

*Bowenvale Limited
Vistra Corporate Service Centre
Wickhams Cay II
Road Town
Tortola VG1110
British Virgin Islands*

STRICTLY PRIVATE & CONFIDENTIAL

To: Roger Shun-hong Tong (“**RT**”)
c/o Asia Satellite Telecommunications Holdings Limited
12/F, Harbour Centre
25 Harbour Road
Wan Chai, Hong Kong

Sue Yeung (“**SY**”)
c/o Asia Satellite Telecommunications Holdings Limited
12/F, Harbour Centre
25 Harbour Road
Wan Chai, Hong Kong
(together with “**RT**”, the “**Managers**”)

25 June 2019

Dear Sir/Madam,

**MANAGEMENT INCENTIVE PLAN IN ASIA SATELLITE
TELECOMMUNICATIONS HOLDINGS LIMITED – ROLLOVER /
REINVESTMENT ARRANGEMENTS**

1. We refer to the proposed privatisation of Asia Satellite Telecommunications Holdings Limited (the “**Company**”) by Bowenvale Limited (the “**Offeror**”) by way of a scheme of arrangement (the “**Scheme**”), pursuant to which all of the issued shares in the share capital of the Company (other than those already owned by the Offeror) (the “**Scheme Shares**”) will be cancelled in exchange for the payment of the cancellation price in cash to the holders of the Scheme Shares, and the proposed offer for all of the outstanding share awards of the Company (such outstanding awards, the “**Unvested Awards**”) granted under the existing share award schemes of the Company adopted on 22 August 2007 (as amended on 8 June 2012) and 20 December 2017 (such schemes collectively, the “**ESAS**”) pursuant to which all Unvested Awards (other than those subject to the Rollover Arrangements (as defined in paragraph 2 below)) will be cancelled for cash on a “see through” basis. Unless otherwise stated, words and expressions defined in the joint announcement of the Offeror and the Company pursuant to Rule 3.5 of the Code on Takeovers and Mergers relating to the Privatization (the “**Announcement**”) released on or about the date of this letter shall have the same meanings when used in this letter.

2. As the executive management team of the Target, you have extensive operational expertise and an in-depth understanding of the business and industry of the Company and its subsidiaries (the “**Group**”). To incentivize you to continue to work towards the growth of the business of the Group post-Privatization, we would like to offer you an opportunity to participate in the development of the Group post-Privatization through the adoption by the Company of a new management incentive plan (the “**MIP**”) on the date that the Scheme becomes effective (the “**Effective Date**”). Pursuant to this proposal, subject to (i) obtaining the consent of the SFC to the Rollover Arrangements, (ii) the independent financial adviser to the independent board committee of Atlas stating in its opinion that the proposed terms of the Rollover Arrangements are fair and reasonable; and (iii) the approval by the independent shareholders of the Company of the Rollover Arrangements (collectively, the “**Rollover Conditions**”):

- (a) 37.20% of your Unvested Awards as at the Effective Date will be rolled over into the MIP (such unvested rolled over share awards, the “**Rollover Share Awards**”) by the issue of restricted share units under the MIP on a one-for-one basis;
- (b) you shall waive the accelerated vesting of your Rollover Share Awards that would otherwise occur upon the Scheme becoming effective pursuant to the rules of the ESAS; and
- (c) you will be issued an additional 0.80 restricted share units (the “**Rollover Incentive RSUs**”) under the MIP for every Rollover Share Award (rounded down to the nearest whole Rollover Incentive RSU),

the foregoing proposed arrangements being the “**Rollover Arrangements**”. Further details of the Rollover Arrangements are contained in the term sheet set out in Appendix 1 of this letter (the “**Term Sheet**”).

3. In consideration for the opportunity to participate in the Rollover Arrangements:

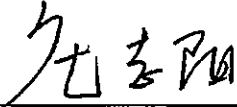
- (a) you irrevocably and unconditionally undertake that:
 - (i) you will exercise or procure the exercise of the voting rights attached to the Scheme Shares in which you have a direct or indirect interest (such shares, the “**Existing Shares**”) (to the extent such voting rights may be exercised):
 - (A) at the Court Meeting to approve the Scheme; and
 - (B) at the duly convened SGM in favour of the special resolutions of shareholders to approve the reduction of the issued share capital of the Company by the cancellation of the Scheme Shares; and
 - (ii) from the date hereof, you will not (save for the performance of this letter) directly or indirectly, acquire, sell, transfer, charge, encumber, grant any option over or otherwise dispose of any interest in any of your Existing Shares, nor accept any other offer in respect of all or

any of your Existing Shares until the earlier of the Effective Date or this letter terminating in accordance with paragraph 6 below;

- (b) you warrant and represent as at the date of this letter that you have not acquired, sold, transferred, charged, encumbered, granted any option over or otherwise disposed of any interest in any of your Existing Shares within the 6 month period prior to the date of this letter.
- 4. For the avoidance of doubt, if the Scheme becomes effective in accordance with the terms and conditions of the Announcement but the Rollover Arrangements are not implemented due to the non-satisfaction of one or more of the Rollover Conditions, all of the Rollover Share Awards will be cancelled for cash and none of the Rollover Share Awards will be rolled over into the MIP.
- 5. The Rollover Arrangements as set out in this letter and the Term Sheet will be reflected in definitive documentation to be adopted by the Company on or before the Scheme becoming effective and we (and by countersigning this letter you each) agree to work in good faith to finalise such definitive documentation in such timeframe.
- 6. This letter shall terminate immediately if the Scheme lapses in accordance with the Announcement or is withdrawn or terminated by the Offeror. The termination of this letter in accordance with its terms shall be without prejudice to a party's accrued rights and remedies, obligations and liabilities under this letter as at the date of such termination.
- 7. This letter shall not be capable of being waived, varied or amended, save by an instrument in writing executed by each of the parties hereto.
- 8. The undertakings in this letter are intended to be legally binding, and will be governed by and construed in accordance with the laws of the Hong Kong Special Administrative Region of the People's Republic of China ("**Hong Kong**") and each party to this letter submits to the non-exclusive jurisdiction of the courts of Hong Kong with respect to the subject matter of this letter. Except as otherwise provided herein, no one other than RT, SY and the Offeror shall have any rights under the Contracts (Rights of Third Parties) Ordinance (Chapter 623 of the Laws of Hong Kong) to enforce or enjoy the benefit of any undertakings in this letter.

Yours faithfully,

For and on behalf of
Bowenvale Limited



Name: Chong Chi Yeung

Title: ~~Director~~ Authorised Signatory

For and on behalf of
Bowenvale Limited

Name:

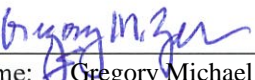
Title: Director

Yours faithfully,

For and on behalf of
Bowenvale Limited

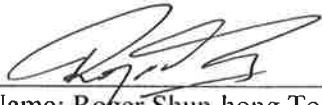
Name:
Title: Director

For and on behalf of
Bowenvale Limited



Name: Gregory Michael Zeluck
Title: Director

Agreed and accepted by:



Name: Roger Shun-hong Tong

Date: 25 June 2019

Agreed and accepted by:

Name: Sue Yeung

Date:

Agreed and accepted by:

Name: Roger Shun-hong Tong
Date:

Agreed and accepted by:



Name: Sue Yeung
Date: 25 June 2019

APPENDIX 1

**KEY TERMS OF ROLLOVER MANAGEMENT INCENTIVE PLAN IN ASIA
SATELLITE TELECOMMUNICATIONS HOLDINGS LIMITED**

PROJECT AURORA

KEY TERMS OF ROLLOVER MANAGEMENT INCENTIVE PLAN IN ATLAS (the “Plan”)

1. DEFINITIONS

“2007 SAS”	means the Share Award Scheme adopted by Atlas on 22 August 2007 (as amended on 8 June 2012)
“2012 SAS”	means the Share Award Scheme adopted by Atlas on 20 December 2017
“Anticorruption Laws”	means laws, regulations or orders relating to anti-bribery or anticorruption (governmental or commercial), which apply to the business and dealings of Atlas or any other Atlas Group Company including, without limitation, laws that prohibit the corrupt payment, offer, promise, or authorization of the payment or transfer of anything of value (including gifts or entertainment), directly or indirectly, to any government official, commercial entity, or any other person to obtain a business advantage.
“Atlas”	means Asia Satellite Telecommunications Holdings Limited
“Atlas Group” and “Atlas Group Companies”	means Atlas and its subsidiaries from time to time
“Award Period”	The period commencing on the Effective Date, and ending on the day immediately prior to the 10 th anniversary of the Effective Date (or in case such date is not a Business Day, the Business Day immediately thereafter).
“Bad Leaver”	<p>means a Participant who becomes a Leaver due to termination by Atlas if such Participant:</p> <ul style="list-style-type: none"> (a) has been indicted or convicted in a court of law for any crime or offense that in the reasonable judgement of the Board makes the Participant unfit for continued employment or prevents the Participant from performing his or her duties as a director or officer of Atlas or any Atlas Group Company or other obligations or such continued employment would be reasonably likely to adversely affect the reputation of the Atlas Group; (b) has committed fraudulent or criminal acts in the course of his or her employment, or has breached Anticorruption Laws; (c) has materially breached any provision of his or her employment agreement or any incorporated terms thereof or any other conditions of service with Atlas; (d) has materially breached a key policy or code of conduct of the Atlas Group; (e) has engaged in intentional, reckless, or grossly negligent conduct that has or is reasonably likely to have a material adverse effect on Atlas or any Atlas Group Company; or (f) has committed a material breach of his duties to the Atlas Group; or

	(g) has misappropriated or stolen the Atlas Group's assets.
"Benz"	means Bowenvale Limited.
"Board"	means the board of directors of Atlas from time to time.
"Business Day"	means a day on which the Stock Exchange is open for the business of dealing in securities.
"Cessation Date"	<p>means, in relation to a Participant:</p> <p>(a) if the Participant dies, the date of his death or certification of such death (if the date of death is unknown);</p> <p>(b) if the Participant retires from employment with an Atlas Group Company, the date of his retirement;</p> <p>(c) where the Participant's employment with an Atlas Group Company ceases as a result of:</p> <ul style="list-style-type: none"> (i) the entity by which the Participant is employed ceasing to be an Atlas Group Company, the date of such cessation; and (ii) an order for the winding-up of Atlas being made or a resolution being passed for the voluntary winding-up of Atlas (otherwise than for the purposes of, and followed by, an amalgamation or reconstruction in such circumstances that substantially the whole of the undertaking, assets and liabilities of Atlas pass to a successor company), the date of such winding-up; and <p>(d) if none of (a) to (c) apply, the date on which the Participant ceases to be employed by (or appointed as a director to) an Atlas Group Company.</p>
"Effective Date"	means the date on which the Scheme becomes effective in accordance with its terms.
"Fair Market Value"	<p>means:</p> <p>(a) prior to a Listing, the aggregate of:</p> <ul style="list-style-type: none"> (i) the applicable NAV at the relevant time; and (ii) all cash distributions per Share paid out by Atlas in the period between the Grant Date and the date of the Exercise Notice; or <p>(b) following a Listing, the 20-Trading Day VWAP of one Share as at the close of the Trading Day immediately prior to the date of the Exercise Notice (or if to be calculated within 20 Business Days following the Listing, the price upon Listing).</p>
"Good Leaver"	<p>means a Participant who becomes a Leaver as a result of:</p> <p>(a) death or Permanent Disability;</p>

	<p>(b) retirement at or after his/her normal retirement age as specified in his/her terms of employment; or</p> <p>(c) the entity by which the Participant is employed ceasing to be an Atlas Group Company;</p> <p>(d) the winding-up of Atlas;</p> <p>(e) being made redundant by the relevant Atlas Group Company;</p> <p>(f) resignation for a Good Reason; or</p> <p>(g) termination of employment by Atlas for any reason other than reasons which would otherwise constitute the Participant a Bad Leaver or an Intermediate Leaver.</p>
“Good Reason”	<p>means, in relation to a resignation by a Participant, any of the following:</p> <p>(a) a material breach by Atlas of any material provision of the Plan;</p> <p>(b) a material reduction in such person’s responsibilities (provided no such reduction shall be deemed to have occurred solely by reason of the change in Atlas’ status from that of an independent company to that of a subsidiary of a buyer of Atlas following a change of control of Atlas);</p> <p>(c) a material reduction in the aggregate total of such person’s salary; and</p> <p>(d) a reassignment by Atlas of such person’s principal place of employment to a location outside Hong Kong (but excluding normal business travel consistent with such person’s duties, responsibilities and position).</p> <p>For a Participant to resign for Good Reason: (i) Atlas must be notified by such person in writing within 30 calendar days of the date such person becomes aware of the event that would allow him or her to terminate employment for Good Reason, with such notice setting forth such event in reasonable detail; (ii) the event must remain uncontested by Atlas for 30 calendar days following Atlas’ receipt of such notice (the “Notice Period”); and (iii) such resignation must occur within 30 days after the expiration of the Notice Period.</p>
“Grant”	means the grant of RSUs to a Participant under the Plan.
“Grant Date”	means the Effective Date.
“Hong Kong”	means the Hong Kong Special Administrative Region.
“Intermediate Leaver”	<p>means a Leaver who:</p> <p>(a) resigns for any reason other than a Good Reason; or</p> <p>(b) is terminated by Atlas for his/her poor performance.</p>
“Leaver”	means the Participant with effect from his Cessation Date.
“Listing”	means an initial public offering and listing of all or a majority of the shares in the issued share capital of Atlas (or a holding company of Atlas incorporated or used

	for the purposes of the Listing) on a recognised stock exchange as approved by Benz.
“NAV”	means the net asset value of one Share based on the last available audited consolidated financial statements of the Atlas Group prior to the date of the Exercise Notice subject to a minimum quantum to be agreed by the Effective Date in the definitive documents.
“Participant”	means a Rollover Manager to whom RSUs are issued under the Plan.
“Permanent Disability”	means the inability of the Participant, with or without reasonable accommodation, by reason of illness, incapacity, or other disability, to perform his or her duties or fulfill his or her employment obligations to Atlas, as certified in writing by a registered doctor, for a cumulative total of 180 days in any 12 month period; provided, however, that such period of absence may be extended if required by applicable law.
“PRC”	means the People’s Republic of China, which for the purposes of this termsheet, shall exclude Hong Kong, the Macau Special Administrative Region and Taiwan.
“Rollover Managers”	means Roger Shun-hong Tong (being an executive director and chief executive officer of the Company) and Sue Yeung (being the chief financial officer of the Company), in each case, as at the date of this termsheet.
“Rollover Share Awards”	<p>means, in relation each Rollover Manager, 37.2% of the aggregate number of such Rollover Manager’s unvested share awards (including each such Rollover Manager’s 2019 Awards but excluding each such Rollover Manager’s To-Be Vested Awards) granted under the SAS as at the Effective Date.</p> <p>As at the date of this termsheet, each Rollover Manager has the following number of unvested share awards granted under the SAS:</p> <p>(a) in relation to Roger Shun-hong Tong, 526,714 share awards; and</p> <p>(b) in relation to Sue Yeung, 434,265 share awards.</p> <p>The following number of outstanding share awards of each Rollover Manager are due to vest in July 2019:</p> <p>(a) in relation to Roger Shun-hong Tong, 96,988 share awards; and</p> <p>(b) in relation to Sue Yeung, 77,997 share awards,</p> <p>(collectively, the “To-Be Vested Awards”).</p> <p>It is expected that Atlas will arrange for an amendment of the 2007 EAS rules and/or the related trust deed to defer vesting of all of the To-Be Vested Awards such that all of the To-Be Vested Awards will be cash cancelled upon the Scheme becoming effective. Accordingly, as at the date of this termsheet, the number of Rollover Share Awards for each Rollover Manager (net of the To-Be Vested Awards) is:</p> <p>(a) in relation to Roger Shun-hong Tong, 159,858 share awards; and</p> <p>(b) in relation to Sue Yeung, 132,532 share awards.</p>

	<p>It is expected that a certain number of share awards¹ will be granted to each Rollover Manager in July 2019 (“2019 Awards”).</p> <p>Following the grant of the 2019 Awards, the number of Rollover Share Awards will be increased accordingly.</p>
“Rollover RSUs”	<p>means, in relation to each Rollover Manager, an equivalent number of such Rollover Manager’s Rollover Share Awards.</p> <p>Based on the number of Rollover Share Awards as at the date of this termsheet, the number of Rollover RSUs to be granted to each Rollover Manager is:</p> <p>(a) in relation to Roger Shun-hong Tong, 159,858 RSUs; and</p> <p>(b) in relation to Sue Yeung, 132,532 RSUs.</p>
“Rollover Incentive RSUs”	<p>means, in relation to each Rollover Manager, a number of additional RSUs equal to 80% of such Rollover Manager’s Rollover RSUs (rounded down to the nearest whole Rollover Incentive RSU).</p> <p>Based on the number of Rollover RSUs as at the date of this termsheet to be granted to each Rollover Manager, the number of Rollover Incentive RSUs as at the date of this termsheet to be granted to each Rollover Manager is:</p> <p>(a) in relation to Roger Shun-hong Tong, 127,886 RSUs; and</p> <p>(b) in relation to Sue Yeung, 106,025 RSUs.</p>
“RSUs”	means restricted share units issued to a Participant under the Plan, including Rollover RSUs and Rollover Incentive RSUs.
“RSU FMV”	<p>means the Fair Market Value of one RSU determined in accordance with the following formula:</p> $\text{RSU FMV} = \frac{\text{Fair Market Value} \times \text{Number of Issued Shares}}{\text{Number of Issued Shares} + \text{Number of vested RSUs}}$
“RSU Tax Liability”	means any liability of Atlas to account for any amount of income tax or any equivalent charge in the nature of tax or social security contributions which may arise on the grant or settlement of any RSUs.
“SAS”	means the 2007 SAS and the 2017 SAS.
“Scheme”	means the scheme of arrangement under section 99 of the Bermuda Companies Act involving the cancellation of all the Shares not owned by Benz
“Shares”	means ordinary shares of HK\$0.10 each of Atlas, or if there has been a sub-division, consolidation, reclassification or reconstruction of the share capital of Atlas, shares forming part of the ordinary share capital of Atlas of such other nominal amount as such result from any such sub-division, consolidation, reclassification or reconstruction.

¹ To be determined based on the then applicable market price of the Shares

“Settlement Amount”	means an amount equal to the product of (a) the RSU FMV multiplied by (b) the number of Settled RSUs (as defined in Section 3.A.1 below).
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Trading Day”	means a day on which the stock exchange on which the Shares are listed is open for the business of dealing in securities.
“Vesting Dates”	means the dates on which the RSUs for each Grant are to vest in the Participant.
“VWAP”	means the volume weighted average price.

2. KEY TERMS OF THE ROLLOVER

1.	Grant of Rollover RSUs and Rollover Incentive RSUs	Subject to (i) obtaining the consent of the Securities and Futures Commission of Hong Kong to the Rollover Arrangements, (ii) the independent financial adviser to the independent board committee of Atlas stating in its opinion that the proposed terms of the Rollover Arrangements are fair and reasonable; and (iii) the approval by the independent shareholders of the Company of the Rollover Arrangements), each Rollover Manager shall waive its right to accelerated vesting of 37.2% of the aggregate number of such Rollover Manager’s unvested share awards granted under the SAS as at the Effective Date, in exchange for which Benz shall procure the issuance by Atlas to such Rollover Manager of its Rollover RSUs and its Rollover Incentive RSUs under the Plan with effect from the Effective Date.
2.	Vesting of Rollover RSUs and Rollover Incentive RSUs	<p>(a) The Rollover RSUs shall vest at the same vesting schedule as the Rollover Share Awards vest under the SAS and as set out in Schedule 1 of this termsheet.</p> <p>(b) The Rollover Incentive RSUs shall vest in four (4) equal instalments over a four (4) year period following the Grant Date of the Rollover Incentive RSUs, the first such vesting starting in July following the Effective Date and every anniversary thereafter.</p>

3. KEY TERMS OF THE PLAN

A. EXERCISE AND SETTLEMENT

1.	Exercise	<p>A Participant may, by written request to Atlas (“Exercise Notice”), elect at any time to settle all or part of his/her vested RSUs.</p> <p>An Exercise Notice once given shall be irrevocable.</p> <p>The Exercise Notice shall set out:</p> <p>(a) the number of vested RSUs to be settled (the “Settled RSUs”); and</p> <p>(b) the bank account details of the Participant to which payment of the Settlement Amount shall made.</p>
2.	Settlement	<p>Atlas shall, on a date no later than 20 Business Days following the date of the Exercise Notice pay the Settlement Amount in cash to the Participant.</p>

B. LEAVER PROVISIONS, MATERIAL BREACH AND TRANSFERS

1.	Unvested RSUs	<p><u>Good Leaver:</u></p> <p>All outstanding RSUs that have not vested on the Cessation Date shall immediately and automatically vest on the Cessation Date. Upon vesting, Atlas shall send the Vesting Notice to such Good Leaver as soon as practicable after the Cessation Date.</p> <p><u>Intermediate Leaver:</u></p> <p>All outstanding Rollover RSUs that have not vested shall immediately and automatically vest on the Cessation Date. Upon vesting, Atlas shall send the Vesting Notice to such Intermediate Leaver as soon as practicable after the Cessation Date.</p> <p>Unless the Board determines otherwise, all outstanding Rollover Incentive RSUs that have not vested on the Cessation Date shall immediately and automatically lapse and be forfeited for no consideration on the Cessation Date.</p> <p><u>Bad Leaver:</u></p> <p>Unless the Board determines otherwise, all outstanding RSUs that have not vested on the Cessation Date shall immediately and automatically lapse and be forfeited for no consideration on the Cessation Date.</p>
2.	Vested RSUs	<p><u>Good Leaver and Intermediate Leaver:</u></p> <p>Leaver retains his/her vested RSUs and the Leaver may at any time after the Cessation Date, elect at any time to settle all or part of his/her vested RSUs.</p>

		<p><u>Bad Leaver:</u></p> <p>Unless the Board determines otherwise, all vested RSUs shall immediately and automatically lapse and be forfeited for no consideration on the Cessation Date.</p>
3.	Transfers	No RSU granted under the Plan may be sold, pledged, assigned or transferred by a Participant.

C. RESTRICTIVE COVENANTS; CONFIDENTIALITY

1.	Confidentiality undertakings	<p>(a) Each Participant shall keep the terms of the Award Letter, the Plan and any discussions regarding the terms of those documents strictly confidential.</p> <p>(b) The obligations of each Participant under paragraph 1(a) shall survive the lapse of its RSUs or the termination and dissolution or liquidation of Atlas.</p>
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D. MISCELLANEOUS

1.	Consolidation, Sub-division and Bonus issue	<p>If Atlas undertakes a sub-division, consolidation or bonus issue of Shares, a corresponding changes will be made to the number of outstanding RSUs that have been granted and vested RSUs, provided that the adjustments shall be made in such manner as the Board acting in good faith determines to be fair and reasonable in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan for the Rollover Managers.</p>
2.	Tax and other liability	<p>No Atlas Group Company shall be responsible for any tax, duty, expenses, fees or any other liability to which a Rollover Manager may become subject as a result of his participation in the Plan.</p> <p>Atlas may, to the extent required or permitted by applicable law, withhold from any remuneration, fees, dividends or other amounts payable to a Participant such amounts as may be required from time to time to satisfy the withholding obligations imposed on Atlas by any taxing authority in respect of taxes of any kind in connection with the grant, vesting, exercise of, assignment, release or any other benefit derived by the Participant from the grant or settlement of the RSUs,</p> <p>Each Participant shall indemnify Atlas in respect of any RSU Tax Liability. If a RSU Tax Liability arises, Atlas may, to the extent required or permitted by law withhold the amount of the RSU Tax Liability from payment of any remuneration, fees, dividends or other amounts payable to a Participant.</p>
3.	Governing Law	Hong Kong

E. DURATION AND TERMINATION

1.	Duration	Subject to any early termination as may be determined by the Board pursuant to item 2 below, the Plan shall be valid and effective for a term of 20 years commencing on the Effective Date provided that no further awards will be granted after the Award Period.
2.	Termination	The Plan shall terminate on the earlier of: (a) the 20 th anniversary date of the Effective Date; and (b) such date of early termination as determined by the Board provided that such termination shall not affect any subsisting rights of any Rollover Manager hereunder.

Schedule 1

Vesting Schedule of Rollover RSUs (excludes 2019 Awards)

	July 2020	July 2021	July 2022	July 2023	Subtotal
Roger Shun-hong Tong	52,322	46,789	37,123	23,623	159,858
Sue Yeung	43,512	38,843	30,018	20,159	132,532