman shall not be liable for any claim or liability arising in respect of the performance

of his or her duties as Chairman under this Scheme except where such claim or liability arises as a result of his or her own fraud, gross negligence or wilful misconduct.

Contingent Claims

- 6.7 At any time between the Restructuring Effective Date and the date falling seven (7) days after the Contingent Claim Expiry Date, a Contingent Claimant may issue a Contingent Claim Crystallisation Notice in respect of his or her or its Contingent Claim to the Scheme Manager.
- 6.8 Within seventeen (17) days of the issuance of a Contingent Claim Crystallisation Notice, any Unsecured Scheme Party (excluding any Unsecured Scheme Party who as at the date of such Contingent Claim Crystallisation Notice only has a Contingent Claim which has been Extinguished) may issue a Contingent Claim Crystallisation Challenge in respect of such Contingent Claim Crystallisation Notice to the Scheme Manager. For the avoidance of doubt, each Unsecured Scheme Party may only submit one (1) Contingent Claim Crystallisation Challenge in response to a Contingent Claim Crystallisation Notice.
- 6.9 Within thirty-eight (38) days of receiving a Contingent Claim Crystallisation Notice, the Scheme Manager shall issue a Contingent Claim Crystallisation Determination to the Contingent Claimant who issued such Contingent Claim Crystallisation Notice and the determination of the Scheme Manager shall be final in respect of whether or not the relevant Accepted Contingent Claim has become a Crystallised Contingent Claim within the Contingent Claim Expiry Date, save that:
- 6.9.1 any Contingent Claimant dissatisfied with the Scheme manager's determination of its Contingent Claim Crystallisation Notice shall have the right to request the appointment of an independent assessor to review the Contingent Claim Crystallisation Determination, and where applicable, arrive at his or her own determination as to whether the relevant Accepted Contingent Claim has become a Crystallised Contingent Claim within the Contingent Claim Expiry Date and any such determination shall be binding on the Contingent Claimant and the Scheme Manager unless disputed under Clause 6.9.3;
- 6.9.2 the choice of the independent assessor for the purpose of Clause 6.9.1 shall be:
- 6.9.2.1 by agreement of the Scheme Manager and the relevant Contingent Claimant who is requesting appointment of such independent assessor, or
- 6.9.2.2 where the Scheme Manager and the relevant Contingent Claimant who is requesting appointment of such independent assessor are unable to agree, either the Scheme Manager or the relevant Contingent Claimant who is requesting appointment of such independent assessor may apply to Court to seek direction on the appointment of such an independent assessor; and
- 6.9.3 the Scheme Manager or the relevant Contingent Claimant who requested appointment of the independent assessor for the purpose of Clause 6.9.1 may dispute any decision of the independent assessor in relation to the Contingent Claim Crystallisation Determination, and in the event of such dispute, the Scheme Manager and the relevant Contingent Claimant as referred to in Clause 6.9.1 agree that either of them may apply to Court to determine the dispute and that any such determination

shall be binding on the Contingent Claimant and the Scheme Manager.

- 6.10 In arriving at his or her determination in the Contingent Claim Crystallisation Determination in Clause 6.9, the Scheme Manager shall review the contents of the relevant Contingent Claim Crystallisation Notice, any relevant Contingent Claim Crystallisation Challenge(s), as well as the Chairman's adjudication of the Proof of Claim filed by the Contingent Claimant or, where applicable, the final determination by the Independent Assessor or such final determination by the Court in respect of such Proof of Claim (the "Final Adjudication Results"). If the outcome of the Contingent Claim Crystallisation Determination differs from the outcome of the Final Adjudication Results in respect of the same Contingent Claim, the Scheme Manager shall, within a reasonable time, prepare a statement in writing of his or her reasons for departing from the Final Adjudication Results and promptly send such statement to the relevant Contingent Claimant.
- 6.11 An Accepted Contingent Claim shall become a Crystallised Contingent Claim if the relevant Contingent Claimant has issued a Contingent Claim Crystallisation Notice in respect of such Accepted Contingent Claim and the Scheme Manager has issued a Contingent Claim Crystallisation Determination under which the subject Accepted Contingent Claim is determined by the Scheme Manager to be a legally valid and binding debt of a definite amount then actually due from the Company.
- 6.12 The Company shall notify the Scheme Manager in writing as soon as practicable after the Company becomes aware of any event or other circumstances affecting an Accepted Contingent Claim or change of status of an Accepted Contingent Claim which has resulted in or may potentially result in such Accepted Contingent Claim being extinguished, waived or compromised or being, for any other reason, no longer a Liability of the Company on a date no later than the Contingent Claim Expiry Date.
- 6.13 In the period beginning on the Restructuring Effective Date and ending on the date falling seven (7) days after the Contingent Claim Expiry Date, the Scheme Manager shall issue a Contingent Claim Extinguishment Notice to a Contingent Claimant as soon as practicable after the Scheme Manager has determined that such Contingent Claimant's respective Accepted Contingent Claim has been extinguished, waived or compromised or is, for any other reason, no longer a Liability of the Company on a date no later than the Contingent Claim Expiry Date.
- 6.14 Within fourteen (14) days from a Contingent Claimant's receipt of a Contingent Claim Extinguishment Notice, such Contingent Claimant may issue a Contingent Claim Extinguishment Challenge in respect of such Contingent Claim Extinguishment Notice to the Scheme Manager.
- 6.15 Within twenty-one (21) days of receiving a Contingent Claim Extinguishment Challenge from a Contingent Claimant, the Scheme Manager shall issue a Contingent Claim Extinguishment Determination to the Contingent Claimant who issued such Contingent Claim Extinguishment Challenge and the determination of the Scheme Manager as set out in the Contingent Claim Extinguishment Determination shall be final in respect of whether or not the relevant Accepted Contingent Claim has been extinguished, waived or compromised or is, for any other reason, no longer a Liability of the Company on a date no later than the Contingent Claim Expiry Date, save that:
- 6.15.1 any Contingent Claimant dissatisfied with the Scheme Manager's determination of its Contingent Claim Extinguishment Challenge shall have the right to request the

appointment of an independent assessor to review the Contingent Claim Extinguishment Determination, and where applicable, arrive at his or her own determination as to whether the relevant Accepted Contingent Claim has been extinguished, waived, compromised or is, for any other reason, no longer a Liability of the Company on a date no later than the Contingent Claim Expiry Date and any such determination shall be binding on the Contingent Claimant and the Scheme Manager unless disputed under Clause 6.15.3;

6.15.2 the choice of the independent assessor for the purpose of Clause 6.15.3 shall be:

6.15.2.1 by agreement of the Scheme Manager and the relevant Contingent Claimant who is requesting appointment of such independent assessor, or

6.15.2.2 where the Scheme Manager and the relevant Contingent Claimant who is requesting appointment of such independent assessor are unable to agree, either the Scheme Manager or the relevant Contingent Claimant who is requesting appointment of such independent assessor may apply to Court to seek direction on the appointment of such an independent assessor; and

6.15.3 the Scheme Manager or the relevant Contingent Claimant who requested appointment of the independent assessor for the purpose of Clause 6.15.1 may dispute any decision of the independent assessor in relation to the Contingent Claim Extinguishment Determination, and in the event of such dispute, the Scheme Manager and the relevant Contingent Claimant as referred to in Clause 6.15.1 agree that either of them may apply to Court to determine the dispute and that any such determination shall be binding on the Contingent Claimant and the Scheme Manager.

6.16 An Accepted Contingent Claim shall become an Extinguished Contingent Claim if the Scheme Manager has issued a Contingent Claim Extinguishment Notice in respect of such Accepted Contingent Claim and:

6.16.1 no Contingent Claim Extinguishment Challenge is issued in respect thereof within fourteen (14) days of such Contingent Claim Extinguishment Notice; or

6.16.2 the Scheme Manager has issued a Contingent Claim Extinguishment Determination within twenty-one (21) days of receiving a Contingent Claim Extinguishment Challenge under which the subject Accepted Contingent Claim is determined by the Scheme Manager to be no longer a Liability of the Company on a date no later than the Contingent Claim Expiry Date.

6.17 Any Contingent Claim which:

6.17.1 is not an Extinguished Contingent Claim within forty-two (42) days from the Contingent Claim Expiry Date; and

6.17.2 is not a Crystallised Contingent Claim within forty-five (45) days from the Contingent Claim Expiry Date.

shall be an Expired Contingent Claim.

- 6.18 Within twenty-eight (28) days from the Restructuring Effective Date, the Scheme Manager shall establish the Data Room.
- 6.19 Within fourteen (14) days from the Scheme Effective Date, each Unsecured Scheme Party shall notify the Scheme Manager of the relevant information (including electronic mail address) the Data Room Nominees. Each Unsecured Scheme Party shall be entitled to notify to the Scheme Manager of a change to the Data Room Nominees from time to time. The Scheme Manager shall procure that the Data Room Nominees receive automated notifications each time the Scheme Manager uploads a document into the Data Room.
- 6.20 The Scheme Manager shall upload into the Data Room:
- 6.20.1 each Contingent Claim Crystallisation Notice within three (3) days of his or her receipt of such Contingent Claim Crystallisation Notice;
- 6.20.2 each Contingent Claim Crystallisation Challenge within three (3) days of his or her receipt of such Contingent Claim Crystallisation Challenge;
- 6.20.3 each Contingent Claim Crystallisation Determination within three (3) days of his or her issuance of such Contingent Claim Crystallisation Determination;
- 6.20.4 each Contingent Claim Extinguishment Notice within three (3) days of his or her issuance of such Contingent Claim Extinguishment Notice;
- 6.20.5 each Contingent Claim Extinguishment Challenge within three (3) days of his or her receipt of such Contingent Claim Extinguishment Challenge; and
- 6.20.6 each Contingent Claim Extinguishment Determination within three (3) days of his or her issuance of such Contingent Claim Extinguishment Determination.
- 6.21 Where any application to Court under Clause 6.9.2, 6.9.3, 6.15.2, and/or 6.15.3 remains pending as of the Contingent Claim Expiry Date, the Scheme Manager may apply to Court for directions on how the amounts allocated to that Contingent Claimant are to be treated, including seeking directions from the Court for the amounts allocated to that Contingent Claimant to be paid into an escrow account or such other account as directed by the Court.
- 6.22 If any application is made to Court under Clause 6.21, the Scheme Manager shall upload the documents filed with the Court in respect of any such application within three (3) days from the filing date, and will not object to the participation of any Unsecured Scheme Party or Debt Securities Scheme Party in the application.

7. SCHEME MANAGER

- 7.1 The Scheme Manager shall oversee and be responsible for the implementation of and compliance with the provisions of this Scheme and shall have the power to do all such things as he or she may consider necessary towards fulfilment of this Scheme.
- 7.2 ~~Any~~Save as provided under the Act and the Proof Regulations and subject to Clauses 6.9 and 6.15, any decision, including calculations or payments, made by the Scheme Manager in carrying out his or her functions and/or duties under and/or in fulfilment of this Scheme shall be final and binding on all Scheme Parties.

- 7.3 The Scheme Manager may engage legal, financial or other professional advisors and consultants to advise and assist the Scheme Manager in the exercise of his or her rights and the performance or discharge of his or her duties as the Scheme Manager.
- 7.4 The Scheme Manager shall not be liable to any Scheme Party for any and all losses, damages, charges, costs and expenses of whatsoever nature which such Scheme Party may sustain, incur or suffer in connection with or arising from the performance by the Scheme Manager of his or her duties as Scheme Manager under this Scheme, including any decisions, calculations or payments in carrying out his or her functions and/or duties under and/or in fulfilment of this Scheme, unless directly caused by fraud, gross negligence or wilful misconduct on his or her part. This Clause shall remain in full force and effect notwithstanding the termination, resignation or removal of the Scheme Manager.
- 7.5 The Company shall at all times indemnify and keep harmless the Scheme Manager from and against any and all losses, damage, charges, costs and expenses of whatsoever nature which he may at any time and from time to time sustain, incur or suffer at any time, whether before or after the end of the Holding Period, in connection with the exercise of his or her powers in the performance of his duties under this Scheme unless such losses, damage, charges, costs or expense arise out of the gross negligence, fraud or wilful default of the Scheme Manager.
- 7.6 ~~7.5~~ Any Scheme Party that intends to challenge any act or omission of the Scheme Manager ~~in~~ in connection with or arising from any decision, including calculations or payments, made by the Scheme Manager in carrying out his or her functions and/or duties under and/or in fulfilment of this Scheme shall notify the Scheme Manager of such notice at least seven (7) Business Days before any such challenge is made to a Court or in any other forum. Any Scheme Party who makes a challenge without providing such appropriate notice shall be deemed to have agreed to: (i) if such challenge is dismissed by the Court, be liable for the costs, expenses and disbursements incurred by the Scheme Manager in connection with resisting any such challenge on an indemnity basis; and (ii) in any case, be solely responsible for any cost, expenses and disbursements it incurs in connection with the challenge.
- 7.7 ~~7.6~~ In exercising his or her powers and carrying out his or her duties and functions under and in fulfilment of this Scheme, the Scheme Manager shall be deemed at all times to act as an agent for and on behalf of the Company ~~and the Scheme Parties as a whole. The Company shall do everything that is necessary to give effect to the directions and instructions of the Scheme Manager, to the extent reasonably necessary and expedient to enable the Scheme Manager to carry out his or her functions under the Scheme, and the Company shall not prevent, frustrate, object to or otherwise prejudice the carrying out by the Scheme Manager of his or her duties and functions under the Scheme.~~
- 7.8 The Scheme Manager may resign at any time after the Scheme Effective Date if he or she gives at least thirty (30) days' prior written notice to the Company. The resignation of the Scheme Manager shall not take effect unless and until a new scheme manager is appointed. The resigning Scheme Manager may appoint a successor scheme manager, suitably qualified, who shall have the capacity and experience to undertake the duties undertaken by the Scheme Manager.
- 7.9 The Scheme Manager shall cease to hold office as the Scheme Manager upon the occurrence of any of the following events:
- 7.9.1 the Scheme Manager resigns in accordance with Clause 7.8;

7.9.2 upon the making of an order of the Court for the removal or replacement of the Scheme Manager; or

7.9.3 the death or bankruptcy of the Scheme Manager.

7.10 ~~7.7~~ The Scheme Manager shall be entitled to such reasonable fees and remuneration for the performance of his or her duties and services as Scheme Manager and for taking any action that he or she is required, authorised or empowered to take under or in respect of this Scheme as may be agreed with the Company or determined by the Court.

8. MODIFICATION OF THE SCHEME

8.1 The Company may, prior to the calling of any Scheme Meeting, delete, modify, amend or add to the terms of this Scheme which the Company, upon further consultation with Scheme Parties as necessary or relevant, may think fit or appropriate for the implementation of the Restructuring.

8.2 Each of the Scheme Parties hereby agree that the Company may at any Court hearing to sanction this Scheme, consent on behalf of itself and all Scheme Parties and anyone else concerned to any modification of, or addition to, this Scheme or any terms or conditions which, in each case, the Court may think fit to approve or impose which is necessary for the implementation of the Restructuring, provided that such modification, addition, term or condition does not have an adverse effect on the rights of the Scheme Parties, or any of them, under this Scheme.

8.3 The Scheme Manager may at any time convene an Eligible Scheme Parties' Meeting. Any such Eligible Scheme Parties' Meeting shall only be to consider any amendments to the Scheme that are procedural in nature (including any extension or abridgment of time in connection with anything to be done under the Scheme) provided that such amendments do not have an adverse effect on any of the Scheme Parties and/or their rights under the Scheme and no amendments can be made at an Eligible Scheme Parties' Meeting in connection with:

8.3.1 any payment, distribution, transfer and/or allocation obligations of the Company, the Scheme Manager and/or the Escrow Agent under the Scheme (including without limitation the payment, distribution, transfer and/or allocation of the Scheme Consideration and/or any cash or equity payouts) including, for the avoidance of doubt the due date of any payment or distribution;

8.3.2 any extension of the Contingent Claim Expiry Date;

8.3.3 the Record Date, the Claim Date and the deadline for proofs of claim;

8.3.4 any rights of any Scheme Party to issue a Contingent Claim Crystallisation Notice, a Contingent Claim Crystallisation Challenge and/or a Contingent Claim Extinguishment Challenge;

8.3.5 any obligations of the Scheme Manager to issue a Contingent Claim Crystallisation Determination, a Contingent Claim Extinguishment Notice and/or a Contingent Claim Extinguishment Determination;

8.3.6 the Escrow Agreement;

8.3.7 the obligations of the Company under Clause 6.12;

8.3.8 Clause 8; and/or

8.3.9 Clause 15.

8.4 The Scheme Manager shall convene a meeting of the Eligible Scheme Parties upon the submission of a written request from any two or more such Eligible Scheme Parties whose Accepted Scheme Claims in aggregate constitute not less than 25% of the total Accepted Scheme Claims of all the Eligible Scheme Parties. Any such written request shall only be to consider any amendments to the Scheme that are procedural in nature (including any extension or abridgment of time in connection with anything to be done under the Scheme) provided that such amendments do not have an adverse effect on any of the Scheme Parties and/or their rights under the Scheme and no amendments can be made at an Eligible Scheme Parties' Meeting in connection with:

8.4.1 any payment, distribution, transfer and/or allocation obligations of the Company, the Scheme Manager and/or the Escrow Agent under the Scheme (including without limitation the payment, distribution, transfer and/or allocation of the Scheme Consideration and/or any cash or equity payouts) including, for the avoidance of doubt the due date of any payment or distribution;

8.4.2 any extension of the Contingent Claim Expiry Date;

8.4.3 the Record Date, the Claim Date and the deadline for proofs of claim;

8.4.4 any rights of any Scheme Party to issue a Contingent Claim Crystallisation Notice, a Contingent Claim Crystallisation Challenge and/or a Contingent Claim Extinguishment Challenge;

8.4.5 any obligations of the Scheme Manager to issue a Contingent Claim Crystallisation Determination, a Contingent Claim Extinguishment Notice and/or a Contingent Claim Extinguishment Determination;

8.4.6 the Escrow Agreement;

8.4.7 the obligations of the Company under Clause 6.12;

8.4.8 Clause 8; and/or

8.4.9 Clause 15.

8.5 All Eligible Scheme Parties' Meetings shall be held in Singapore.

8.6 At least 14 days' notice shall be given to the Eligible Scheme Parties who has any Accepted Scheme Claims subsisting at the time. The notice convening any Eligible Scheme Parties' Meeting shall specify the time and venue of the Eligible Scheme Parties' Meeting and shall state the resolutions or the matters proposed to be discussed and resolved at the Eligible Scheme Parties' Meeting. The non-receipt of any notice by any Eligible Scheme Party shall not invalidate any meeting or proceedings thereat. No resolution shall be passed and no matter shall be discussed or resolved at any Eligible Scheme Parties' Meeting other than the resolutions or matters stated in such notice.

- 8.7 No resolution shall be passed and no matters shall be discussed or resolved at any Eligible Scheme Parties' Meeting, unless a quorum of Eligible Scheme Parties is present at the time appointed for the Eligible Scheme Parties' Meeting. The quorum for any Eligible Scheme Parties' Meeting convened by the Scheme Manager shall be any two Eligible Scheme Parties who have Accepted Scheme Claims subsisting at the time, and the quorum for any Eligible Scheme Parties' Meeting convened by the Eligible Scheme Parties shall be any two Eligible Scheme Parties whose Accepted Scheme Claims subsisting at the time in aggregate constitute not less than 25% of the total of the Accepted Scheme Claims of all Eligible Scheme Parties subsisting at the time. If within half an hour from the time appointed for any meeting, a quorum of the Eligible Scheme Parties is not present, then the meeting shall be dissolved.
- 8.8 Any of the Scheme Managers or any person as may be nominated by them shall be appointed to act as the chairman of any meeting of the Eligible Scheme Parties.
- 8.9 The chairman may, provided that there is a quorum constituted, with the consent of a majority in number of the Eligible Scheme Parties present at any Eligible Scheme Parties' Meeting adjourn the Eligible Scheme Parties' Meeting from time to time and from place to place, but no matter shall be discussed, dealt with or resolved upon at the adjourned Eligible Scheme Parties' Meeting other than those which remain unfinished at the Eligible Scheme Parties' Meeting from which the adjournment took place.
- 8.10 Every resolution of the Eligible Scheme Parties or any matter before an Eligible Scheme Parties' Meeting shall be passed only with the support of a majority in number of the Eligible Scheme Parties present and voting (whether in person or by proxy) on the resolution and whose Accepted Scheme Claims at that time in aggregate constitutes more than one-half of the total Accepted Scheme Claims of all Eligible Scheme Parties present and voting on the resolution.
- 8.11 Any Eligible Scheme Party which is not a natural person must appoint a proxy to attend and vote on its behalf at any or all Eligible Scheme Parties' Meeting and any Eligible Scheme Party may appoint any natural person to be its proxy to attend and vote on its behalf at any or all Eligible Scheme Parties' Meetings. No Eligible Scheme Party shall be entitled to appoint more than one proxy to attend and vote at any Eligible Scheme Parties' Meeting and the proxy shall not be allowed to attend and vote at any Eligible Scheme Parties' Meeting except in the absence of its appointer. An Eligible Scheme Party may revoke the appointment of any person as its proxy by giving written notice thereof to the Scheme Manager.
- 8.12 Any instrument or document appointing any person as proxy of any Eligible Scheme Parties' Meeting must be in the form and terms prescribed or approved by the Scheme Manager from time to time and shall be delivered to the Scheme Manager at such address as the Scheme Manager may specify not less than 72 hours before the time appointed for any Eligible Scheme Parties' Meeting. The Scheme Manager shall be entitled to reject and disregard whether for any particular Eligible Scheme Parties' Meeting or for all Eligible Scheme Parties' Meetings any instrument or document submitted or delivered in contravention of this Clause 8.12.
- 8.13 The Scheme Manager shall determine whether a proposed modification amendment and/or decision to be taken regarding the Scheme is procedural in nature for the purpose of Clause 8.3 and Clause 8.4. For the avoidance of doubt, any amendments to Clause 4.11, Clause 4.12, and/or Clause 4.13 are amendments that are procedural in nature for the purpose of Clause 8.3 and Clause 8.4.

- 8.14 The Company shall be entitled to receive the notice of and attend an Eligible Scheme Parties' Meeting, but shall not be entitled to vote at any Eligible Scheme Parties' Meeting.

9. TERMINATION OF THE SCHEME

9.1 If:

9.1.1 the Restructuring Effective Date does not occur on or before the Long-Stop Date; ~~or~~

9.1.2 the Restructuring Agreement and/or Loan Agreement terminates in accordance with their respective terms; ~~or~~ or

9.1.3 the Completion Amount to be paid to the Company in accordance with the terms of the Restructuring Agreement is not received by the Company within 30 days after the Restructuring Effective Date.

the terms of and the obligations of the parties under or pursuant to this Scheme shall lapse and all the compromises and arrangements provided by this Scheme and any releases granted pursuant to this Scheme shall be of no effect and shall be construed as if it had never become effective, and the rights and obligations of the Scheme Parties shall not be affected and shall be reinstated and remain in full force and effect.

10. COMPLETION OF THE SCHEME

- 10.1 The implementation and operation of this Scheme shall be deemed to be completed following the end of the Holding Period upon which all duties and responsibilities of the Scheme Manager shall cease.

11. NOTICES

- 11.1 Any notice or other written communication to be given under or in relation to this Scheme (other than any Proof of Claim, which is to be delivered in accordance with the instructions contained therein) shall be given by way of an announcement made on SGXNet or in writing and, in the case of the latter, shall be deemed to have been duly given if it is delivered by hand, sent by courier, pre-paid first class post, airmail or electronic mail to:

11.1.1 in the case of the Company:

Hyflux Ltd
80 Bendemeer Road
Hyflux Innovation Centre
Singapore 339949
investor@hyflux.com

11.1.2 in the case of the Scheme Manager:

Scheme Manager – Hyflux Ltd
c/o Ernst & Young Solutions LLP
One Raffles Quay
North Tower, Level 18
Singapore 048583
hyfluxqueries@sg.ey.com

- 11.1.3 in the case of a Scheme Party, its last known address according to the Company, or, if so directed in writing by that Scheme Party to the Company, the postal or electronic mail address of the persons entitled to receive such notice or written communication on the Scheme Party's behalf; and
- 11.1.4 in the case of any other person, to any postal or electronic mail address set forth for that person in any written agreement entered into in connection with the Scheme.
- 11.2 Any notice or written communication to be given under or in relation to this Scheme (other than any Proof of Claim, which is to be delivered in accordance with the instructions contained therein), shall be deemed to have been delivered and served:
 - 11.2.1 if delivered by hand or courier, when actually received provided that, if such receipt occurs after 5:00 pm in the place of receipt, the following Business Day;
 - 11.2.2 if sent by pre-paid first class post or airmail, on the second Business Day after posting if the recipient is in the country of dispatch, otherwise the seventh Business Day after posting;
 - 11.2.3 if sent electronically, when actually received in readable form provided that, if such receipt in readable form occurs after 5:00 pm in the place of receipt, the following Business Day; and
 - 11.2.4 if by advertisement or stock exchange announcement, on the date of publication.
- 11.3 In proving service, it shall be sufficient proof, in the case of a notice sent by pre-paid first class post or airmail, that the envelope was properly stamped, addressed and placed in the post.
- 11.4 The accidental omission to send any notice, written communication or other document in accordance with any of Clauses 11.1 to 11.3, or the non-receipt of any such notice by any Scheme Party, shall not affect any part or provision of this Scheme.
- 11.5 Notwithstanding any provision to the contrary contained in this Scheme, notice to the Noteholders, Perpetual Capital Securities Holders and the Preference Shareholders may be given instead by stock exchange announcement and such notices shall be deemed to have been given on the date of such announcement.

12. COSTS AND EXPENSES

- 12.1 The Company shall pay, or procure the payment of, in full all costs, charges, expenses and disbursements incurred by it in connection with the negotiation, sanctioning, preparation and implementation of this Scheme as and when they arise, including, but not limited to, any costs incurred by the Chairman ~~or~~of the Scheme Manager in defending any action brought against any of them in connection with any of their duties and responsibilities under this Scheme (save in the case of fraud, gross-negligence or wilful misconduct), the holding of the Scheme Meetings, the costs of obtaining the sanction of the Court and the costs of issuing notices (if any) required by this Scheme. ~~For the avoidance of doubt, such costs, charge, expenses and disbursements include the Professional Advisor Fees.~~
- 12.2 The Company shall pay, or procure the payment of, in full, all Professional Advisor Fees seven (7) days before the Settlement Date.

13. CONFLICT & INCONSISTENCY

- 13.1 In the case of a conflict or inconsistency between the terms of this Scheme and the terms of the Explanatory Statement, the terms of this Scheme shall prevail.

14. SEVERABILITY

- 14.1 If any provision in this Scheme shall be held to be invalid, illegal or unenforceable, in whole or in part, the provision shall apply with whatever deletion or modification as and only to the extent necessary so that the provision is legal, valid and enforceable and gives effect to the commercial intentions of the Company.

- 14.2 To the extent it is not possible to delete or modify the provision in whole or in part, under Clause 14.1, then such provision or part of it shall, to the extent that it is invalid, illegal or enforceable, be deemed not to form part of this Scheme and the validity, legality and enforceability of the remainder of this Scheme shall not be affected.

15. GOVERNING LAW AND JURISDICTION

- 15.1 The operative terms of this Scheme and any non-contractual obligations arising out of or in connection with this Scheme shall be governed by and construed in accordance with the laws of Singapore.

- 15.2 The Scheme Parties and the Company hereby agree that the courts of Singapore, including the Court shall have exclusive jurisdiction to hear and determine any suit, action or proceeding (the "**Proceedings**") and to settle any dispute which arises out of or in connection with the terms of this Scheme or its implementation or out of any action taken or omitted to be taken under this Scheme or in connection with the administration of this Scheme and for such purposes the Scheme Parties and the Company irrevocably submit to the jurisdiction of the courts of Singapore, including the Court, provided, however, that nothing in this Clause ~~15.3~~ 15.2 and Clause 15.1 shall affect the validity of other provisions determining governing law and jurisdiction as between the Company and the Scheme Parties, whether contained in contract or otherwise. A Scheme Party or any Advisor may take action in any other court of competent jurisdiction in order to enforce a judgment made in its favour in relation to the Proceedings.

- 15.3 Any dispute arising out of or in connection with the payment of Professional Advisor Fees under Clause 12.2 shall first be submitted for mediation at the SMC in accordance with SMC's Mediation Procedure in force for the time being. Either the Company, or any of the Advisors or Scheme Parties may submit a request to mediate to SMC upon which the other party or parties will be bound to participate in the mediation within fourteen (14) days thereof. Only one (1) mediator shall be appointed by agreement between the parties in dispute, failing which the sole mediator shall be appointed by the SMC. The mediation will take place in Singapore in the English language and the parties in dispute agree to be bound by any settlement agreement reached. In the event that no settlement is reached between the parties in respect of the subject dispute at such mediation, Clause 15.2 shall apply *in pari materia* to that dispute and for the avoidance of doubt, any relevant Advisor whose Professional Advisor Fees are subject to that dispute may at any time thereafter initiate Proceedings with the Court to settle such dispute.

- 15.4 The terms of this Scheme and the obligations imposed on the Company and the Scheme Parties (and, for the avoidance of doubt, those terms and obligations which may be construed as being imposed on any Scheme Party) hereunder shall take effect subject to any prohibition or condition imposed by applicable law.

SCHEDULE 1
LIST OF FACILITIES

The facility letter dated 26 November 2010 issued by BNP Paribas and accepted by the Company and Hydrochem on 14 December 2010.

The facility letter dated 18 January 2012 issued by The Hongkong and Shanghai Banking Corporation Limited and accepted by the Company and Hydrochem as borrowers on 10 February 2012.

The uncommitted credit facilities offered by Chinatrust Commercial Bank Co, Ltd, Singapore Branch on 9 April 2012 and accepted by the Company on 23 April 2012.

The facility letter dated 6 November 2015 issued by Standard Chartered Bank, Singapore Branch and accepted by the Company on 12 November 2015.

The facility letter dated 16 January 2016 issued by United Overseas Bank Limited and accepted by the Company on 31 January 2016.

The facility agreement dated 31 March 2016 entered into between: (i) the Company, as borrower; (ii) Hydrochem, as guarantor; and (iii) BNP Paribas, DBS Bank Ltd and Mizuho Bank Ltd as mandated lead arrangers and bookrunners; with (iv) DBS Bank Ltd acting as agent.

The facility letter dated 19 May 2016 issued by DBS Bank Ltd and accepted by: (i) the Company, as borrower, on 24 May 2016; and (ii) Hydrochem, as guarantor, on 24 May 2016.

The revolving short term loan facility dated 17 August 2016 entered into between (i) the Company, as borrower; and (ii) Bangkok Bank Public Company Limited, as lender.

The facility agreement dated ~~26~~20 October ~~2016~~2015 entered into between (i) the Company, as borrower; and (ii) Mizuho Bank Ltd, Singapore Branch, as lender.

The amended and restated facility agreement dated 28 October 2016 entered into between (i) the Company, as borrower; and (ii) Mizuho Bank Ltd, Singapore Branch, as lender.

The revolving short term loan facility dated 6 December 2016 entered into between (i) the Company, as borrower; and (ii) Bangkok Bank Public Company Limited, as lender.

**SCHEDULE 2
NON-EXHAUSTIVE LIST OF CONTINGENT CLAIMS**

Party	Basis for Claim
Algerian Energy Company SpA	Potential dispute under a joint venture agreement dated 28 March 2007
Malakoff Berhad	
Almiyah Attilemçania SpA	Letter of Undertaking dated 3 June 2011
Arab Banking Corporation BSC	Counter Guarantee No ILG/11/20000 Counter Guarantee No ILG/15/20066 Counter Guarantee No ILG/16/20073 Counter Guarantee No ILG/16/20075 Counter Guarantee No ILG/16/20119
Asia Water Development Engineering Company	Advance Payment Corporate Guarantee dated 5 April 2018
BNP Paribas, Singapore Branch	Contre-Garantie nr 00001BGG0901976
DBS Bank Ltd	Banker's Guarantee No 550-02-1173270 Banker's Guarantee No 550-02-1210943 Banker's Guarantee No 550-02-1221496 Banker's Guarantee No 550-02-1381161 Banker's Guarantee No 550-02-1381189
HSBC Institutional Trust Services (Singapore) Limited in its capacity as trustee of Ascendas REIT	Guarantee and Undertaking dated 4 April 2005 Guarantee and Undertaking dated 30 June 2014 Guarantee and Undertaking dated 15 February 2017
Mizuho Bank Ltd, Singapore Branch	Banker's Guarantee No LOD-BDC-009784 Banker's Guarantee No LOD-BDC-010929/010930 only to extent of the Company's share amounting to S\$22,500,000.
RBC Investor Services Trust Singapore Limited in its capacity as trustee of ESR-REIT	Corporate Guarantee dated 13 December 2017
Samsung Engineering Co, Ltd	Corporate Guarantee issued by the Company dated 17 September 2018
Snamprogetti Saudi Arabia Co Ltd	Parent Company Guarantee dated 28 January 2016
Standard Chartered Bank	Performance Bond No 779020462133-R
The Hong Kong and Shanghai Banking Corporation Limited	Counter-Guarantee issued in respect of Letter of Guarantee No PEBHOR832031 issued by The Saudi British Bank
TuasOne Pte Ltd	TuasOne EPC Contract Parent Company Guarantee (as defined in the Scheme)
Yunnan Water (Hong Kong) Company Limited	Arbitration concerning disputes under a sale and purchase agreement dated 26 October 2016
中国银行股份有限公司天津大港支行	保证合同 编号: 2009年港保字003号

SCHEDULE 3
~~NON-EXHAUSTIVE LIST OF~~ SPECIFIED EXCLUDED CLAIMS

Party	Basis for Claim
BNP Paribas, Singapore Branch	Banker's Guarantee No 000011GN1830394
DBS Bank Ltd	Banker's Guarantee No 550-02-0864917 Security Bonds for Foreign Workers (Domestic and non-Domestic) issued pursuant to the Employment of Foreign Manpower Act (Chapter 91A)
Mizuho Bank Ltd, Singapore Branch	Banker's Guarantee No LOD-GTO-009479 Banker's Guarantee No LOD-GTO-009459
<u>PUB (as defined in the Scheme)</u>	<u>Guarantee made by the Company, as guarantor, for the benefit of PUB dated 4 July 2011</u>
Qurayyat Desalination SAOC	Guarantee dated 28 October 2015
The Hong Kong and Shanghai Banking Corporation Limited	Banker's Guarantee No FNGOCB628508
Tokio Marine Singapore	Security Bonds for Foreign Workers (Domestic and non-Domestic) issued pursuant to the Employment of Foreign Manpower Act (Chapter 91A)
<u>TuasOne Pte Ltd</u>	<u>O&M Contract Parent Company Guarantee issued by (i) the Company and (ii) Mitsubishi Heavy Instructed Ltd dated 12 May 2016</u> <u>TuasOne EPC Contract (as defined in the Scheme)</u> <u>TuasOne Share Charge (as defined in the Scheme)</u> <u>TuasOne Intercreditor Agreement (as defined in the Scheme)</u>

DATED 26 MAR 2019

**SCHEDULE 4
FORM OF PROOF OF CLAIM**

Summary report: Litera® Change-Pro for Word 10.6.0.7 Document comparison done on 26/3/2019	
Style name: Default Style	
Intelligent Table Comparison: Active	
Original filename: 20190221 Hyflux Scheme (clean).docx	
Modified filename: 20190326 Hyflux Scheme (amended).docx	
Changes:	
<u>Add</u>	657
Delete	221
Move From	0
<u>Move To</u>	0
<u>Table Insert</u>	2
Table Delete	2
<u>Table moves to</u>	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	43
Embedded Excel	0
Format changes	0
Total Changes:	925

Appendix C – Revised overview of Schemes

PARTIES		VALUE OF CLAIMS (APPROX.) ¹	SHARES IN HYFLUX POST- REORGANISATION (Assumed equity value of S\$667 million ²)	EQUITY / CASH DISTRIBUTION (APPROX.)				ESTIMATED TOTAL RETURNS (APPROX.)		ESTIMATED PERCENTAGE RETURNS PER CLAIMANT (APPROX.) ³					
				28 days (tentative) after RED ⁴	Assuming TuasOne reaches PCOD	One (1) year after RED	Two (2) years after RED								
Investor – SM Investment Pte Ltd			60% in exchange for S\$400m investment												
Ordinary Shareholders of Hyflux			4% which includes 1.38% (approx.) existing ordinary shares of directors which will be given to the P&Ps												
HYFLUX	Unsecured Scheme Parties	Bank Lenders	S\$714m ⁵	27%	S\$135.1m + 15.72% equity		Pro-rata equity payout to all Unsecured Scheme Parties from escrow upon Contingent Claims being Extinguished	Pro-rata equity payout to all Unsecured Scheme Parties from escrow upon Contingent Claims being Extinguished and/or Expired	up to S\$232m ⁸ + S\$180m (assumed equity value of 27% equity)		≥23.8% ⁹				
		MTNs	S\$278m ¹⁰												
		Trade and other claimants	S\$18m ¹¹												
		Contingent Claimants	S\$724m												
	Debt Securities Scheme Parties	Perpetual Capital Securities	S\$500m principal ¹²	9% (from Hyflux Scheme) +	S\$27m + 10.38% equity		Pro-rata cash payout to all Debt Securities Scheme Parties and Unsecured Scheme Parties from escrow upon Contingent Claims being Extinguished ⁶	Pro-rata cash payout to all Debt Securities Scheme Parties and Unsecured Scheme Parties from escrow upon Contingent Claims being Extinguished ⁷ and/or Expired	≥S\$27m ¹³ + S\$69.2m (assumed equity value of 10.38% equity) Returns received by directors for their P&P holdings will be redistributed to other P&Ps Cash distributions allocated to Contingent Claims which Expire (after deducting incentive) or Extinguish to be distributed <i>pro-rata</i> between Debt Securities Scheme Parties and Unsecured Scheme Parties		≥10.69% increased to ≥10.74% (factoring redistribution of directors' returns) increases to approx. 12.6% if approx. 50% of Contingent Claims become Extinguished or Expired				
		Preference Shares	S\$400m principal ¹⁴										1.38% (approx.) from Hyflux directors' contribution of their existing ordinary shares in Hyflux		
	Subordinated Scheme Parties		S\$106m		Nominal ¹⁵				Nominal		≈ 0%				
HYDROCHEM	General Trade and Other Claimants		S\$21.98m		S\$2.81m	Up to S\$7.96m ¹⁶			Minimum return	Assuming TuasOne reaches PCOD	Minimum return	Assuming TuasOne reaches PCOD			
									S\$2.81m	S\$2.81m to S\$10.77m	S\$5,000 + ~11.03%	S\$5,000 + ~11.03% to 47.97%			
	TuasOne Trade Claimants								S\$19.64m	S\$2.90m	S\$13.92m	S\$2.90m	S\$16.82m ¹⁷	S\$5,000 + ~11.03%	S\$5,000 + ~85.03%
	Subordinated Scheme Parties								S\$254.2m	Nominal		Nominal		≈ 0%	
HMM	General Trade and Other Claimants		S\$19.68 m		S\$2.98m	Up to S\$7.05m ¹⁸			S\$2.98m	S\$2.98m to S\$10.03m	S\$5,000 + ~12.42%	S\$5,000 + ~12.42% to 49.36%			
	TuasOne Trade Claimants		S\$1.57m		S\$0.30m	S\$1.07m			S\$0.30m	S\$1.37m ¹⁹	S\$5,000 + ~12.42%	S\$5,000 + ~86.42%			
	Subordinated Scheme Parties		S\$205.3m		Nominal			Nominal		≈ 0%					
HE	All Claimants		S\$13.88m		S\$4.01m				S\$4.01m		S\$5,000 + ~26.78%				
	Subordinated Scheme Parties		S\$79.8m		Nominal				Nominal		≈ 0%				

¹ These approximations are based on the adjudication of Proofs of Claim by the Chairman, and may be amended if there are changes to the adjudication results following, among other things, any determination by an independent assessor as may be appointed by a party disputing the results of the Chairman's adjudication of a Proof of Claim.

² On the assumption that 60% of Hyflux's shareholding is valued at S\$400 million.

³ These approximations are based on the adjudication of Proofs of Claim by the Chairman, and may be amended if there are changes to the adjudication results following, among other things, any determination by an independent assessor as may be appointed by a party disputing the results of the Chairman's adjudication of a Proof of Claim.

⁴ Restructuring Effective Date, which will likely take place on16 April 2019 or shortly thereafter.

⁵ Inclusive of loan by KfW IPEX GmbH of S\$144 million (approx.) to Hydrochem which is guaranteed by Hyflux and crystallised debt of approximately S\$65 million (approx.) from bonds and guarantees that have been called before November 2018.

⁶ After deducting a 10% cash incentive component (First Contingent Claim Management Payout) to be paid to project teams/employees responsible for extinguishment of contingent claim.

⁷ Where Contingent Claims become Extinguished, payment of the cash component will be made after deducting a 10% cash incentive component (Second Contingent Claim Management Payout) to be paid to project teams/employees responsible for extinguishment of contingent claim.

⁸ Assuming all the Contingent Claims Crystallise and are paid out.

⁹ Assuming all the Contingent Claims Crystallise and are paid out. The return per Claimant increases with each Contingent Claim becoming Extinguished instead of becoming Crystallised. 2 years after RED, any Contingent Claims that have not Crystallised or Extinguished will become Expired.

¹⁰ S\$265 million Principal + S\$13 million (approx.) accrued Interest

¹¹ Inclusive of crystallised debt of S\$10 million (approx.) from bonds and guarantees that have already been called since November 2018 and minor trade debt of an aggregate sum <S\$500k.

¹² Inclusive of the S\$3.15 million in principal held by directors.

¹³ The return per Claimant increases with each Contingent Claim becoming Extinguished instead of becoming Crystallised. 2 years after RED, any Contingent Claims that have not Crystallised or Extinguished will become Expired.

¹⁴ Inclusive of the S\$1.202 million in principal held by directors.

¹⁵ S\$1 per Subordinated Claimant.

¹⁶ From Hydrochem's share of the Net Cash Flow from TuasOne EPC Contract upon TuasOne PCOD after making necessary deductions under MHI Settlement Agreement (eg, First Priority Payment to MHI, Trade Creditors' Payment, cost overruns and LDs)

¹⁷ From Trade Creditors' Payment of S\$15m under MHI Settlement Agreement that can only be paid to TuasOne trade creditors.

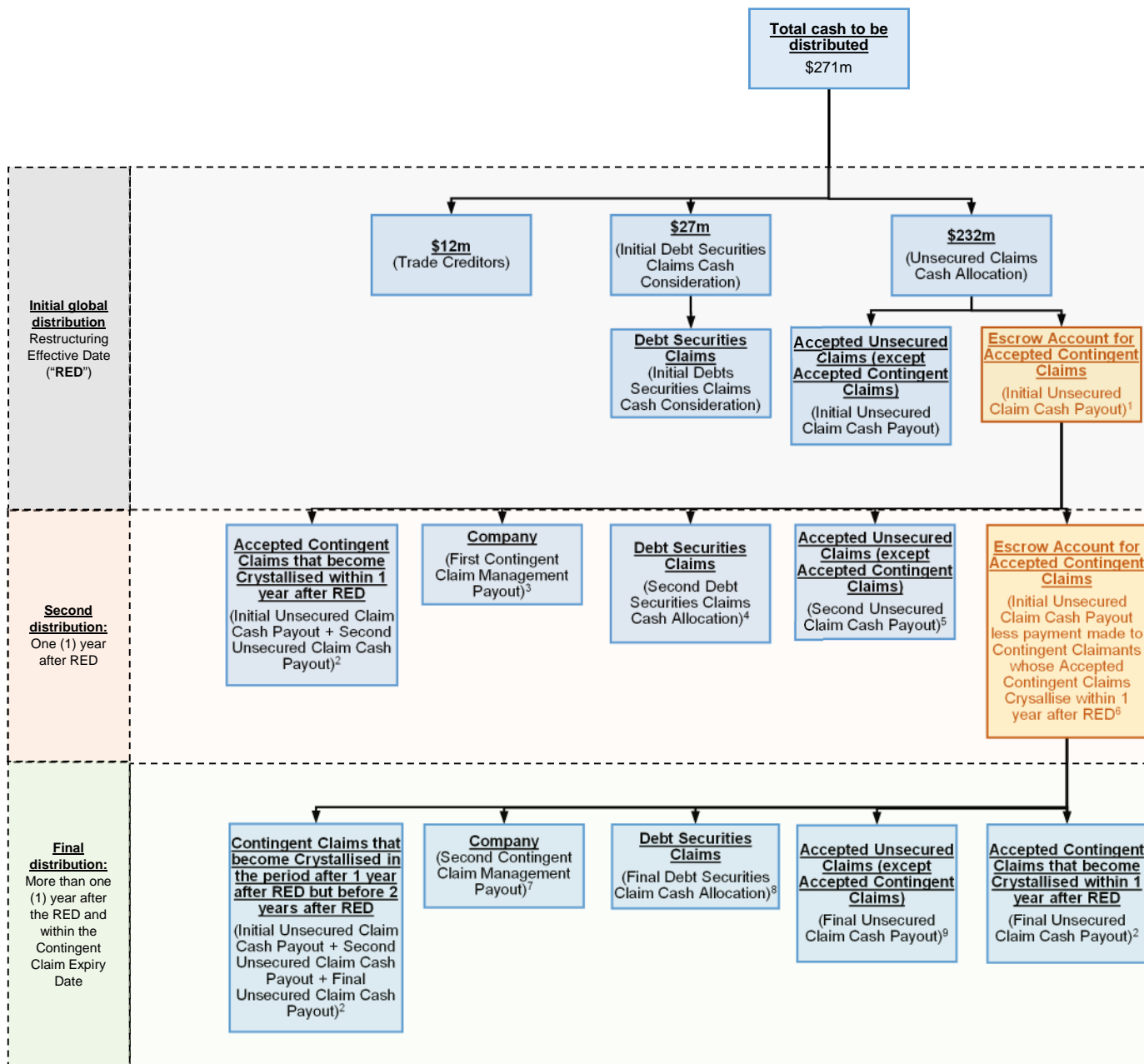
¹⁸ From Hydrochem's share of the Net Cash Flow from TuasOne EPC Contract upon TuasOne PCOD after making necessary deductions under MHI Settlement Agreement (eg, First Priority Payment to MHI, Trade Creditors' Payment, cost overruns and LDs)

¹⁹ From Trade Creditors' Payment of S\$15m under MHI Settlement Agreement that can only be paid to TuasOne trade creditors.

Appendix D – Overview illustration of amended distribution of cash payouts

CASH DISTRIBUTIONS FOR DEBT SECURITIES SCHEME

PARTIES AND UNSECURED SCHEME PARTIES



Notes:

Initial global distribution

1: The amount in the Escrow Account is the cash allocated for the Accepted Contingent Claims. It is paid only if the Accepted Contingent Claims Crystallises.

Second distribution

2: If an Accepted Contingent Claim Crystallises within the Contingent Claim Expiry Date, the claim is paid as if it were an Accepted Unsecured Claim that would have received a cash payout on RED.

3: The First Contingent Claim Management Payout is 10% of the cash allocated to the Extinguished Contingent Claims within the one (1) year period after the RED. This will be paid out by the Company to the project staff responsible for the extinguishment of those Extinguished Contingent Claims.

4: This distribution is the Debt Securities Claims' *pro rata* distribution (*pro rata* together with the Accepted Unsecured Claims (without Accepted Contingent Claims)) of 90% of the cash allocated to the Extinguished Contingent Claims within one (1) year after the RED.

5: This distribution is the Accepted Unsecured Claims' *pro rata* distribution (*pro rata* together with the Debt Securities Claims) of the 90% of cash allocated to the Extinguished Contingent Claims within the one (1) year period after the RED.

6: This is the amount left in the Escrow Account after the cash allocated to the Accepted Contingent Claims which has Extinguished within one (1) year after the RED is distributed.

Final distribution

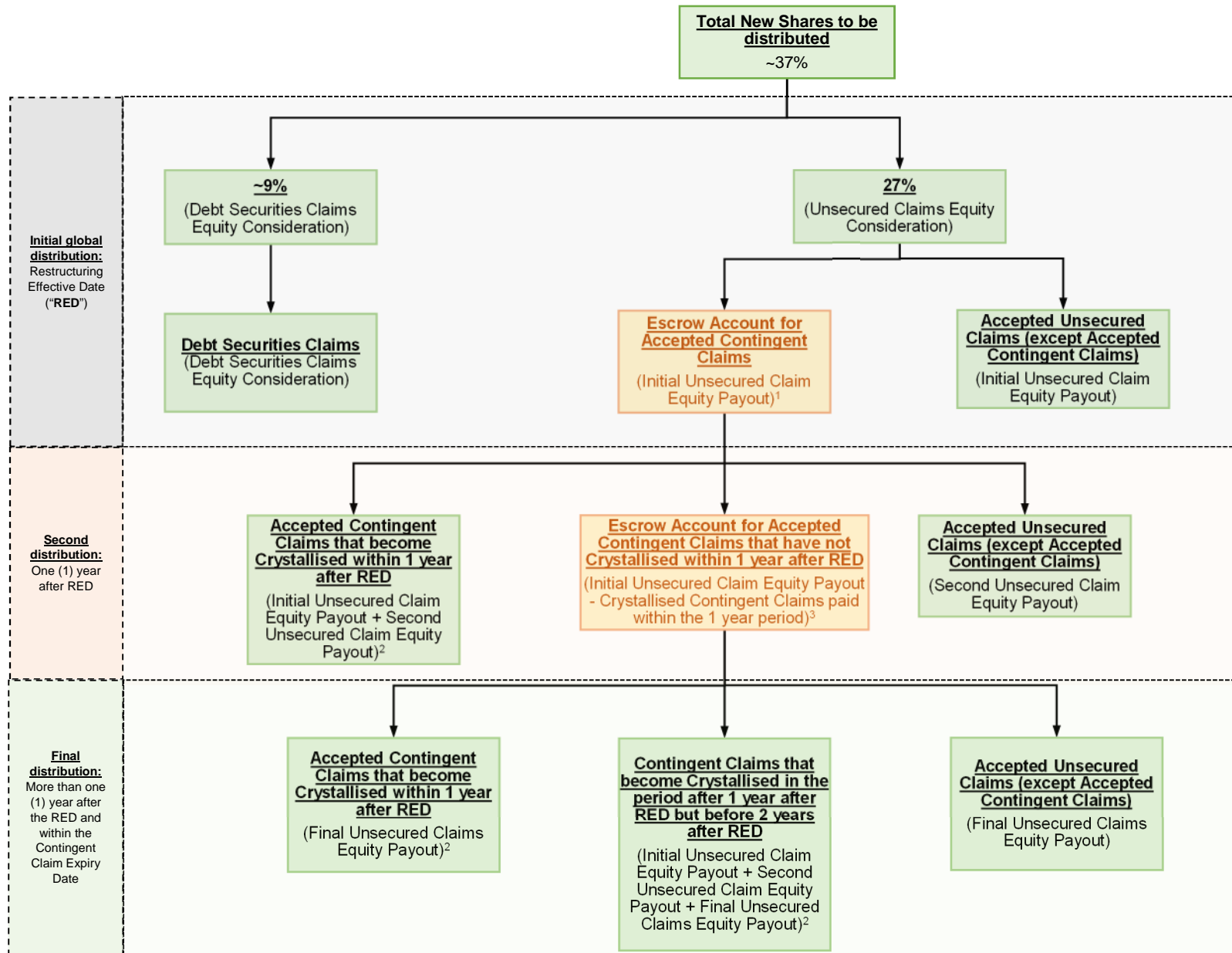
7: This distribution is 10% of the cash allocated to the Extinguished Contingent Claims more than one (1) year after the RED but within the Contingent Claim Expiry Date. It goes to the project staff responsible for the extinguishment of those Extinguished Contingent Claims.

8: This distribution is the Debt Securities Claims' *pro rata* distribution (*pro rata* together with the Accepted Unsecured Claims) of 90% of cash allocated to the now Expired Contingent Claims.

9: This distribution is the Accepted Unsecured Claims' *pro rata* distribution (*pro rata* together with the Debt Securities Claims) of 90% of cash allocated to the now Expired Contingent Claims.

Appendix E – Overview illustration of amended distribution of equity payouts

EQUITY DISTRIBUTIONS FOR DEBT SECURITIES SCHEME PARTIES AND UNSECURED SCHEME PARTIES



Notes:

Initial global distribution

1: The amount in the Escrow Account is the equity distribution allocated for the Accepted Contingent Claims. Amounts in the Escrow Account will only be paid out to the Contingent Claimants if their Accepted Contingent Claims Crystallise before the Contingent Claim Expiry Date.

Second distribution

2: If an Accepted Contingent Claim Crystallises within the Contingent Claim Expiry Date, the claim is paid as if it were an Accepted Unsecured Claim that would have received an equity payout on the RED.

3: This is the amount left in the Escrow Account after the equity allocated to the Accepted Contingent Claims that have Extinguished within one (1) year after the RED is distributed.