nuss
The Graduate Club

PROPOSED RESOLUTION

At the Extraordinary General Meeting to be held on
Thursday, 5 December 2024, 7pm

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Secretary
National University of Singapore Society
9 Kent Ridge Drive
Singapore 119241

Dear Sir

RE: PROPOSED RESOLUTION

With the support of the Management Committee (the Committee), we write to request that an Extraordinary General Meeting be convened for members to consider and vote on the following Resolution:

THAT pursuant to Article 28(1) of the Constitution, approval be granted for the agreement between ENGIE South East Asia Pte. Ltd. and the National University of Singapore Society (NUSS), dated 8 March 2024 (as supplemented by a Supplemental Letter dated 18 October 2024) where the arrangement requires the capitalisation of the Plantside New Installations which provides that:

13.1 Scope of Transfer

At the expiry of the Term, ENGIE shall transfer to the Client the Plantside New Installations as set out in Schedule 2 and 4 on an 'as is where is' basis at zero costs.

This is in accordance with Articles 28(1), 40(1) and 41(1) of the Constitution of NUSS.

Dated this 6th of November 2024.

Name: Edward S Tay
Membership No.: TA378R
Proposer

Name: Lee Hay Keong
Membership No.: L5031Q
Seconder

EXECUTIVE SUMMARY

1. BACKGROUND

The air-conditioning system at Kent Ridge Guild House (KRGH) was originally installed together with the construction of KRGH which was opened around 2010.

By 2023, it was clear to the Committee that the air-conditioning needed to be replaced. It was estimated that it would cost around $1.5 million to replace the system.

Due to the NUSS' financial situation, the Committee explored other options to incurring this capital expenditure. The Committee ultimately entered into an agreement with ENGIE South East Asia Pte. Ltd. (ENGIE) on 8 March 2024 whereby ENGIE would undertake the financing, design, construction and maintenance of the air conditioning system (New System) integrated with a rooftop solar installation.

The Term was determined based on the expected useful life of the New System.

The original discussions with ENGIE entailed ENGIE removing and disposing of the New System after the Term at the NUSS' expense.

To reduce the amount payable by NUSS, the Committee proposed that the New System be transferred to NUSS after the Term instead. This would also allow NUSS to continue using the New System (albeit perhaps under non-optimal conditions) for any extended period while working with a vendor (Replacement System Vendor), who could be ENGIE or another vendor, to replace the New System.

The Committee deemed that this is in effect an arrangement to provide air-conditioning services via the New System to be provided by ENGIE for a 10-year period expiring on 7 March 2035 (Term), and hence is not a capital expenditure.

The arrangement, however, under Interpretation to Singapore Financial Reporting Standard 112 – *Service Concession Arrangement*, the Plantside New Installations are to be capitalised and therefore need the approval of the NUSS members under Article 28(1) of the Constitution. Bearing this in mind, NUSS entered into a supplemental letter on 18 October 2024 to amend Clause 13 to 13.1 and insert Clause 13.2 to the agreement with ENGIE (collectively the “Agreement”) to provide as follows:

> 13.1 Scope of Transfer
> At the expiry of the Term [i.e., 7 March 2035] ENGIE shall transfer to the Client the Plantside New Installations as set out in Schedule 2 and 4 on an 'as is where is' basis at zero costs.
>
> 13.2 Clause 13.1 is subject to the Client obtaining the approval of its members at a general meeting of the Client, and if the approval is not obtained, ENGIE shall retain the ownership of the Plantside New Installations and have the right to dispose at its sole discretion at the expiry of the Term.

This in effect ensures that the Agreement will comply with Article 28(1).

2. **RESOLUTION**

The proposed resolution seeks the approval of the members pursuant to Clause 13.2 in relation to Clause 13.1 of the Agreement.

If the resolution is passed, ownership of the New System will be transferred to NUSS. Although New System will still need to be replaced after the Term, as indicated above, NUSS has the option to operate the New System while sourcing for a Replacement System Vendor. Also, the arrangement with the Replacement System Vendor will necessarily include the disposal of the New System by the Replacement System Vendor which allow a more seamless transition, and NUSS may be in a position to negotiate for the disposal to be undertaken by the Replacement System Vendor.

If the resolution is not passed, ENGIE will continue to provide the air-conditioning services for the Term but will have to take possession of the New System after the Term and dispose of the New System at the NUSS' expense.