



LETTER TO SHAREHOLDERS DATED 28 JUNE 2017

IN RELATION TO

- (1) THE PROPOSED CHANGE OF AUDITOR;**
- (2) THE PROPOSED RENEWAL OF THE SHAREHOLDERS MANDATE FOR INTERESTED PERSON TRANSACTIONS;**
- (3) THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE;**
- (4) THE PROPOSED ALTERATIONS TO THE SINGAPORE POST RESTRICTED SHARE PLAN 2013; AND**
- (5) THE PROPOSED ADOPTION OF THE NEW CONSTITUTION.**

CONTENTS

Page

LETTER TO SHAREHOLDERS

1.	Introduction.....	1
2.	The Proposed Change of Auditor	2
3.	The Proposed Renewal of the Shareholders Mandate	3
4.	The Proposed Renewal of the Share Purchase Mandate	4
5.	The Proposed Alterations to the Singapore Post Restricted Share Plan 2013	18
6.	The Proposed Adoption of the New Constitution.....	19
7.	Directors' and Substantial Shareholders' Interests	29
8.	Directors' Recommendations	30
9.	Inspection of Documents.....	30
10.	Directors' Responsibility Statement.....	31

APPENDIX 1

Nomination Notice	32
-------------------------	----

APPENDIX 2

The Shareholders Mandate.....	33
-------------------------------	----

APPENDIX 3

The Proposed Alterations to the Singapore Post Restricted Share Plan 2013.....	40
--	----

APPENDIX 4

The Principal Provisions in the New Constitution which are significantly different from the equivalent provisions in the Existing Constitution	51
--	----

LETTER TO SHAREHOLDERS

SINGAPORE POST LIMITED

(Incorporated in the Republic of Singapore)
Company Registration Number: 199201623M

Directors:

Mr Simon Israel
(*Chairman and Non-Executive Non-Independent Director*)
Mr Paul William Coutts (*Executive Non-Independent Director*)
Mrs Fang Ai Lian (*Non-Executive Lead Independent Director*)
Mr Chen Jun (*Non-Executive Non-Independent Director*)
Ms Lim Cheng Cheng (*Non-Executive Non-Independent Director*)
Ms Aliza Knox (*Non-Executive Independent Director*)
Ms Elizabeth Kong Sau Wai (*Non-Executive Independent Director*)
Mr Steven Robert Leonard (*Non-Executive Independent Director*)
Professor Low Teck Seng (*Non-Executive Independent Director*)
Mr Bob Tan Beng Hai (*Non-Executive Independent Director*)
Mr Zulkifli Bin Baharudin (*Non-Executive Independent Director*)

Registered Office:

10 Eunos Road 8
Singapore Post Centre
Singapore 408600

28 June 2017

To: The Shareholders of
Singapore Post Limited (the “**Company**”)

Dear Sir/Madam

1. INTRODUCTION

1.1 Background. We refer to:

- (a) the Notice of the 25th Annual General Meeting of the Company dated 28 June 2017 (the “**Notice**”), accompanying the Annual Report for the financial year ended 31 March 2017, convening the 25th Annual General Meeting of the Company to be held on 20 July 2017 (the “**2017 AGM**”);
- (b) Ordinary Resolution No. 13 relating to the proposed change of Auditor, as proposed in the Notice;
- (c) Ordinary Resolution No. 14 relating to the proposed renewal of the Shareholders Mandate (as defined in paragraph 3.1 below) for interested person transactions, as proposed in the Notice;
- (d) Ordinary Resolution No. 15 relating to the proposed renewal of the Share Purchase Mandate (as defined in paragraph 4.1 below), as proposed in the Notice;
- (e) Ordinary Resolution No. 16 relating to the proposed alterations to the Plan (as defined in paragraph 5.1 below), as proposed in the Notice; and
- (f) Special Resolution No. 17 relating to the proposed adoption of the New Constitution (as defined in paragraph 6.2 below), as proposed in the Notice.

1.2 **Letter to Shareholders.** The purpose of this Letter is to provide shareholders of the Company (the “**Shareholders**”) with information relating to Ordinary Resolution Nos. 13, 14, 15 and 16, and Special Resolution No. 17, proposed in the Notice (collectively, the “**Proposals**”).

1.3 **SGX-ST.** The Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) takes no responsibility for the accuracy of any statements or opinions made or reports contained in this Letter.

LETTER TO SHAREHOLDERS

- 1.4 **Advice to Shareholders.** Shareholders who are in any doubt as to the course of action they should take should consult their stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

2. THE PROPOSED CHANGE OF AUDITOR

- 2.1 **Proposed Change of Auditor.** Resolution 13, being the Ordinary Resolution proposed in the Notice, is to appoint Deloitte & Touche LLP as the Auditor of the Company in place of the retiring Auditor, PricewaterhouseCoopers LLP, and to authorise the Directors of the Company (“**Directors**”) to fix their remuneration. PricewaterhouseCoopers LLP has served as external Auditor of the Company from the time of the Company’s initial public offering and listing in 2003.
- 2.2 **Rationale.** As part of ongoing good corporate governance initiatives, the Directors are of the view that it would be timely to effect a change of external Auditor with effect from the financial year ending 31 March 2018. PricewaterhouseCoopers LLP, the retiring Auditor, will accordingly not be seeking re-appointment at the forthcoming 2017 AGM.

Deloitte & Touche LLP was selected for the proposed appointment after the Audit Committee (currently comprising Mrs Fang Ai Lian, Mr Bob Tan Beng Hai and Mr Zulkifli Bin Baharudin) evaluated competitive proposals from various audit firms. The Audit Committee reviewed and deliberated on the proposals received from each of the audit firms, taking into consideration factors such as the adequacy of the resources and experience of the audit firm to be selected, and the audit partner to be assigned to the audit, as well as the size and complexity of the Company and its subsidiaries (the “**Group**”). After evaluation, the Audit Committee made its recommendations to the Board. The Board has taken into account the Audit Committee’s recommendation, including factors considered in their evaluation, and is satisfied that Deloitte & Touche LLP will be able to meet the audit requirements of the Company.

- 2.3 **Information on Deloitte & Touche LLP.** Deloitte & Touche LLP in Singapore is an affiliate of Deloitte Southeast Asia Ltd, which is a member firm of Deloitte Touche Tohmatsu Limited, an international network of member firms in more than 150 countries with approximately 245,000 professionals who are committed to delivering audit, tax, consulting and advisory services. Deloitte & Touche LLP is registered with the Accounting and Corporate Regulatory Authority (“**ACRA**”). It is one of the largest professional services firms in Singapore today, and has a wide-ranging clientele base consisting of multi-national companies, listed companies, private companies, public sector organisations etc.. The audit partner who will be in charge of the audit is Mr Philip Yuen, who is a Public Accountant registered with the ACRA, Chartered Accountant of Singapore, Member of the Institute of Chartered Accountants in England and Wales and Fellow member of CPA Australia. Mr Yuen has more than 30 years of experience in providing audit and advisory work for multinational and local companies in a number of industries, including companies listed on the SGX-ST.

For more information on Deloitte & Touche LLP, please visit <https://www2.deloitte.com/sg/en.html>.

- 2.4 **Confirmations.** In accordance with the requirements of Rule 1203(5) of the Listing Manual of the SGX-ST (the “**Listing Manual**”):
- (a) the outgoing Auditor, PricewaterhouseCoopers LLP, has confirmed that it is not aware of any professional reasons why the new Auditor, Deloitte & Touche LLP, should not accept appointment as Auditor of the Company;
 - (b) the Company confirms that there were no disagreements with the outgoing Auditor, PricewaterhouseCoopers LLP, on accounting treatments within the last 12 months;
 - (c) the Company confirms that, other than as set out above, it is not aware of any circumstances connected with the proposed change of Auditor that should be brought to the attention of Shareholders; and

LETTER TO SHAREHOLDERS

- (d) the Company confirms that it is or will be in compliance with Rule 712 and Rule 715 of the Listing Manual in relation to the appointment of Deloitte & Touche LLP as the Auditor of the Company.

2.5 **Appendix 1.** Pursuant to Section 205 of the Companies Act, Chapter 50 (the “**Companies Act**”), a copy of the notice of nomination of the proposed new Auditor dated 12 May 2017 from a Shareholder is attached as Appendix 1 to this Letter.

3. THE PROPOSED RENEWAL OF THE SHAREHOLDERS MANDATE

3.1 **Shareholders Mandate.** At the annual general meeting of the Company held on 14 July 2016 (the “**2016 AGM**”), approval of the Shareholders was obtained for the renewal of the mandate to enable the Company, its subsidiaries and associated companies that are entities at risk (as that term is used in Chapter 9 of the Listing Manual to enter into certain interested person transactions (the “**Shareholders Mandate**”) with the classes of interested persons as set out in the Shareholders Mandate. Particulars of the Shareholders Mandate are set out in the Appendix to the Letter to Shareholders dated 22 June 2016 (the “**2016 Letter**”).

3.2 **Proposed Renewal of the Shareholders Mandate.** At the 2016 AGM, the Shareholders Mandate was expressed to take effect until the conclusion of the next Annual General Meeting of the Company, being the 2017 AGM. Accordingly, the Directors propose that the Shareholders Mandate be renewed at the 2017 AGM, to take effect until the 26th Annual General Meeting of the Company. The particulars of the interested person transactions in respect of which the Shareholders Mandate is sought to be renewed remain unchanged.

3.3 **Appendix 2.** The Shareholders Mandate, including the rationale for, and the benefits to, the Company, the review procedures for determining transaction prices and other general information relating to Chapter 9 of the Listing Manual, are set out in Appendix 2 to this Letter.

3.4 **Audit Committee’s Statement.** The Audit Committee (currently comprising Mrs Fang Ai Lian, Mr Bob Tan Beng Hai and Mr Zulkifli Bin Baharudin) confirms that:

- (a) the methods or procedures for determining transaction prices under the Shareholders Mandate have not changed since the 2016 AGM; and
- (b) the methods or procedures referred to in sub-paragraph (a) above are sufficient to ensure that the transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

3.5 **Abstention from Voting.** Temasek Holdings (Private) Limited (“**Temasek**”), Singapore Telecommunications Limited (“**Singtel**”) and their respective associates, being interested persons (as described in paragraph 4.1 of Appendix 2 to this Letter), will abstain from voting their Shares, if any, in respect of Resolution 14, being the Ordinary Resolution relating to the proposed renewal of the Shareholders Mandate to be proposed at the 2017 AGM.

The Directors, being interested persons (as described in paragraph 4.1 of Appendix 2 to this Letter), will abstain, and will procure their associates to abstain, from voting their Shares, if any, in respect of Resolution 14, being the Ordinary Resolution relating to the proposed renewal of the Shareholders Mandate to be proposed at the 2017 AGM. Each of the Directors and their respective associates will also decline to accept appointment as proxy for any Shareholder to vote in respect of Resolution 14, unless the Shareholder concerned shall have given instructions in his Proxy Form as to the manner in which his votes are to be cast in respect of Resolution 14.

LETTER TO SHAREHOLDERS

4. THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

- 4.1 **Share Purchase Mandate.** Shareholders had approved the renewal of the mandate (the “**Share Purchase Mandate**”) to enable the Company to purchase or otherwise acquire ordinary shares of the Company (“**Shares**”) at the 2016 AGM. The authority and limitations on the Share Purchase Mandate were set out in the 2016 Letter and Ordinary Resolution 12 set out in the Notice of the 2016 AGM.

The Share Purchase Mandate was expressed to take effect on the date of the passing of Ordinary Resolution 12 at the 2016 AGM and will expire on the date of the forthcoming 2017 AGM to be held on 20 July 2017. Accordingly, Shareholders’ approval is being sought for the renewal of the Share Purchase Mandate at the 2017 AGM.

As at 31 May 2017, being the latest practicable date prior to the printing of this Letter (the “**Latest Practicable Date**”), the Company had purchased or acquired an aggregate of 1,116,600 Shares by way of Market Purchases (as defined in paragraph 4.3.3 below) pursuant to the Share Purchase Mandate approved by Shareholders at the 2016 AGM. The highest and lowest price paid was S\$1.32 and S\$1.295 per Share respectively and the total consideration paid for all purchases was S\$1,453,303, excluding commission, brokerage and goods and services tax.

As at the Latest Practicable Date, the Company had 1,391,805 treasury shares and no subsidiary holdings (as defined in the Listing Manual)¹.

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

- 4.2 **Rationale for the Share Purchase Mandate.** The rationale for the Company to undertake the purchase or acquisition of its Shares is as follows:

- (a) In managing the business of the Group, management strives to increase Shareholders’ value by improving, *inter alia*, the return on equity of the Group. Share purchases are one of the ways through which the return on equity of the Group may be enhanced.
- (b) The Share Purchase Mandate is an expedient, effective and cost-efficient way for the Company to return surplus cash which is in excess of the financial and possible investment needs of the Group to Shareholders. In addition, the Share Purchase Mandate will allow the Company to have greater flexibility over, *inter alia*, the Company’s share capital structure and its dividend policy.
- (c) Repurchased Shares which are held in treasury may be transferred for the purposes of any share schemes implemented by the Company. The use of treasury shares in lieu of issuing Shares would also mitigate the dilution impact on existing Shareholders.

The approval of the renewal of the Share Purchase Mandate authorising the Company to purchase or acquire its Shares would give the Company the flexibility to undertake share purchases or acquisitions at any time, subject to market conditions, during the period when the Share Purchase Mandate is in force.

While the Share Purchase Mandate would authorise a purchase or acquisition of Shares up to the 10% limit described in paragraph 4.3.1 below, it should be noted that purchases or acquisitions of Shares pursuant to the Share Purchase Mandate may not be carried out to the full 10% limit as authorised, and no purchases or acquisitions of Shares would be made in circumstances which would have or may have a material adverse effect on the financial position of the Company.

LETTER TO SHAREHOLDERS

- 4.3 **Authority and Limits of the Share Purchase Mandate.** The authority and limitations placed on the Share Purchase Mandate, if renewed at the 2017 AGM, are substantially the same as were previously approved by Shareholders at the 2016 AGM, and are summarised below:

4.3.1 ***Maximum Number of Shares***

The total number of Shares which may be purchased or acquired by the Company pursuant to the Share Purchase Mandate is limited to that number of Shares representing not more than 10% of the total number of issued Shares of the Company as at the date of the 2017 AGM. Treasury shares and subsidiary holdings will be disregarded for purposes of computing the 10% limit.

Purely for illustrative purposes, on the basis of 2,275,084,525 Shares in issue as at the Latest Practicable Date (out of which 1,391,805 Shares were held in treasury and no shares were held as subsidiary holdings as at the Latest Practicable Date), and assuming that on or prior to the 2017 AGM, (i) no further Shares are issued, (ii) no further Shares are purchased or acquired, or held by the Company as treasury shares, and (iii) no Shares are held as subsidiary holdings, not more than 227,369,272 Shares (representing 10% of the Shares in issue as at that date and disregarding the 1,391,805 Shares held in treasury) may be purchased or acquired by the Company pursuant to the proposed Share Purchase Mandate.

4.3.2 ***Duration of Authority***

Purchases or acquisitions of Shares may be made, at any time and from time to time, on and from the date of the 2017 AGM at which the renewal of the Share Purchase Mandate is approved, up to:

- (a) the date on which the next Annual General Meeting of the Company is held or required by law to be held;
- (b) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied; or
- (c) the date on which the purchases or acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated,

whichever is the earliest.

4.3.3 ***Manner of Purchases or Acquisitions of Shares***

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

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

The Directors may impose such terms and conditions which are not inconsistent with the Share Purchase Mandate, the Listing Manual and the Companies Act as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme or schemes.

LETTER TO SHAREHOLDERS

An Off-Market Purchase must, however, satisfy all the following conditions:

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

If the Company wishes to make an Off-Market Purchase in accordance with an equal access scheme, it will, pursuant to Rule 885 of the Listing Manual, issue an offer document containing at least the following information:

- (1) terms and conditions of the offer;
- (2) period and procedures for acceptances; and
- (3) information required under Rules 883(2), (3), (4), (5) and (6) of the Listing Manual.

4.3.4 **Purchase Price**

The purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) to be paid for a Share will be determined by the Directors.

The maximum price to be paid for the Shares as determined by the Directors (the “**Maximum Price**”) must not exceed:

- (a) in the case of a Market Purchase, 105% of the Average Closing Price of the Shares; and
- (b) in the case of an Off-Market Purchase, 110% of the Average Closing Price of the Shares,

in either case, excluding related expenses of the purchase or acquisition.

For the above purposes:

“**Average Closing Price**” means the average of the last dealt prices of a Share for the five consecutive market days on which the Shares are transacted on the SGX-ST or, as the case may be, such stock exchange on which the Shares are listed or quoted, immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted in accordance with the listing rules of the SGX-ST for any corporate action which occurs after the relevant five-day period; and

“**date of the making of the offer**” means the date on which the Company announces its intention to make an offer for an Off-Market Purchase, stating therein the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

LETTER TO SHAREHOLDERS

- 4.4 **Source of Funds.** Under the Companies Act, the Company may purchase or acquire its Shares out of its profits and/or capital so long as the Company is solvent.

The Company intends to use internal and external sources of funds to finance its purchase or acquisition of Shares. The Directors do not propose to exercise the Share Purchase Mandate in a manner and to such extent that the Group's working capital requirements, current dividend policy for the financial year ending 31 March 2018 or ability to service its debts would be adversely affected.

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

- 4.6 **Treasury Shares.** Under the Companies Act, Shares purchased or acquired by the Company may be held or dealt with as treasury shares. Some of the provisions on treasury shares under the Companies Act in force as at the Latest Practicable Date are summarised below:

4.6.1 ***Maximum Holdings***

The number of Shares held as treasury shares² cannot at any time exceed 10% of the total number of issued Shares.

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

4.6.2 ***Voting and Other Rights***

The Company cannot exercise any right in respect of treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution of the Company's assets may be made to the Company in respect of treasury shares. However, the allotment of shares as fully paid bonus shares in respect of treasury shares is allowed. A subdivision or consolidation of any treasury share is also allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

4.6.3 ***Disposal and Cancellation***

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

- (a) sell the treasury shares for cash;
- (b) transfer the treasury shares for the purposes of or pursuant to any share scheme, whether for employees, directors or other persons;
- (c) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (d) cancel the treasury shares; or
- (e) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance.

LETTER TO SHAREHOLDERS

In addition, under Rule 704(28) of the Listing Manual, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares. Such announcement must include details such as the date of the sale, transfer, cancellation and/or use of such treasury shares, the purpose of such sale, transfer, cancellation and/or use of such treasury shares, the number of treasury shares which have been sold, transferred, cancelled and/or used, the number of treasury shares before and after such sale, transfer, cancellation and/or use, the percentage of the number of treasury shares against the total number of outstanding shares before and after such sale, transfer, cancellation and/or use and the value of the treasury shares if they are used for a sale or transfer, or cancelled.

- 4.7 **Financial Effects.** The financial effects on the Group and the Company arising from purchases or acquisitions of Shares which may be made pursuant to the Share Purchase Mandate will depend on, *inter alia*, whether the Shares are purchased or acquired out of profits and/or capital of the Company, the number of Shares purchased or acquired, the price paid for such Shares and whether the Shares purchased or acquired are held in treasury or cancelled.

Under the Companies Act, purchases or acquisitions of Shares by the Company may be made out of the Company's profits and/or capital so long as the Company is solvent.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration will correspondingly reduce the amount available for the distribution of cash dividends by the Company.

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

The financial effects on the Group and the Company, based on the audited financial statements of the Group and the Company for the financial year ended 31 March 2017, are based on the assumptions set out below:

4.7.1 **Maximum Price Paid for Shares Acquired or Purchased**

In the case of Market Purchases by the Company and assuming that the Company purchases or acquires 227,369,272 Shares (representing 10% of the Shares in issue as at the Latest Practicable Date and disregarding the Shares held in treasury as at such date) at the maximum price of S\$1.339 for one Share (being the price equivalent to 5% above the Average Closing Price of the Shares for the five consecutive market days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 227,369,272 Shares is S\$304,447,455.

In the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires 227,369,272 Shares (representing 10% of the Shares in issue as at the Latest Practicable Date and disregarding the Shares held in treasury as at such date) at the maximum price of S\$1.403 for one Share (being the price equivalent to 10% above the Average Closing Price of the Shares for the five consecutive market days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 227,369,272 Shares is S\$318,999,088.

LETTER TO SHAREHOLDERS

4.7.2 *Illustrative Financial Effects*

For illustrative purposes only and on the basis of the assumptions set out in paragraph 4.7.1 above and the assumptions set out below, the financial effects of the purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate on the audited financial statements of the Group and the Company for the financial year ended 31 March 2017 are set out below:

- (a) the purchase or acquisition of 10% of the Shares (excluding treasury shares and subsidiary holdings) by the Company pursuant to the Share Purchase Mandate by way of Market Purchases, made as to 6% out of profits and as to 4% out of capital and cancelled or held in treasury; and in the alternative
- (b) the purchase or acquisition of 10% of the Shares (excluding treasury shares and subsidiary holdings) by the Company pursuant to the Share Purchase Mandate by way of Off-Market Purchases, made as to 6% out of profits and as to 4% out of capital and cancelled or held in treasury.

Market Purchases

The financial effects set out below are for illustrative purposes only. The illustrations are based on historical numbers for the financial year ended 31 March 2017 and are not necessarily representative of future financial performance.

Although the Share Purchase Mandate would authorise the Company to purchase or acquire up to 10% of the issued Shares (excluding treasury shares and subsidiary holdings), the Company may not necessarily purchase or acquire part of or the entire 10% of the issued Shares (excluding treasury shares and subsidiary holdings). In addition, the Company may cancel all or part of the Shares repurchased or hold all or part of the Shares repurchased in treasury.

Even if the Share Purchase Mandate is approved, the Directors will not exercise the Share Purchase Mandate if the Group's working capital requirements, current dividend policy for the financial year ending 31 March 2018 or ability to service its debts would be adversely affected.

LETTER TO SHAREHOLDERS

Scenario 1(A)

Market Purchases of up to 10% made as to 6% out of profits and as to 4% out of capital and cancelled

	Group		Company	
	Before share purchase S\$'000	After share purchase S\$'000	Before share purchase S\$'000	After share purchase S\$'000
<u>As at 31 March 2017</u>				
Share capital	638,756	516,977	638,756	516,977
Capital reserves	37,447	37,447	–	–
Other reserves	34,340	34,340	37,249	37,249
Revenue reserves	650,007	466,414	657,628	474,035
	1,360,550	1,055,178	1,333,633	1,028,261
Treasury shares	(1,227)	(2,680)	(1,227)	(2,680)
Ordinary equity	1,359,323	1,052,498	1,332,406	1,025,581
Perpetual securities	346,826	346,826	346,826	346,826
	1,706,149	1,399,324	1,679,232	1,372,407
Net tangible assets (NTA)	1,357,035	1,050,210	1,679,232	1,372,407
Current assets	607,625	354,446	501,866	248,687
Current liabilities	587,112	588,037	510,259	511,184
Total borrowings	363,985	416,706	320,061	372,782
Cash and cash equivalents	366,614	113,435	303,179	50,000
Number of shares ('000)	2,273,693	2,046,324	2,273,693	2,046,324
<u>Financial ratios</u>				
Basic earnings per share (cents)	0.85	0.81	(0.14)	(0.18)
NTA per share (cents)	59.7	51.3	73.9	67.1
Gross gearing (%)	26.8	39.6	24.0	36.3
Net debt gearing (%)	(0.2)	28.8	1.3	31.5
Current ratio (%)	103.5	60.3	98.4	48.6

LETTER TO SHAREHOLDERS

Scenario 1(B)

Market Purchases of up to 10% made as to 6% out of profits and as to 4% out of capital and held in treasury

	Group		Company	
	Before share purchase S\$'000	After share purchase S\$'000	Before share purchase S\$'000	After share purchase S\$'000
<u>As at 31 March 2017</u>				
Share capital	638,756	638,756	638,756	638,756
Capital reserves	37,447	37,447	—	—
Other reserves	34,340	34,340	37,249	37,249
Revenue reserves	650,007	649,111	657,628	656,732
	1,360,550	1,359,654	1,333,633	1,332,737
Treasury shares	(1,227)	(305,450)	(1,227)	(305,450)
Ordinary equity	1,359,323	1,054,204	1,332,406	1,027,287
Perpetual securities	346,826	346,826	346,826	346,826
	1,706,149	1,401,030	1,679,232	1,374,113
Net tangible assets (NTA)	1,357,035	1,051,916	1,679,232	1,374,113
Current assets	607,625	354,446	501,866	248,687
Current liabilities	587,112	588,008	510,259	511,155
Total borrowings	363,985	415,029	320,061	371,105
Cash and cash equivalents	366,614	113,435	303,179	50,000
Number of shares ('000)	2,273,693	2,047,576	2,273,693	2,047,576
<u>Financial ratios</u>				
Basic earnings per share (cents)	0.85	0.81	(0.14)	(0.18)
NTA per share (cents)	59.7	51.4	73.9	67.1
Gross gearing (%)	26.8	39.4	24.0	36.1
Net debt gearing (%)	(0.2)	28.6	1.3	31.3
Current ratio (%)	103.5	60.3	98.4	48.7

LETTER TO SHAREHOLDERS

Off-Market Purchases

The financial effects set out below are for illustrative purposes only. The illustrations are based on historical numbers for the financial year ended 31 March 2017 and are not necessarily representative of future financial performance.

Although the Share Purchase Mandate would authorise the Company to purchase or acquire up to 10% of the issued Shares (excluding treasury shares and subsidiary holdings), the Company may not necessarily purchase or acquire part of or the entire 10% of the issued Shares (excluding treasury shares and subsidiary holdings). In addition, the Company may cancel all or part of the Shares repurchased or hold all or part of the Shares repurchased in treasury.

Even if the Share Purchase Mandate is approved, the Directors will not exercise the Share Purchase Mandate if the Group's working capital requirements, current dividend policy for the financial year ending 31 March 2018 or ability to service its debts would be adversely affected.

Scenario 2(A)

Off-Market Purchases of up to 10% made as to 6% out of profits and as to 4% out of capital and cancelled

	Group		Company	
	Before share purchase S\$'000	After share purchase S\$'000	Before share purchase S\$'000	After share purchase S\$'000
<u>As at 31 March 2017</u>				
Share capital	638,756	511,156	638,756	511,156
Capital reserves	37,447	37,447	—	—
Other reserves	34,340	34,340	37,249	37,249
Revenue reserves	650,007	457,427	657,628	465,048
	1,360,550	1,040,370	1,333,633	1,013,453
Treasury shares	(1,227)	(2,680)	(1,227)	(2,680)
Ordinary equity	1,359,323	1,037,690	1,332,406	1,010,773
Perpetual securities	346,826	346,826	346,826	346,826
	1,706,149	1,384,516	1,679,232	1,357,599
Net tangible assets (NTA)	1,357,035	1,035,402	1,679,232	1,357,599
Current assets	607,625	354,446	501,866	248,687
Current liabilities	587,112	588,293	510,259	511,440
Total borrowings	363,985	431,258	320,061	387,334
Cash and cash equivalents	366,614	113,435	303,179	50,000
Number of shares ('000)	2,273,693	2,046,324	2,273,693	2,046,324
<u>Financial ratios</u>				
Basic earnings per share (cents)	0.85	0.80	(0.14)	(0.19)
NTA per share (cents)	59.7	50.6	73.9	66.3
Gross gearing (%)	26.8	41.6	24.0	38.3
Net debt gearing (%)	(0.2)	30.6	1.3	33.4
Current ratio (%)	103.5	60.2	98.4	48.6

LETTER TO SHAREHOLDERS

Scenario 2(B)

Off-Market Purchases of up to 10% made as to 6% out of profits and as to 4% out of capital and held in treasury

	Group		Company	
	Before share purchase S\$'000	After share purchase S\$'000	Before share purchase S\$'000	After share purchase S\$'000
<u>As at 31 March 2017</u>				
Share capital	638,756	638,756	638,756	638,756
Capital reserves	37,447	37,447	—	—
Other reserves	34,340	34,340	37,249	37,249
Revenue reserves	650,007	648,857	657,628	656,478
	1,360,550	1,359,400	1,333,633	1,332,483
Treasury shares	(1,227)	(319,922)	(1,227)	(319,922)
Ordinary equity	1,359,323	1,039,478	1,332,406	1,012,561
Perpetual securities	346,826	346,826	346,826	346,826
	1,706,149	1,386,304	1,679,232	1,359,387
Net tangible assets (NTA)	1,357,035	1,037,190	1,679,232	1,359,387
Current assets	607,625	354,446	501,866	248,687
Current liabilities	587,112	588,262	510,259	511,409
Total borrowings	363,985	429,501	320,061	385,577
Cash and cash equivalents	366,614	113,435	303,179	50,000
Number of shares ('000)	2,273,693	2,047,576	2,273,693	2,047,576
<u>Financial ratios</u>				
Basic earnings per share (cents)	0.85	0.80	(0.14)	(0.19)
NTA per share (cents)	59.7	50.7	73.9	66.4
Gross gearing (%)	26.8	41.3	24.0	38.1
Net debt gearing (%)	(0.2)	30.4	1.3	33.1
Current ratio (%)	103.5	60.3	98.4	48.6

Note:

The number of Shares which may be held as treasury shares cannot at any time exceed 10% of the total number of issued Shares. As 1,391,805 Shares have been bought back and held as treasury shares as at the Latest Practicable Date, the maximum number of Shares which may be held as treasury shares will be reduced from 227,508,452 Shares to 226,116,647 Shares. The financial effects under Scenarios 1(A) and 2(A) are computed based on 227,369,272 Shares purchased and cancelled. The financial effects under Scenarios 1(B) and 2(B) are computed based on 226,116,647 additional Shares purchased and held as treasury shares.

- 4.8 **Listing Status of the Shares.** The Listing Manual requires a listed company to ensure that at least 10% of equity securities (excluding treasury shares, preference shares and convertible equity securities) in a class that is listed is at all times held by the public. As at the Latest Practicable Date, Singtel has a direct interest in 494,000,000 Shares representing approximately 21.73% of the issued Shares (excluding the Shares held in treasury) as at that date, Temasek has a deemed interest in 502,595,285 Shares (including the Shares held by Singtel) representing approximately 22.10% of the issued Shares (excluding the Shares held in treasury) as at that date, Alibaba

LETTER TO SHAREHOLDERS

Investment Limited has a direct interest in 327,649,907 Shares representing approximately 14.41% of the issued Shares (excluding the Shares held in treasury) as at that date, and Alibaba Group Holding Limited and SoftBank Group Corp. each has a deemed interest in 327,649,907 Shares held by Alibaba Investment Limited representing approximately 14.41% of the issued Shares (excluding the Shares held in treasury) as at that date. Approximately 63.29% of the issued Shares (excluding the Shares held in treasury) were held by public Shareholders as at the Latest Practicable Date. If the Company had purchased or acquired Shares from the public up to the full 10% limit pursuant to the proposed Share Purchase Mandate on the Latest Practicable Date, approximately 59.21% of the issued Shares (excluding the Shares held in treasury) would have been held by public Shareholders as at that date.

The Company will ensure that there is a sufficient number of Shares in issue held by public Shareholders which would permit the Company to undertake purchases or acquisitions of its Shares through Market Purchases and/or Off-Market Purchases up to the full 10% limit pursuant to the proposed Share Purchase Mandate without affecting the listing status of the Shares on the SGX-ST, causing market illiquidity or affecting orderly trading.

4.9 **Shareholding Limits.** The Postal Services Act, Chapter 237A (the “**Postal Services Act**”) currently provides, *inter alia*, that:

- (a) no person shall, whether through a series of transactions over a period of time or otherwise, become a 12% controller or a 30% controller of a designated postal licensee (the “**Prescribed Limits**”); and
- (b) no person shall enter into any other transaction that constitutes a consolidation with a designated postal licensee,

without obtaining the prior written approval of the Info-communications Media Development Authority of Singapore (the “**IMDA**”).

For the purposes of this paragraph 4.9:

“**consolidation**” means any transaction that, *inter alia*, results in a party becoming a 30% controller of a designated postal licensee, acquiring the business of a designated postal licensee as a going concern or obtaining effective control over a designated postal licensee;

“**12% controller**”, in relation to a designated postal licensee, means a person, not being a 30% controller, who alone or together with his associates, (i) holds 12% or more of the total number of voting shares in the designated postal licensee; or (ii) is in a position to control 12% or more of the voting power in the designated postal licensee;

“**30% controller**”, in relation to a designated postal licensee, means a person who alone or together with his associates, (i) holds 30% or more of the total number of voting shares in the designated postal licensee; or (ii) is in a position to control 30% or more of the voting power in the designated postal licensee.

“**designated postal licensee**” means a postal licensee (i) which has been declared by the IMDA, by notification published in the *Gazette*, to be a designated postal licensee; or (ii) which is within a class of postal licensees which has been declared by the IMDA, by notification published in the *Gazette*, to be a designated class of postal licensees. The Company has been gazetted as a designated postal licensee; and

“**effective control**” means the ability to cause a designated postal licensee to take, or prevent a designated postal licensee from taking, a decision regarding the management and major operating decisions of the designated postal licensee.

LETTER TO SHAREHOLDERS

Pursuant to the Postal Services Act, if the IMDA is satisfied that a Shareholder and/or his associates have reached or exceeded the Prescribed Limits in contravention of the Postal Services Act or that the holding or acquisition of voting shares, or control of voting power in the Company by such Shareholder and/or his associates is likely to substantially lessen competition or is against the public interest, or in other specified circumstances, the IMDA may issue certain directions, including but not limited to requiring such Shareholder and/or his associates to divest all or part of the voting shares which it holds or may have acquired in the Company, or require the Company to restrict the voting rights or dividend rights that the Shareholder holds or has obtained through the acquisition of such voting shares.

As a result of a purchase or acquisition of Shares by the Company, the shareholding percentage of a holder of Shares (whose Shares were not the subject of such purchase or acquisition by the Company) in the Shares of the Company immediately following any purchase or acquisition of Shares by the Company will increase correspondingly.

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

A purchase or acquisition of Shares by the Company may inadvertently cause a person to reach or exceed the Prescribed Limits (in particular, a person who is currently close to any of the Prescribed Limits). Shareholders who are close to any of the Prescribed Limits and who may exceed any such limits by reason of a purchase or acquisition of Shares by the Company are advised to inform the Company and seek the prior approval of the IMDA to reach or exceed the Prescribed Limits, on such terms as may be imposed by the IMDA, as a consequence of any purchase or acquisition of Shares by the Company. Shareholders who are in any doubt as to the action that they should take should consult their professional advisers.

In addition to the above, Section 8 of the Postal Competition Code 2008 issued by the Info-communications Development Authority of Singapore (“IDA”) (now known as IMDA) on 2 May 2008 (the “**Postal Competition Code**”), to which the IDA (now known as IMDA) has said it will make consequential changes arising from the finalisation of the Postal Services (Control of Designated Postal Licensees) Regulations 2012, provides some additional guidance. Section 8 (in its present form) states that before entering into any such purchase or acquisition of Shares by the Company, the Company must calculate the percentage of voting shares held by each Shareholder following such purchase or acquisition. If, as a result of such purchase or acquisition:

- (i) any Shareholder who previously held less than 5% of the total number of voting shares in the Company would, after the transaction, hold 5% or more, but less than 12% of the voting shares in the Company, the Company may proceed with such purchase or acquisition and shall file the appropriate notification pursuant to the Postal Competition Code; and
- (ii) any Shareholder will become a 12% controller of, or will enter into a consolidation with the Company, the Company and that Shareholder must seek the approval of the IDA (now known as IMDA) before the Company proceeds with such purchase or acquisition.

LETTER TO SHAREHOLDERS

4.10 **Take-over Implications.** Appendix 2 of the Take-over Code contains the Share Buy-Back Guidance Note. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below:

4.10.1 *Obligation to make a Take-over Offer*

If, as a result of any purchase or acquisition by the Company of its Shares, the proportionate interest in the voting capital of the Company of a Shareholder and persons acting in concert with him increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code. Consequently, a Shareholder or a group of Shareholders acting in concert with a Director could obtain or consolidate effective control of the Company and become obliged to make an offer under Rule 14 of the Take-over Code.

4.10.2 *Persons Acting in Concert*

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company to obtain or consolidate effective control of that company.

Unless the contrary is established, the Take-over Code presumes, *inter alia*, the following individuals and companies to be persons acting in concert with each other:

- (a) the following companies:
 - (i) a company;
 - (ii) the parent company of (i);
 - (iii) the subsidiaries of (i);
 - (iv) the fellow subsidiaries of (i);
 - (v) the associated companies of any of (i), (ii), (iii) or (iv);
 - (vi) companies whose associated companies include any of (i), (ii), (iii), (iv) or (v); and
 - (vii) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights;
- (b) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts);
- (c) a company with any of its pension funds and employee share schemes;
- (d) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;
- (e) a financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of:
 - (i) the adviser and persons controlling, controlled by or under the same control as the adviser; and

LETTER TO SHAREHOLDERS

- (ii) all the funds which the adviser manages on a discretionary basis, where the shareholdings of the adviser and any of those funds in the client total 10% or more of the client's equity share capital;
- (f) directors of a company (together with their close relatives, related trusts and companies controlled by any of such directors, their close relatives and related trusts) which is subject to an offer or where the directors have reason to believe a *bona fide* offer for their company may be imminent;
- (g) partners; and
- (h) the following persons and entities:
 - (i) an individual;
 - (ii) the close relatives of (i);
 - (iii) the related trusts of (i);
 - (iv) any person who is accustomed to act in accordance with the instructions of (i);
 - (v) companies controlled by any of (i), (ii), (iii) or (iv); and
 - (vi) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights.

The circumstances under which Shareholders, including Directors and persons acting in concert with them respectively, will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code after a purchase or acquisition of Shares by the Company are set out in Appendix 2 of the Take-over Code.

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

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

Under Appendix 2 of the Take-over Code, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of six months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Purchase Mandate.

Based on the interests of Substantial Shareholders as recorded in the Register of Substantial Shareholders as at the Latest Practicable Date as set out in paragraph 7.2 below, none of the Substantial Shareholders would become obliged to make a take-over offer for the Company under Rule 14 of the Take-over Code as a result of the purchase by the Company of the maximum limit of 10% of its issued Shares as at the Latest Practicable Date.

LETTER TO SHAREHOLDERS

Shareholders who are in doubt as to their obligations, if any, to make a mandatory take-over offer under the Take-over Code as a result of any purchase or acquisition of Shares by the Company should consult the Securities Industry Council and/or their professional advisers at the earliest opportunity.

- 4.11 **Reporting Requirements.** Rule 886(1) of the Listing Manual specifies that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST not later than 9.00 a.m. (i) in the case of a Market Purchase, on the market day following the day of purchase or acquisition of any of its shares, and (ii) in the case of an Off-Market Purchase under an equal access scheme, on the second market day after the close of acceptances of the offer. Such announcement (which must be in the form of Appendix 8.3.1 to the Listing Manual) must include, *inter alia*, details of the date of the purchase, the total number of shares purchased, the number of shares cancelled, the number of shares held as treasury shares, the purchase price per share or the highest and lowest prices paid for such shares, as applicable, the total consideration (including stamp duties and clearing charges) paid or payable for the shares, the number of shares purchased as at the date of announcement (on a cumulative basis), the number of issued shares excluding treasury shares and subsidiary holdings after the purchase, the number of treasury shares held and the number of subsidiary holdings after the purchase.
- 4.12 **No Purchases During Price Sensitive Developments.** While the Listing Manual does not expressly prohibit any purchase of shares by a listed company during any particular time or times, because the listed company would be regarded as an “insider” in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the proposed Share Purchase Mandate at any time after a price sensitive development has occurred or has been the subject of a decision until the price sensitive information has been publicly announced. In particular, in line with the best practices guide on securities dealing set out in Rule 1207(19)(c) of the Listing Manual, the Company will not purchase or acquire any Shares through Market Purchases or Off-Market Purchases during the period of two weeks immediately preceding the announcement of the Company’s results for each of the first three quarters of the financial year, and during the period of one month immediately preceding the announcement of the Company’s annual results.
5. **THE PROPOSED ALTERATIONS TO THE SINGAPORE POST RESTRICTED SHARE PLAN 2013**
- 5.1 **The Plan.** The Singapore Post Restricted Share Plan 2013 (the “**Plan**”) was adopted by Shareholders at the extraordinary general meeting of the Company held on 28 June 2013. Awards of shares granted under the Plan (the “**Awards**”) represent the right of participants to receive fully paid Shares, (where applicable) their equivalent cash value and combinations thereof, free of charge, upon the expiry of the prescribed vesting periods (where applicable).
- 5.2 **Summary of Proposed Alterations.** The Plan currently permits time-based service conditions to be attached to Awards. The Plan is proposed to be altered so as to authorise the committee comprising Directors duly authorised and appointed by the Board to administer the Plan (the “**Committee**”) the flexibility to additionally prescribe performance conditions to Awards, where appropriate to do so as determined in the absolute discretion of the Committee. Such performance-related Awards will only vest after the satisfactory completion of performance-based service conditions. The grant of either time-based or performance-based Awards under the Plan (as proposed to be altered) would be at the discretion of the Committee. Consequential changes are proposed throughout the rules of the Plan to give effect to the aforesaid. The subsisting power to attach time-based service conditions to Awards remains unchanged, and where performance conditions (if any) are prescribed, this will be in addition to and not in substitution of time-based vesting conditions. The Company is also taking this opportunity to alter the Plan to take into account the changes to the Companies Act introduced pursuant to the Companies (Amendment) Act 2014 (the “**Amendment Act**”) and the Listing Manual, and to streamline and rationalise certain other provisions.

LETTER TO SHAREHOLDERS

- 5.3 **Rationale.** To drive accountability and performance, and ensure that the Plan remains relevant and sustainable as a retention and motivation tool for senior and key management staff, the Committee has proposed that the Plan be enhanced with performance conditions. The current intention is for a broad group of persons who are Group Executives (as defined in the Plan) and/or Associated Company Executives (as defined in the Plan), including senior and other key personnel as deemed appropriate by the Committee, to be granted performance-based Awards under the Plan.

Such performance-based Awards would incorporate stretched targets aimed at delivering long term shareholder value, and be designed to create and enhance economic value for Shareholders, thereby aligning the interests of the Group Executives (as defined in the Plan) and/or Associated Company Executives (as defined in the Plan), including senior and other key personnel as deemed appropriate by the Committee, with the interests of Shareholders.

- 5.4 **Appendix 3.** The proposed alterations to the Plan are set out in Appendix 3 to this Letter. The SGX-ST has no objections to the proposed alterations to the Plan. The proposed alterations to the Plan are subject to Shareholders' approval.
- 5.5 **Abstention from Voting.** Shareholders who are eligible to participate in the Plan (that is, employees and directors of the Group (as defined under the Plan) and Associated Companies (as defined under the Plan) but excluding Non-Executive Directors (as defined under the Plan) who are not eligible to receive performance-based Awards) will abstain, and will procure their associates to abstain, from voting their Shares in respect of Resolution 16, being the Ordinary Resolution relating to the proposed alterations to the Plan to be proposed at the 2017 AGM. Such shareholders and their respective associates will also decline to accept appointment as proxy for any Shareholder to vote in respect of Resolution 16, unless the Shareholder concerned shall have given instructions in his Proxy Form as to the manner in which his votes are to be cast in respect of Resolution 16.

6. THE PROPOSED ADOPTION OF THE NEW CONSTITUTION

- 6.1 **Companies (Amendment) Acts 2014 and 2017.** The Amendment Act, which was passed in Parliament on 8 October 2014 and took effect in phases on 1 July 2015 and 3 January 2016 respectively, introduced wide-ranging changes to the Companies Act. The changes aim to reduce regulatory burden on companies, provide for greater business flexibility and improve the corporate governance landscape in Singapore. The key changes include the introduction of a multiple proxies regime to enfranchise indirect investors and CPF investors, provisions to facilitate the electronic transmission of notices and documents, and the merging of the memorandum and articles of association of a company into one document called the "constitution". The Companies (Amendment) Act 2017 (the "**2017 Amendment Act**"), which was passed in Parliament on 10 March 2017 and will take effect in phases starting from 31 March 2017, introduced further changes to the Companies Act which aim to ensure that Singapore's corporate regulatory regime continues to stay robust. One of the key changes includes the removal of the requirement for a company to have a common seal.
- 6.2 **New Constitution.** The Company is accordingly proposing to adopt a new constitution (the "**New Constitution**"), which will consist of the memorandum and articles of association of the Company which were in force immediately before 3 January 2016 (the "**Existing Constitution**"), and will:
- (a) incorporate amendments to take into account the changes to the Companies Act introduced pursuant to the Amendment Act and the 2017 Amendment Act;
 - (b) contain updated provisions which are consistent with the listing rules of the SGX-ST prevailing as at the Latest Practicable Date, in compliance with Rule 730(2) of the Listing Manual;
 - (c) include provisions to address the personal data protection regime in Singapore;

LETTER TO SHAREHOLDERS

- (d) include provisions to take into account the limits applicable in relation to the holding of or having an interest in Shares or the controlling of voting power in the Company under the Postal Services Act; and
- (e) be streamlined and rationalised generally.

6.3 **Summary of Principal Provisions.** The following is a summary of the principal provisions of the New Constitution which are significantly different from the equivalent provisions in the Existing Constitution, or which have been included in the New Constitution as new provisions:

6.3.1 *Companies Act*

The following articles include provisions which are in line with the Companies Act, as amended pursuant to the Amendment Act and the 2017 Amendment Act:

- (a) **Article 1 (Article 2 of Existing Constitution).** Article 1, which is the interpretation section of the New Constitution, includes the following additional/revised provisions:
 - (i) a revised definition of “in writing” to make it clear that this expression includes any representation or reproduction of words, symbols or other information which may be displayed in a visible form, whether physical or electronic. This would facilitate, for example, a proxy instrument being in either physical or electronic form;
 - (ii) new definitions of “registered address” and “address” to make it clear that these expressions mean, in relation to any Shareholder, his physical address for the service or delivery of notices or documents personally or by post, except where otherwise expressly specified;
 - (iii) a revised provision stating that the expressions “Depositor”, “Depository”, “Depository Agent” and “Depository Register” shall have the meanings ascribed to them respectively in the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”). This follows the migration of the provisions in the Companies Act which relate to the Central Depository System to the SFA pursuant to the Amendment Act;
 - (iv) a new provision stating that the expressions “current address”, “electronic communication” and “relevant intermediary” shall have the meanings ascribed to them respectively in the Companies Act. This follows the introduction of new provisions facilitating electronic communication and the multiple proxies regime pursuant to the Amendment Act; and
 - (v) new definitions of “Postal Authority”, “Postal Services Act” and “Prescribed Limits”.
- (b) **New article 7(B).** Article 7(B) is a new provision which provides that new shares may be issued for no consideration. This is in line with new section 68 of the Companies Act, which clarifies that a company having a share capital may issue shares for which no consideration is payable to the issuing company.
- (c) **Article 13 (Article 9 of Existing Constitution).** Article 13, which relates to the Company’s power to alter its share capital, has new provisions which:
 - (i) empower the Company, by Ordinary Resolution, to convert its share capital or any class of shares from one currency to another currency. This is in line with new section 73 of the Companies Act, which sets out the procedure for such redenominations; and

LETTER TO SHAREHOLDERS

- (ii) empower the Company, by Special Resolution, to convert one class of shares into another class of shares. This is in line with new section 74A of the Companies Act, which sets out the procedure for such conversions.
- (d) **Article 20 (Article 16 of Existing Constitution).** The specific requirements to disclose the amount paid and amount (if any) unpaid on the shares in the share certificate relating to those shares, and for the share certificate to be issued under the share seal of the Company, have been removed from article 21, which relates to share certificates, and replaced with a general provision that every share certificate shall be issued in accordance with the requirements of the Companies Act and be under the common seal or signed in the manner set out in the Companies Act. Under section 123(2) of the Companies Act, as amended pursuant to the Amendment Act, the requirement to disclose the amount paid on the shares in the share certificate has been removed, and a share certificate need only state (*inter alia*) the number and class of the shares, whether the shares are fully or partly paid up, and the amount (if any) unpaid on the shares. In addition, although section 123(2) stipulates that a share certificate is to be issued under the common seal of the Company, under new section 41C of the Companies Act (as introduced by the 2017 Amendment Act), the affixation of the common seal to a share certificate may be dispensed with provided that the share certificate is signed:
 - (a) on behalf of the Company by a Director and a Secretary of the Company;
 - (b) on behalf of the Company by at least two Directors; or
 - (c) on behalf of the Company by a Director in the presence of a witness who attests the signature.
- (e) **Article 60 (Article 53 of Existing Constitution).** Article 60, which relates to the routine business that is transacted at an annual general meeting, has been revised to:
 - (i) substitute the references to “accounts” with “financial statements”, and the reference to “the reports of the Directors” with “Directors’ statement”, for consistency with the updated terminology in the Companies Act;
 - (ii) expand the routine business items to include, in addition to the re-appointment of the retiring Auditor, the appointment of a new Auditor; and
 - (iii) clarify the types of Directors’ remuneration which will be subject to Shareholder approval as routine business.
- (f) **Article 68(B) (Article 61 of Existing Constitution).** Article 68(B), which relates to the method of voting at a general meeting where mandatory polling is not required, has been revised to reduce the threshold for eligibility to demand a poll from 10% to 5% of the total voting rights of the members having the right to vote at the meeting, or of the total sum paid up on all the shares conferring that right. This is in line with section 178 of the Companies Act, as amended pursuant to the Amendment Act. Notwithstanding this provision, the Company is currently required to comply with Rule 730A(2) of the Listing Manual, which provides that all resolutions at general meetings shall be voted by poll. The mandatory polling requirement under Rule 730A(2) of the Listing Manual is contained in article 68(A) of the New Constitution.

LETTER TO SHAREHOLDERS

- (g) **Articles 72, 78 and 80(A) (Articles 65, 71 and 73 of Existing Constitution).** Articles 72, 78 and 80(A), which relate to the voting rights of Shareholders and the appointment and deposit of proxies, have new provisions which cater to the multiple proxies regime introduced by the Amendment Act. The multiple proxies regime allows “relevant intermediaries”, such as banks, capital markets services licence holders which provide custodial services for securities and the Central Provident Fund Board, to appoint more than two proxies to attend, speak and vote at general meetings. In particular:
- (i) article 78(A) provides that save as otherwise provided in the Companies Act, a Shareholder who is a “relevant intermediary” may appoint more than two proxies to attend, speak and vote at the same general meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such Shareholder, and where such Shareholder’s form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed must be specified in the form of proxy. This is in line with new section 181(1C) of the Companies Act;
 - (ii) article 78(B) provides that the Company will be entitled and bound to reject an instrument of proxy lodged by a Depositor if he is not shown to have any shares entered against his name in the Depository Register as at 72 (previously 48) hours before the time of the relevant general meeting. Consequential changes have also been made in articles 72 and 78(B) to make it clear that the number of votes which a Depositor or his proxy can cast on a poll is the number of shares entered against his name in the Depository Register as at 72 (previously 48) hours before the time of the relevant general meeting. This is in line with new section 81SJ(4) of the SFA;
 - (iii) article 72 provides that in the case of a Shareholder who is a “relevant intermediary” and who is represented at a general meeting by two or more proxies, each proxy shall be entitled to vote on a show of hands. This is in line with new section 181(1D) of the Companies Act; and
 - (iv) the cut-off time for the deposit of proxies has been extended from 48 to 72 hours before the time appointed for holding the general meeting in article 80(A). This is in line with section 178(1)(c) of the Companies Act, as amended pursuant to the Amendment Act.
- (h) **Article 100 (Article 93 of Existing Constitution).** Article 100, which relates to the filling of the office vacated by a retiring Director in default circumstances except in certain cases, has been revised to remove the event of a Director attaining any applicable retiring age as an exception to a deemed re-election to office. This follows the repeal of section 153 of the Companies Act and removal of the 70-year age limit for directors of public companies and subsidiaries of public companies.
- (i) **Article 117 (Article 110 of Existing Constitution).** Article 117, which relates to the general powers of the Directors to manage the Company’s business, clarifies that the business and affairs of the Company are to be managed by or under the direction of or, additionally, under the supervision of, the Directors. This is in line with section 157A of the Companies Act, as amended pursuant to the Amendment Act.
- (j) **Articles 123, 125(A) and 125(B) (Articles 116, 118(A) and 118(B) of Existing Constitution).** Articles 123, 125(A) and 125(B), which relate to the common seal of the Company, have been revised to state that these apply where the Company has a common seal. This is in line with new section 41A of the Companies Act which provides that a company need not have a common seal.

LETTER TO SHAREHOLDERS

- (k) **Articles 126, 145 and 146 (Articles 119, 135 and 136 of Existing Constitution).** Article 146, which relates to the sending of the Company's financial statements and related documents to Shareholders, additionally provides that such documents may, subject to the listing rules of the SGX-ST, be sent less than 14 days before the date of the general meeting with the agreement of all persons entitled to receive notices of general meetings. This is in line with new section 203(2) of the Companies Act, which provides that the requisite financial statements and other related documents may be sent less than 14 days before the date of the general meeting at which they are to be laid if all the persons entitled to receive notice of general meetings of the company so agree. Notwithstanding this proviso, the Company is currently required to comply with Rule 707(2) of the Listing Manual, which provides that an issuer must issue its annual report to shareholders and the SGX-ST at least 14 days before the date of its annual general meeting. The requirement to send these documents to debenture holders has also been removed in article 146.

The references to the Company's "accounts", "profit and loss account(s)" and Directors' "reports" have also been updated/substituted in articles 126, 145 and 146 with references, or additional references, to "financial statements" and Directors' "statements", as appropriate, for consistency with the updated terminology in the Companies Act.

- (l) **Articles 149(B) to (F) (Article 139(B) of Existing Constitution).** Articles 149(B) to (F), which relate to the service of notices to Shareholders using electronic communications, have new provisions to facilitate the electronic transmission of notices and documents following the introduction of simplified procedures for the sending of notices and documents electronically pursuant to new section 387C of the Companies Act.

Under new section 387C, notices and documents may be given, sent or served using electronic communications with the express, implied or deemed consent of the member in accordance with the constitution of the company.

There is "express consent" if a shareholder expressly agrees with the company that notices and documents may be given, sent or served on him using electronic communications. Section 387C, as amended pursuant to the 2017 Amendment Act, stipulates that there is "deemed consent" if (a) a shareholder was by notice in writing given an opportunity to elect, within such period of time specified in the notice, whether to receive the notice or document by way of electronic communications or as a physical copy, and (b) the shareholder fails to make an election within the time so specified. Section 387C also stipulates that there is "implied consent" if the constitution (a) provides for the use of electronic communications and specifies the mode of electronic communications, and (b) specifies that shareholders agree to receive such notices or documents by way of electronic communications and do not have a right to elect to receive physical copies of such notices and documents. Certain safeguards for the use of the deemed consent and implied consent regimes are prescribed under new regulation 89C of the Companies Regulations, Chapter 50, RG 1 (the "**Companies Regulations**") and that these must be complied with.

New section 387C was introduced to give effect to recommendations by the Steering Committee for Review of the Companies Act to ease the rules for the use of electronic transmission and to make them less prescriptive, and these recommendations were accepted by the Ministry of Finance (the "**MOF**"). In accepting these recommendations, the MOF noted the concerns of some shareholders who would prefer to have an option to receive physical copies of the notices and documents, notwithstanding that the company adopts the implied consent regime, and indicated that such shareholders could highlight their concerns when a company proposes amendments to its constitution to move to an implied consent regime.

LETTER TO SHAREHOLDERS

In particular:

- (i) article 149(B) provides that notices and documents may be sent to Shareholders using electronic communications either to a Shareholder's current address (which may be an email address) or by making it available on a website;
- (ii) article 149(C) provides that for these purposes, a Shareholder is deemed to have agreed to receive such notice or document by way of electronic communications and shall not have a right to elect to receive a physical copy of such notice or document (this is the implied consent regime permitted under new section 387C); and
- (iii) article 149(D) provides that notwithstanding sub-paragraph (ii) above, the Directors may decide to give Shareholders an opportunity to elect to opt out of receiving such notice or document by way of electronic communications, and a Shareholder is deemed to have consented to receive such notice or document by way of electronic communications if he was given such an opportunity but failed to opt out within the specified time (this is the deemed consent regime permitted under new section 387C).

Article 149(E) additionally provides for when service is effected in the case of notices or documents sent by electronic communications. In particular, where a notice or document is made available on a website, it is deemed served on the date on which the notice or document is first made available on the website, unless otherwise provided under the Companies Act and/or other applicable regulations or procedures. Further, under article 149(F), in the case of service on a website, the Company must give separate notice of the publication of the notice or document on that website and the manner in which the notice or document may be accessed by (1) sending such separate notice to Shareholders personally or by post, and/or (2) sending such separate notice to Shareholders' current addresses (which may be email addresses), and/or (3) by way of advertisement in the daily press, and/or (4) by way of announcement on the SGX-ST.

Under new regulation 89D of the Companies Regulations, notices or documents relating to take-over offers and rights issues are excluded from the application of section 387C and therefore cannot be transmitted by electronic means pursuant to section 387C.

On 22 March 2017, the SGX-ST announced that the listing rules would be amended, with effect from 31 March 2017, to permit listed issuers to send documents to shareholders electronically under the new regimes permitted under the Companies Act, subject to the additional safeguards prescribed under the listing rules. If the Company decides to make use of the new regimes to transmit documents electronically to Shareholders, the Company will comply with the SGX-ST's listing rules on the subject.

- (m) **Article 156 (Article 146 of Existing Constitution).** Article 156, which relates to Directors' indemnification, has been expanded to permit the Company, subject to the provisions of and so far as may be permitted by the Companies Act, to indemnify a Director against losses "to be incurred" by him in the execution of his duties. This is in line with new sections 163A and 163B of the Companies Act, which permit a company to lend, on specified terms, funds to a director for meeting expenditure incurred "or to be incurred" by him in defending court proceedings or regulatory investigations.

LETTER TO SHAREHOLDERS

6.3.2 **Listing Manual**

Rule 730(2) of the Listing Manual provides that if an issuer amends its articles or other constituent documents, they must be made consistent with all the listing rules prevailing at the time of amendment.

The following articles have been included in the New Constitution, or have been updated, to ensure consistency with the listing rules of the SGX-ST prevailing as at the Latest Practicable Date, in compliance with Rule 730(2) of the Listing Manual:

- (a) **New article 7(A).** Article 7(A) is a new provision which provides that the rights attaching to shares of a class other than ordinary shares must be expressed in the constitution. This is in line with paragraph (1)(b) of Appendix 2.2 of the Listing Manual.
- (b) **Articles 68, 69, 70 and 71 (Articles 61, 62, 63 and 64 of Existing Constitution).** Article 68, which relates to the method of voting at general meetings, has new provisions to make it clear that, if required by the listing rules of the SGX-ST, all resolutions at general meetings shall be voted by poll (unless such requirement is waived by the SGX-ST). Consequential changes have been made to articles 69, 70 and 71. Article 69 additionally provides that, if required by the listing rules of the SGX-ST, scrutineers will be appointed. These changes are in line with Rule 730A of the Listing Manual.
- (c) **Articles 97 and 100 (Articles 90 and 93 of Existing Constitution).** Article 97, which relates to the vacation of office of a Director in certain events, additionally provides that the office of a Director shall become vacant if he is disqualified from acting as a director in any jurisdiction for reasons other than on technical grounds. Consequential changes have been made to article 100, which relates to the filling of the office vacated by a retiring Director in certain default events, to provide that a retiring Director is deemed to be re-elected in certain default circumstances except, additionally, where he is disqualified from acting as a director in any jurisdiction for reasons other than on technical grounds. These changes are in line with paragraph (9)(n) of Appendix 2.2 of the Listing Manual.

6.3.3 **PDPA**

In general, under the Personal Data Protection Act 2012, an organisation can only collect, use or disclose the personal data of an individual with the individual's consent, and for a reasonable purpose which the organisation has made known to the individual. New article 158 specifies, *inter alia*, the purposes for which the Company and/or its agents and service providers would collect, use and disclose personal data of Shareholders and their appointed proxies or representatives.

6.3.4 **Prescribed Limits**

The Company holds a postal services licence and is regulated under the Postal Services Act. The shareholding limits applicable to the Company, and to Shareholders, under the Postal Services Act and/or any other legislation to which the Company is subject from time to time and/or any regulations, directives, guidelines, notices and/or codes of practice promulgated or issued thereunder from time to time, as the case may be, are described in paragraph 4.9 above.

LETTER TO SHAREHOLDERS

The following articles have been included in the New Constitution to take into account the above provisions of the Postal Services Act:

- (a) **New article 6.** New article 6(A) provides that no person (or, as the case may be, no person together with his associates) shall reach or exceed any of the Prescribed Limits (defined in article 1 of the New Constitution to mean the limits applicable in relation to the holding of or having an interest in Shares or the controlling of voting power in the Company, in each case as defined in and as prescribed by the Postal Services Act and/or any other legislation to which the Company is subject from time to time and/or any regulations, directives, guidelines, notices and/or codes of practice promulgated or issued thereunder from time to time, as the case may be) without first obtaining the prior written approval of the Postal Authority referred to in the Postal Services Act (the “**Postal Authority**”).

Under new article 6(B), such person(s) approved by the Postal Authority may reach or exceed any of the Prescribed Limits, subject to such conditions as may be imposed by the Postal Authority and the provisions of the New Constitution. Any person(s) who reaches or exceeds any of the Prescribed Limits must provide the Company evidence of such approval(s) as the Directors may reasonably require.

- (b) **New article 8(a).** New article 8(a) provides that, except with the prior written approval of the Postal Authority or except as permitted by article 6(B), no Shares shall be issued to a person if, in the opinion of the Directors, such issue would result in a person (or, as the case may be, a person together with his associates) reaching or exceeding any of the Prescribed Limits.

- (c) **New articles 42(B)(e), 42(C), 43, 44 and 45.** New articles 43(A), 43(C), 43(D) and 43(E) have been introduced to empower the Directors to require the sale of Shares if, *inter alia*:

- (i) it comes to their notice that:

- (1) any person (or, as the case may be, any person together with his associates) has reached or exceeded any of the Prescribed Limits without first obtaining the prior written approval of the Postal Authority; or
- (2) any person is in breach of any condition of written approval imposed by the Postal Authority in relation to his reaching or exceeding any of the Prescribed Limits; or

- (ii) the Directors are required to do so:

- (1) under the Postal Services Act and/or any other legislation to which the Company is subject from time to time and/or any regulations, directives, guidelines, notices and/or codes of practice promulgated or issued thereunder from time to time, as the case may be; or
- (2) by the Postal Authority.

New article 43(B) further provides that, if such an event should occur, the Directors may additionally take all steps and do all acts or things as they may deem necessary and/or required to ensure that the provisions of the relevant legislation are or will be complied with. In particular, the Directors shall take such action as may be directed by the Postal Authority, including but not limited to (1) restricting the voting power in all or any of the Shares held or controlled by the

LETTER TO SHAREHOLDERS

relevant person, (2) restricting the issuance or offer of further Shares in respect of all or any of the Shares held or controlled by the relevant person, and (3) (except in a winding up of the Company) restricting the payment of any amount (whether by way of dividends or otherwise) in respect of all or any of the Shares held or controlled by the relevant person.

Under new article 42(B)(e), the Directors may refuse to register any instrument of transfer of Shares unless it is accompanied by a declaration made by or on behalf of the transferee stating (1) the extent of the transferee's interest, directly or indirectly, in the issued Shares as at the date of the declaration, (2) whether or not the transferee is a nominee and if so, such particulars of the interest in the Shares comprised in such instrument of transfer as would otherwise have to be given under (1), and (3) such other information as may be required by the Directors for the purpose of article 43 or 45.

New article 42(C) provides that the Directors may at any other time request the Depository or require a Shareholder or the holder of securities convertible into or giving the right to the holders thereof to subscribe for Shares to submit a declaration or further declaration or furnish evidence or information for the purpose of ascertaining or verifying the interests of the Shareholder or holder of Shares or matters related thereto, provided that the Depository shall not be required to submit any declaration for the purposes of articles 42(B) and 43.

In addition, under new article 45, the Directors may refuse to register any transfer of Shares if, *inter alia*, in their opinion, (1) such transfer when registered would (save as permitted under the New Constitution) result in any person (or, as the case may be, any person together with his associates) reaching or exceeding any of the Prescribed Limits, or (2) such transfer is made to a corporation, individual or other legal entity (other than the Depository) who in the opinion of the Directors will hold the shares as a nominee, unless such holding as nominee is approved by the Directors.

New article 44 provides that the Directors are not required to give any reason for any declaration taken or made in accordance with articles 42 to 45.

6.3.5 General

The following articles have been included in the New Constitution, or have been updated, streamlined and rationalised generally:

- (a) **Article 56 (Article 49 of Existing Constitution).** Article 56, which relates to the time-frame for holding annual general meetings, has been revised to remove the specific requirement that, save as otherwise permitted under the Companies Act, an annual general meeting is to be held once in every year and within a period of not more than 15 months after the holding of the last preceding annual general meeting. This has been replaced with a general provision that an annual general meeting shall be held in accordance with the provisions of the Companies Act. The change will accommodate any amendments which may be made to the Companies Act from time to time as regards the timelines for holding annual general meetings. As the Company has a primary listing on the SGX-ST, in determining the time and place of a general meeting pursuant to article 56(B), the Directors are required to comply with Rule 730A of the Listing Manual, which requires the Company to hold all its general meetings in Singapore, unless prohibited by the relevant laws and regulations in Singapore.

LETTER TO SHAREHOLDERS

- (b) **Articles 79 and 80 (Articles 72 and 73 of Existing Constitution).** Article 79, which relates to the execution of proxies, has new provisions to facilitate the appointment of a proxy through electronic means online. In particular, article 79 provides that a Shareholder can elect to signify his approval for the appointment of a proxy via electronic communication, through such method and in such manner as may be approved by the Directors, in lieu of the present requirement of signing, or where applicable, the affixation of the corporate Shareholder's common seal.

For the purpose of accommodating the deposit by Shareholders, and receipt by the Company, of electronic proxy instructions by Shareholders who elect to use the electronic appointment process, article 80, which relates to the deposit of proxies, has new provisions which authorise the Directors to prescribe and determine the manner of receipt by the Company of the instrument appointing a proxy through digital means.

- (c) **Articles 82 and 97 (Articles 75 and 90 of Existing Constitution).** These articles have been updated to substitute the references to insanity and a person of unsound mind with references to mental disorder and a person who is incapable of managing himself or his affairs, following the enactment of the Mental Health (Care and Treatment) Act, Chapter 178A, which repealed and replaced the Mental Disorders and Treatment Act.
- (d) **New Article 137.** New Article 137 will facilitate, if and when desired, the implementation of a scrip dividend scheme enabling Shareholders to elect to receive scrip in lieu of the cash amount of a qualifying dividend.
- (e) **Article 143 (Article 133 of Existing Constitution).** Article 143, which relates to the Directors' power to issue free shares and/or to capitalise reserves for share-based incentive plans, has been expanded to empower the Directors to do the same for the benefit of non-executive Directors as part of their Directors' remuneration. This will enable the Company, if it so desires, to remunerate its non-executive Directors by way of Directors' fees in the form of shares, or in a combination of cash and shares, using these methods.

- 6.4 **Appendix 4.** The text of the principal provisions in the New Constitution which are significantly different from the equivalent provisions in the Existing Constitution, or which have been included in the New Constitution as new provisions, is set out in Appendix 4 to this Letter and the main differences are blacklined. The proposed adoption of the New Constitution is subject to Shareholders' approval.

LETTER TO SHAREHOLDERS

7. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

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

	Number of Shares			% of Issued Shares ⁽¹⁾
	Direct Interest	Deemed Interest	Total Interest	
Simon Israel	—	—	—	—
Paul William Coutts	—	—	—	—
Fang Ai Lian	—	—	—	—
Chen Jun	—	—	—	—
Lim Cheng Cheng	—	—	—	—
Aliza Knox	20,529	—	20,529	n.m. ⁽³⁾
Elizabeth Kong Sau Wai	—	—	—	—
Steven Robert Leonard	—	—	—	—
Professor Low Teck Seng	80,460	60,000 ⁽²⁾	140,460	n.m. ⁽³⁾
Bob Tan Beng Hai	—	—	—	—
Zulkifli Bin Baharudin	—	—	—	—

Notes:

- (1) The percentage of issued Shares is calculated based on the number of issued Shares as at the Latest Practicable Date, excluding any Shares held in treasury as at that date.
- (2) Deemed interest through spouse.
- (3) "n.m." means "not meaningful".

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

	Number of Shares			% of Issued Shares ⁽¹⁾
	Direct Interest	Deemed Interest	Total Interest	
Temasek Holdings (Private) Limited	—	502,595,285 ⁽²⁾	502,595,285	22.10
Singapore Telecommunications Limited	494,000,000	—	494,000,000	21.73
Alibaba Investment Limited	327,649,907	—	327,649,907	14.41
Alibaba Group Holding Limited	—	327,649,907	327,649,907 ⁽³⁾	14.41
SoftBank Group Corp.	—	327,649,907	327,649,907 ⁽⁴⁾	14.41

Notes:

- (1) The percentage of issued Shares is calculated based on the number of issued Shares as at the Latest Practicable Date, excluding any Shares held in treasury as at that date.
- (2) Deemed through its subsidiaries, Singapore Telecommunications Limited, ST Asset Management Ltd, an investment fund managed by SeaTown Holdings International Pte Ltd, and its associated company, DBS Group Holdings Ltd.
- (3) Deemed through its subsidiary, Alibaba Investment Limited.
- (4) Deemed through Alibaba Group Holding Limited which is the holding company of Alibaba Investment Limited.

LETTER TO SHAREHOLDERS

8. DIRECTORS' RECOMMENDATIONS

- 8.1 **The Proposed Change of Auditor.** The Directors are of the opinion that the proposed appointment of Deloitte & Touche LLP as Auditor of the Company in place of the retiring Auditor, PricewaterhouseCoopers LLP, is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of Resolution 13, being the Ordinary Resolution relating to the appointment of Deloitte & Touche LLP as Auditor of the Company in place of the retiring Auditor, PricewaterhouseCoopers LLP, to be proposed at the 2017 AGM.
- 8.2 **The Proposed Renewal of the Shareholders Mandate.** All the Directors are interested persons (as described in paragraph 4.1 of Appendix 2 to this Letter). Accordingly, they have refrained from making any voting recommendation to Shareholders in respect of Resolution 14, being the Ordinary Resolution relating to the proposed renewal of the Shareholders Mandate to be proposed at the 2017 AGM.
- 8.3 **The Proposed Renewal of the Share Purchase Mandate.** The Directors are of the opinion that the proposed renewal of the Share Purchase Mandate is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of Resolution 15, being the Ordinary Resolution relating to the proposed renewal of the Share Purchase Mandate to be proposed at the 2017 AGM.
- 8.4 **The Proposed Alterations to the Plan.** The non-executive Directors are of the opinion that the proposed alterations to the Plan are in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of Resolution 16, being the Ordinary Resolution relating to the proposed alterations to the Plan to be proposed at the 2017 AGM. As the executive Directors may be eligible to receive performance-based Awards under the Plan, they have refrained from making any voting recommendation to Shareholders in respect of Resolution 16.
- 8.5 **The Proposed Adoption of the New Constitution.** The Directors are of the opinion that the proposed adoption of the New Constitution is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of Resolution 17, being the Special Resolution relating to the proposed adoption of the New Constitution to be proposed at the 2017 AGM.

9. INSPECTION OF DOCUMENTS

The following documents are available for inspection at the registered office of the Company at 10 Eunos Road 8, Singapore Post Centre, Singapore 408600, during normal business hours from the date of this Letter up to the date of the 2017 AGM:

- (a) the Existing Constitution;
- (b) the proposed New Constitution;
- (c) the Annual Report of the Company for the financial year ended 31 March 2017;
- (d) Deloitte & Touche LLP's formal letter of consent to act as Auditor of the Company;
- (e) the rules of the Plan; and
- (f) the 2016 Letter.

LETTER TO SHAREHOLDERS

10. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Letter and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Letter constitutes full and true disclosure of all material facts about the Proposals, and the Company and its subsidiaries which are relevant to the Proposals, and the Directors are not aware of any facts the omission of which would make any statement in this Letter misleading. Where information in this Letter has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Letter in its proper form and context.

Yours faithfully
for and on behalf of
the Board of Directors of
SINGAPORE POST LIMITED

Simon Israel
Chairman

APPENDIX 1

NOTICE OF NOMINATION

12 May 2017

The Board of Directors
Singapore Post Limited
10 Eunos Road 8
Singapore Post Centre
Singapore 408600

Dear Sirs

Notice of Nomination

Pursuant to the provisions of Section 205 of the Companies Act, Chapter 50, I, Lim San Mein, Elsie, in my capacity as a member of Singapore Post Limited (the "**Company**"), hereby give notice of my nomination of Deloitte & Touche LLP of 6 Shenton Way, #33-00 OUE Downtown 2, Singapore 068809 for appointment as Auditor of the Company in place of the retiring Auditor, PricewaterhouseCoopers LLP of 8 Cross Street, #17-00 PWC Building, Singapore 048424 at the forthcoming Annual General Meeting of the Company to be held on 20 July 2017 or at any adjournment thereof.

Yours faithfully



.....
Lim San Mein, Elsie
Member, Singapore Post Limited

THE SHAREHOLDERS MANDATE**1. Chapter 9 of the Listing Manual**

- 1.1 Chapter 9 of the listing manual (the “**Listing Manual**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) governs transactions by a listed company, as well as transactions by its subsidiaries and associated companies that are considered to be at risk, with the listed company’s interested persons. When this Chapter applies to a transaction and the value of that transaction alone or on aggregation with other transactions conducted with the interested person during the financial year reaches, or exceeds, certain materiality thresholds, the listed company is required to make an immediate announcement, or to make an immediate announcement and seek its shareholders’ approval for that transaction.
- 1.2 Except for certain transactions which, by reason of the nature of such transactions, are not considered to put the listed company at risk to its interested person and hence are excluded from the ambit of Chapter 9, immediate announcement and shareholders’ approval would be required in respect of transactions with interested persons if certain financial thresholds (which are based on the value of the transaction as compared with the listed company’s latest audited consolidated net tangible assets (“**NTA**”)) are reached or exceeded. In particular, shareholders’ approval is required for an interested person transaction of a value equal to, or which exceeds:
- (a) 5% of the listed company’s latest audited consolidated NTA; or
 - (b) 5% of the listed company’s latest audited consolidated NTA, when aggregated with other transactions entered into with the same interested person (as such term is construed under Chapter 9 of the Listing Manual) during the same financial year.
- 1.3 Based on the latest audited consolidated financial statements of Singapore Post Limited (“**SingPost**”) and its subsidiaries (the “**SingPost Group**”) for the financial year ended 31 March 2017, the consolidated NTA of the SingPost Group was S\$1,357,035,000. In relation to SingPost, for the purposes of Chapter 9, in the current financial year and until such time as the audited consolidated financial statements of the SingPost Group for the financial year ending 31 March 2018 are published, 5% of the latest audited consolidated NTA of the SingPost Group would be S\$67,852,000.
- 1.4 Chapter 9 of the Listing Manual permits a listed company, however, to seek a mandate from its shareholders for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials (but not in respect of the purchase or sale of assets, undertakings or businesses) that may be carried out with the listed company’s interested persons.
- 1.5 Under the Listing Manual:
- (a) an “**entity at risk**” means:
 - (i) the listed company;
 - (ii) a subsidiary of the listed company that is not listed on the SGX-ST or an approved exchange; or
 - (iii) an associated company of the listed company that is not listed on the SGX-ST or an approved exchange, provided that the listed company and/or its subsidiaries (the “**listed group**”), or the listed group and its interested person(s), has control over the associated company;

APPENDIX 2

- (b) (in the case of a company) an **“interested person”** means a director, chief executive officer or controlling shareholder of the listed company or an associate of such director, chief executive officer or controlling shareholder;
- (c) a **“controlling shareholder”** means a person who:
 - (i) holds directly or indirectly 15% or more of the total number of issued shares excluding treasury shares and subsidiary holdings in the company. The SGX-ST may determine that a person who satisfies this paragraph is not a controlling shareholder; or
 - (ii) in fact exercises control over a company;
- (d) (in the case of a company) an **“associate”** in relation to an interested person who is a director, chief executive officer or controlling shareholder means an immediate family member (that is, the spouse, child, adopted-child, step-child, sibling or parent) of such director, chief executive officer or controlling shareholder, the trustees of any trust of which the director/his immediate family, the chief executive officer/his immediate family or controlling shareholder/his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object, and any company in which the director/his immediate family, the chief executive officer/his immediate family or controlling shareholder/his immediate family has an aggregate interest (directly or indirectly) of 30% or more, and, where a controlling shareholder is a corporation, means its subsidiary or holding company or fellow subsidiary or a company in which it and/or they have (directly or indirectly) an interest of 30% or more;
- (e) an **“approved exchange”** means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles to Chapter 9; and
- (f) an **“interested person transaction”** means a transaction between an entity at risk and an interested person and a **“transaction”** includes the provision or receipt of financial assistance, the acquisition, disposal or leasing of assets, the provision or receipt of services, the issuance or subscription of securities, the granting of or being granted options, and the establishment of joint ventures or joint investments, whether or not in the ordinary course of business, and whether or not entered into directly or indirectly (for example, through one or more interposed entities).

2. Rationale for the Shareholders Mandate and Benefits to Shareholders

- 2.1 It is envisaged that in the ordinary course of their businesses, transactions between companies in the EAR Group (as defined below) and SingPost’s interested persons are likely to occur from time to time. Such transactions would include, but are not limited to, the provision of goods and services in the ordinary course of business of the EAR Group to SingPost’s interested persons or the obtaining of goods and services from them.
- 2.2 In view of the time-sensitive nature of commercial transactions, the renewal of the Shareholders Mandate pursuant to Chapter 9 of the Listing Manual will enable:
 - (a) SingPost;
 - (b) subsidiaries of SingPost (other than a subsidiary that is listed on the SGX-ST or an approved exchange, if any); and
 - (c) associated companies of SingPost (other than an associated company that is listed on the SGX-ST or an approved exchange, if any) over which the SingPost Group, or the SingPost Group and interested person(s) of SingPost has or have control,

APPENDIX 2

(together, the **“EAR Group”**), or any of them, in the ordinary course of their businesses, to enter into the categories of transactions (**“Interested Person Transactions”**) set out in paragraph 5 below with the specified classes of SingPost’s interested persons (the **“Interested Persons”**) set out in paragraph 4.1 below, provided such Interested Person Transactions are made on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

- 2.3 The Shareholders Mandate, and its subsequent renewal thereafter on an annual basis, will enhance the ability of companies in the EAR Group to pursue business opportunities which are time-sensitive in nature, and will eliminate the need for SingPost to announce, or to announce and convene separate general meetings on each occasion to seek Shareholders’ prior approval for the entry by the relevant company in the EAR Group into such transactions. This will substantially reduce the expenses associated with the convening of general meetings on an *ad hoc* basis, improve administrative efficacy considerably, and allow manpower resources and time to be channelled towards attaining other corporate objectives.
- 2.4 The Shareholders Mandate is intended to facilitate transactions in the normal course of business of the EAR Group which are transacted from time to time with the specified classes of Interested Persons, provided that they are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.
- 2.5 The EAR Group will benefit from having access to competitive quotes from the different companies in the different industries within the Temasek Group (as defined in paragraph 4.1(a) below) and the Singtel Group (as defined in paragraph 4.1(b) below) in addition to obtaining quotes from, or transacting with, non-Interested Persons.

3. The Shareholders Mandate and Validity Period

- 3.1 The Shareholders Mandate covers a wide range of activities undertaken by the SingPost Group. These activities are set out in detail in paragraph 5 below.
- 3.2 The Shareholders Mandate does not cover an Interested Person Transaction which has a value of below S\$100,000 as the threshold and aggregation requirements contained in Chapter 9 of the Listing Manual would not apply to such an Interested Person Transaction.
- 3.3 Transactions with interested persons (including the Interested Persons) that do not fall within the ambit of the Shareholders Mandate will be subject to the relevant provisions of Chapter 9 of the Listing Manual and/or other applicable provisions of the Listing Manual.
- 3.4 The renewal of the Shareholders Mandate will take effect from the date of the passing of the Ordinary Resolution relating thereto to be proposed at the Annual General Meeting to be held on 20 July 2017 until the next Annual General Meeting of the Company. Thereafter, it is intended that approval from Shareholders for a subsequent renewal of the Shareholders Mandate will be sought at each subsequent Annual General Meeting of the Company.

4. Classes of Interested Persons

- 4.1 The Shareholders Mandate applies to Interested Person Transactions which are carried out with the following classes of Interested Persons:
 - (a) Temasek Holdings (Private) Limited and its associates (excluding Singapore Telecommunications Limited (**“Singtel”**) and its associates) (the **“Temasek Group”**);
 - (b) Singtel and its associates (the **“Singtel Group”**); and
 - (c) Directors, Chief Executive Officer(s) and controlling shareholders of the Company (other than the controlling shareholders described in sub-paragraphs (a) and (b) above) and their respective associates.

APPENDIX 2

- 4.2 Transactions with Interested Persons which do not fall within the ambit of the Shareholders Mandate shall be subject to the relevant provisions of Chapter 9 of the Listing Manual.

5. Interested Person Transactions

The Interested Person Transactions with the Interested Persons which are covered by the Shareholders Mandate, and the benefits to be derived therefrom, relate to general transactions (“**General Transactions**”) in connection with the provision to, or the obtaining from, Interested Persons of products and services in the normal course of business of the EAR Group or which are necessary for the day-to-day operations of the EAR Group (but not in respect of the purchase or sale of assets, undertakings or businesses) comprising the following:

- (a) provision of postal services;
- (b) provision of fulfilment, warehousing and logistics services;
- (c) provision of agency services;
- (d) provision and distribution of financial services;
- (e) provision of electronic printing and despatching services;
- (f) provision of data, document and mail management services;
- (g) leasing or rental of premises as lessor and/or lessee;
- (h) provision or procurement of software and licensing services, information services, engineering, repair, servicing and technical services;
- (i) selling of advertisement space;
- (j) provision or procurement of transportation, despatching and conveyance services (including air, sea and land) and freight services;
- (k) procurement of communication and all other forms of utility services and products;
- (l) procurement, lease or rental of vehicles, equipment, parts, components, repair and maintenance services;
- (m) procurement of services for the production of stamps, philatelic products and stationeries;
- (n) procurement of security services;
- (o) procurement of insurance;
- (p) procurement of management and consultancy services;
- (q) provision or obtaining of property management, property security, building maintenance services and consultancy services; and
- (r) provision or obtaining of such products and/or services which are incidental to or in connection with the provision or obtaining of products and/or services referred to in sub-paragraphs (a) to (q) above.

APPENDIX 2

6. Review Procedures for Interested Person Transactions

- 6.1 In general, there are procedures established by the EAR Group to ensure that transactions with Interested Persons are undertaken on normal commercial terms consistent with the EAR Group's usual business practices and policies, which are generally no more favourable to the Interested Persons than those extended to unrelated third parties.

In particular, the following review procedures have been implemented:

(a) *Provision of services or the sale of products*

The review procedures are:

- (i) all contracts entered into or transactions with Interested Persons are to be carried out at the prevailing market rates or prices of the service or product providers, on terms which are no more favourable to the Interested Person than the usual commercial terms extended to unrelated third parties (including, where applicable, preferential rates/prices/discounts accorded to corporate customers or for bulk purchases) or otherwise in accordance with applicable industry norms; and
- (ii) where the prevailing market rates or prices are not available due to the nature of service to be provided or the product to be sold, the EAR Group's pricing for such services to be provided or products to be sold to Interested Persons is determined in accordance with the EAR Group's usual business practices and pricing policies, consistent with the usual margin to be obtained by the EAR Group for the same or substantially similar type of contract or transaction with unrelated third parties. In determining the transaction price payable by Interested Persons for such services or products, factors such as, but not limited to, quantity, volume, consumption, customer requirements, specifications, duration of contract and strategic purposes of the transaction will be taken into account.

(b) *Obtaining of services or the purchasing of products*

The review procedures are:

- (i) all contracts entered into or transactions with Interested Persons are to be carried out by obtaining quotations (wherever possible or available) from at least two other unrelated third party suppliers for similar quantities and/or quality of services or products, prior to the entry into of the contract or transaction with the Interested Person, as a basis for comparison to determine whether the prices and terms offered by the Interested Person are fair and reasonable and comparable to those offered by other unrelated third parties for the same or substantially similar type of services or products. In determining whether the prices and terms offered by the Interested Person are fair and reasonable, factors such as, but not limited to, delivery schedules, specification compliance, track record, experience and expertise, and where applicable, preferential rates, rebates or discounts accorded for bulk purchases, will also be taken into account; and
- (ii) in the event that such competitive quotations cannot be obtained (for instance, if there are no unrelated third party vendors of similar products or services, or if the product is a proprietary item), the senior management staff of the relevant company in the EAR Group (with no interest, direct or indirect in the transaction), will determine whether the prices and terms offered by the Interested Person are fair and reasonable.

APPENDIX 2

(c) *Threshold limits*

In addition to the review procedures described above, the EAR Group will also ensure that the Interested Person Transactions are undertaken with Interested Persons on normal commercial terms and are not prejudicial to the Company and its minority Shareholders by categorising the transactions as follows:

- (i) a Category 1 General Transaction is one where the value thereof is equal to or more than 5% of the latest audited consolidated NTA of the SingPost Group; and
- (ii) a Category 2 General Transaction is one where the value is less than 5% of the latest audited consolidated NTA of the SingPost Group.

Category 1 General Transactions must be reviewed and endorsed by the Audit Committee and approved by the Board or other Board Committees, in accordance with the Company's approval limits, prior to their entry with an Interested Person.

Category 2 General Transactions need not be reviewed and endorsed by the Audit Committee prior to their entry with an Interested Person, but shall be reviewed on a quarterly basis by the Audit Committee.

- 6.2 SingPost will maintain and update the list of companies within the EAR Group and the list of Interested Persons and inform the heads of departments and/or companies within the EAR Group for the purposes of identification of Interested Persons and the recording of all Interested Person Transactions.
- 6.3 SingPost will review the procedures set out above from time to time to ensure that these remain adequate and appropriate.
- 6.4 A register will be maintained by SingPost to record all Interested Person Transactions (and the basis on which they are entered into) which are entered into pursuant to the Shareholders Mandate. The annual internal audit plan of SingPost shall incorporate a review of all Interested Person Transactions entered into in the relevant financial year pursuant to the Shareholders Mandate.
- 6.5 The internal auditors of SingPost shall, on a quarterly basis, report to the Audit Committee on Interested Person Transactions, and the basis of such transactions, entered into by the EAR Group.
- 6.6 The Audit Committee shall review the internal audit reports on Interested Person Transactions to ascertain that the Interested Person Transactions are entered into with Interested Persons on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders and that the established review procedures for the Interested Person Transactions have been complied with.
- 6.7 In the event that a member of the Audit Committee, Board or other Board Committees (where applicable) is interested in any Interested Person Transaction, he will abstain from any decision-making in respect of that transaction and the review, endorsement and approval of that transaction will be undertaken by the remaining members of the Audit Committee, Board and/or other Board Committees.

APPENDIX 2

7. Audit Committee's Statements

- 7.1 The Audit Committee (currently comprising Mrs Fang Ai Lian, Mr Bob Tan Beng Hai and Mr Zulkifli Bin Baharudin) has reviewed the terms of the Shareholders Mandate, as proposed to be renewed, and is satisfied that the review procedures for Interested Person Transactions, as well as the reviews to be made periodically by the Audit Committee (with internal audit assistance) in relation thereto, are sufficient to ensure that Interested Person Transactions will be made with the relevant class of Interested Persons on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.
- 7.2 If, during the periodic reviews by the Audit Committee, the Audit Committee is of the view that the established guidelines and procedures are not sufficient to ensure that the Interested Person Transactions will be on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders, SingPost will revert to Shareholders for a fresh mandate based on new procedures for transactions with Interested Persons.

8. Disclosure

- 8.1 SingPost will announce the aggregate value of transactions conducted with Interested Persons pursuant to the Shareholders Mandate for the quarterly financial periods which SingPost is required to report on pursuant to the Listing Manual and within the time required for the announcement of such report.
- 8.2 Disclosure will also be made in the annual report of SingPost of the aggregate value of Interested Person Transactions conducted pursuant to the Shareholders Mandate during the current financial year, and in the annual reports for the subsequent financial years during which a shareholders mandate is in force, in accordance with the requirements of the Listing Manual.

APPENDIX 3

THE PROPOSED ALTERATIONS TO THE SINGAPORE POST RESTRICTED SHARE PLAN 2013

Set out below are Rules 2, 5, 6, 7, 8 and 12 of the Singapore Post Restricted Share Plan 2013, with the proposed alterations blacklined.

1. **Rule 2**

2. **DEFINITIONS**

2.1 In the Plan, unless the context otherwise requires, the following words and expressions shall have the following meanings:

“Act”	:	The Companies Act, Chapter 50 of Singapore.
“Adoption Date”	:	The date on which the Plan is adopted by the Company in general meeting.
“Articles”	:	The Articles of Association of the Company, as amended from time to time.
“Associated Company”	:	A company in which at least 20% but not more than 50% of its shares are held by the Company and/or its subsidiaries, or a subsidiary of such company, and over whose management the Company has control (as defined in the Listing Manual).
“Associated Company Executive”	:	Any employee of an Associated Company (including any Associated Company Executive Director).
“Associated Company Executive Director”	:	A director of an Associated Company who performs an executive function.
“Auditors”	:	The auditors of the Company for the time being.
“Award”	:	An award of Shares granted under Rule 5.
“Award Date”	:	In relation to an Award, the date on which the Award is granted pursuant to Rule 5.
“Award Letter”	:	A letter in such form as the Committee shall approve confirming an Award granted to a Participant by the Committee.
“CDP”	:	The Central Depository (Pte) Limited.
“Committee”	:	A committee comprising directors of the Company duly authorised and appointed by the board of directors of the Company to administer the Plan.
“Communication”	:	An Award, including the Award Letter and/or any correspondence made or to be made under the Plan (individually or collectively).
“Company”	:	Singapore Post Limited, a company incorporated in Singapore.

APPENDIX 3

<u>“Constitution”</u>	:	<u>The Constitution of the Company, as amended from time to time.</u>
“Group”	:	The Company and its subsidiaries.
“Group Executive”	:	Any employee of the Group (including any Group Executive Director).
“Group Executive Director”	:	A director of the Company and/or any of its subsidiaries, as the case may be, who performs an executive function.
“Listing Manual”	:	The listing manual of the Singapore Exchange.
“Market Day”	:	A day on which the Singapore Exchange is open for trading in securities.
“Market Value”	:	In relation to a Share, on any day: (a) the volume-weighted average price of a Share on the Singapore Exchange over the three (3) immediately preceding Trading Days; or (b) if the Committee is of the opinion that the Market Value as determined in accordance with (a) above is not representative of the value of a Share, such price as the Committee may determine, such determination to be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.
“Non-Executive Director”	:	A director of: (a) the Company and/or its subsidiaries, other than a Group Executive Director; or (b) an Associated Company, other than an Associated Company Executive Director.
“Participant”	:	The holder of an Award (including, where applicable, the executor or personal representative of such holder).
<u>“Performance-related Award”</u>	:	<u>An Award in relation to which a Performance Condition is specified.</u>
<u>“Performance Condition”</u>	:	<u>In relation to a Performance-related Award, the condition specified on the Award Date in relation to that Award.</u>
<u>“Performance Period”</u>	:	<u>In relation to a Performance-related Award, a period, the duration of which is to be determined by the Committee on the Award Date, during which the Performance Condition(s) is (are) to be satisfied.</u>
“Plan”	:	The Singapore Post Restricted Share Plan 2013, as modified or altered from time to time.

APPENDIX 3

“Record Date”	:	The date fixed by the Company for the purposes of determining entitlements to dividends or other distributions to, or rights of, holders of Shares.
“Release”	:	In relation to an Award, the release of all or some of the Shares to which that Award relates in accordance with the Plan and, to the extent that any Shares which are the subject of the Award are not released pursuant to the Plan, the Award in relation to those Shares shall lapse accordingly and “Released” shall be construed accordingly.
“Release Schedule”	:	In relation to an Award, a schedule (if any) in such form as the Committee shall approve, in accordance with which Shares which are the subject of that Award shall be Released.
“Released Award”	:	An Award which has been Released in full or in part in accordance with Rule 7.
“Retention Period”	:	In relation to an Award, such period commencing on the Vesting Date in relation to that Award as may be determined by the Committee on the Award Date.
“SingPost Share Option Scheme 2012”	:	The Singapore Post Share Option Scheme 2012 adopted on 29 June 2012, as the same may be modified or altered from time to time.
“Security Device”	:	Any smartcard, digital certificate, digital signature, encryption device, electronic key, logon identifier, password, personal identification number, and/or other code or any access procedure incorporating any one or more of the foregoing, designated by the Company for use in conjunction with the Plan.
“Shares”	:	Ordinary shares in the capital of the Company.
“Singapore Exchange”	:	The Singapore Exchange Securities Trading Limited.
“Trading Day”	:	A day on which the Shares are traded on the Singapore Exchange.
“Vesting”	:	In relation to Shares which are the subject of a Released Award, the absolute entitlement to all or some of the Shares which are the subject of a Released Award and “Vest” and “Vested” shall be construed accordingly.
“Vesting Date”	:	In relation to Shares which are the subject of a Released Award, each date as determined by the Committee and notified to the relevant Participant on which those Shares are to be Vested pursuant to Rule 7.
“Vesting Period”	:	In relation to an Award, each period (if any), the duration of which is to be determined by the Committee on the Award Date, after the expiry of which the relevant number of Shares which are subject to the applicable period shall be Vested to the relevant Participant on the relevant Vesting Date, subject to Rule 7.

APPENDIX 3

“year”	:	Calendar year, unless otherwise stated.
“\$”	:	Singapore dollar.
“%”	:	Per centum or percentage.

- 2.2 For purposes of the Plan, the Company shall be deemed to have control over another company if it has the capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of that company.
- 2.3 Words importing the singular number shall, where applicable, include the plural number and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter gender.
- 2.4 Any reference to a time of a day in the Plan is a reference to Singapore time.
- 2.5 Any reference in the Plan to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Act or any statutory modification thereof and not otherwise defined in the Plan and used in the Plan shall have the meaning assigned to it under the Act or any statutory modification thereof, as the case may be.

2. Rule 5

5. GRANT OF AWARDS

- 5.1 The Committee may grant Awards to eligible Group Executives, Associated Company Executives and/or Non-Executive Directors, in each case, as the Committee may select, in its absolute discretion, at any time during the period when the Plan is in force.
- 5.2 The number of Shares which are the subject of each Award to be granted to a Participant in accordance with the Plan shall be determined at the absolute discretion of the Committee, which shall take into account such criteria as it considers fit, including (but not limited to), in the case of a Group Executive or an Associated Company Executive, his rank, job performance, years of service, potential for future development, and his contribution to the success and development of the Group and (in the case of a Performance-related Award) the extent of effort and difficulty with which the Performance Condition(s) may be achieved within the Performance Period and, in the case of a Non-Executive Director, his board and committee appointments and attendance, and his contribution to the success and development of the Group.
- 5.3 The Committee shall decide in relation to an Award:
- (a) the Participant;
 - (b) the Award Date;
 - (c) the number of Shares which are the subject of the Award;
 - (d) in the case of a Performance-related Award:
 - (i) the Performance Condition(s);
 - (ii) the Performance Period; and
 - (iii) the extent to which Shares which are the subject of that Award shall be Released on the Performance Condition(s) being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the Performance Period;

APPENDIX 3

- (de) the Vesting Period(s), if any;
 - (ef) the Vesting Date(s), if any;
 - (fg) the Release Schedule, if any;
 - (gh) the Retention Period in relation to any or all of the Shares comprised in the Award, if any; and
 - (hi) any other condition which the Committee may determine in relation to that Award.
- 5.4 As soon as reasonably practicable after making an Award the Committee shall send to each Participant an Award Letter confirming the Award and specifying in relation to the Award:
- (a) the Award Date;
 - (b) the number of Shares which are the subject of the Award;
 - (c) in the case of a Performance-related Award:
 - (i) the Performance Condition(s);
 - (ii) the Performance Period; and
 - (iii) the extent to which Shares which are the subject of that Award shall be Released on the Performance Condition(s) being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the Performance Period;
 - (ed) the Vesting Period(s), if any;
 - (de) the Vesting Date(s), if any;
 - (ef) the Release Schedule, if any;
 - (fg) the Retention Period in relation to any or all of the Shares comprised in the Award, if any; and
 - (gh) any other condition which the Committee may determine in relation to that Award.
- 5.5 Participants are not required to pay for the grant of Awards.
- 5.6 The Committee may amend or waive the Vesting Period(s), the Vesting Date(s), the Release Schedule, the Retention Period and/or any condition applicable to an Award and, in the case of a Performance-related Award, the Performance Period and/or the Performance Condition(s) and/or the extent to which Shares which are the subject of that Award shall be Released on the Performance Condition(s) being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the Performance Period in respect of that Award:
- (a) in the event of a take-over offer being made for the Shares or if a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies being approved by shareholders of the Company and/or sanctioned by the court under the Act or in the event of an order being made or a resolution passed for the winding-up of the Company (other than as provided in Rule 6.1(a) or for reconstruction or amalgamation) or a proposal to sell all or substantially all of the assets of the Company; ~~or~~

APPENDIX 3

- (b) in the event that the Company shall make a capital distribution or a declaration of a special dividend (whether in cash or *in specie*); or
- (c) in the case of a Performance-related Award, if anything happens which causes the Committee to conclude that:
 - (i) a changed Performance Condition would be a fairer measure of performance, and would be no less difficult to satisfy; or
 - (ii) a Performance Condition should be waived.

and shall notify the Participants of such change or waiver.

- 5.7 An Award or Released Award shall be personal to the Participant to whom it is granted and, prior to the allotment and/or transfer to the Participant of the Shares to which the Released Award relates, shall not be transferred (other than to a Participant's personal representative on the death of that Participant), charged, assigned, pledged or otherwise disposed of, in whole or in part, except with the prior approval of the Committee and if a Participant shall do, suffer or permit any such act or thing as a result of which he would or might be deprived of any rights under an Award or Released Award without the prior approval of the Committee, that Award or Released Award shall immediately lapse.

- 5.8 No Performance-related Awards may be granted to Non-Executive Directors under the Plan.

3. Rule 6

6. EVENTS PRIOR TO THE VESTING DATE

- 6.1 An Award shall, to the extent not yet Released, immediately lapse without any claim whatsoever against the Company:
- (a) in the event that an order is made for the winding-up of the Company on the basis of, or by reason of, its insolvency;
 - (b) in the event of misconduct on the part of the Participant as determined by the Committee in its discretion; or
 - (c) subject to Rule 6.2(b), where the Participant is a Group Executive or an Associated Company Executive, upon the Participant ceasing to be in the employment of the Group or the relevant Associated Company, as the case may be, for any reason whatsoever.

For the purposes of Rule 6.1(c), the Participant shall be deemed to have ceased to be so employed as of the date the notice of termination of employment is tendered by or is given to him, unless such notice is withdrawn prior to its effective date.

- 6.2 In any of the following events, namely:
- (a) the bankruptcy of the Participant or the happening of any other event which results in his being deprived of the legal or beneficial ownership of an Award;
 - (b) where the Participant, being a Group Executive or an Associated Company Executive, ceases at any time to be in the employment of the Group or the relevant Associated Company, as the case may be, by reason of:
 - (i) ill health, injury or disability (in each case, evidenced to the satisfaction of the Committee);

APPENDIX 3

- (ii) redundancy;
 - (iii) retirement at or after the legal retirement age;
 - (iv) retirement before the legal retirement age with the consent of the Committee;
 - (v) the company by which he is employed or to which he is seconded, as the case may be, ceasing to be a company within the Group or an Associated Company, as the case may be, or the undertaking or part of the undertaking of such company being transferred otherwise than to another company within the Group or to an Associated Company, as the case may be;
 - (vi) his transfer to any Ministry, governmental or statutory body or corporation at the direction of the Company or, as the case may be, the relevant Associated Company;
 - (vii) (where applicable) his transfer of employment from the Group to an Associated Company or *vice versa*; or
 - (viii) any other event approved by the Committee;
- (c) where a Participant, being a Non-Executive Director, ceases to be a director of the Company, the relevant subsidiary of the Company, the relevant Associated Company or, as the case may be, the relevant subsidiary of an Associated Company, for any reason whatsoever;
- (d) the death of a Participant; or
- (e) any other event approved by the Committee,

the Committee may, in its absolute discretion determine whether an Award then held by such Participant, to the extent not yet Released, shall lapse or that all or any part of such Award shall be preserved. If the Committee determines that an Award shall lapse, then such Award shall lapse without any claim whatsoever against the Company. If the Committee determines that all or any part of an Award shall be preserved, the Committee shall decide as soon as reasonably practicable following such event either to Vest some or all of the Shares which are the subject of the Award or to preserve all or part of any Award until the end of the Performance Period (if any) and/or each Vesting Period (if any) and subject to the provisions of the Plan. In exercising its discretion, the Committee will have regard to all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that Participant and, in the case of a Performance-related Award, the extent to which the Performance Condition(s) has (have) been satisfied.

6.3 Without prejudice to the provisions of Rule 5.6, if before a Vesting Date, any of the following occurs:

- (a) a take-over offer for the Shares becomes or is declared unconditional;
- (b) a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies being approved by shareholders of the Company and/or sanctioned by the court under the Act; or
- (c) an order being made or a resolution passed for the winding-up of the Company (other than as provided in Rule 6.1(a) or for amalgamation or reconstruction),

APPENDIX 3

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

4. Rule 7

7. **REVIEW OF PERFORMANCE CONDITION(S), VESTING OF AWARDS, RELEASE OF AWARDS AND CASH AWARDS**

7.1 **Vesting Period(s) and Review of Performance Condition(s)**

7.1.1 In relation to an Award which is subject to a Vesting Period or Vesting Periods, the Committee shall, subject to Rules 6, 7.1.2 (where applicable) and 7.1.3 (where applicable) and provided that the relevant Participant has continued to be a Group Executive, an Associated Company Executive or a Non-Executive Director, as the case may be, from the Award Date up to the end of the Performance Period (where applicable) and thereafter at the end of each Vesting Period and, in the opinion of the Committee where applicable, the job performance of the relevant Participant has been satisfactory, Release to the relevant Participant the relevant number of Shares in accordance with the Release Schedule specified in respect of that Award on the relevant Vesting Date(s).

7.1.2 In relation to each Performance-related Award, the Committee shall, as soon as reasonably practicable after the end of the relevant Performance Period, review the Performance Condition(s) specified in respect of such Award and determine at its discretion:

- (a) whether a Performance Condition has been satisfied and if so, the extent to which it has been satisfied;
- (b) whether any other condition applicable to such Award has been satisfied; and
- (c) the number of Shares (if any) comprised in such Award to be Released to the relevant Participant.

7.1.3 The Committee shall have full discretion to determine whether any Performance Condition has been satisfied (whether fully or partially) or exceeded and in making any such determination, the Committee shall have the right to make reference to the audited results of the Company or the Group or an Associated Company (as the case may be) to take into account such factors as the Committee may determine to be relevant, such as changes in accounting methods, taxes and extraordinary events, and further (but without prejudice to the provisions of Rule 5.6), the right to amend any Performance Condition if the Committee decides that a changed performance target would be a fairer measure of performance. If the Committee determines, in its sole discretion, that the Performance Condition and/or any other condition applicable to that Award has not been satisfied (whether fully or partially) or (subject to Rule 6) if the relevant Participant has not continued to be a Group Executive or an Associated Company Executive, as the case may be, from the Award Date up to the end of the relevant Performance Period, that Award shall lapse and be of no value.

APPENDIX 3

7.1.4 In relation to a Performance-related Award which is not subject to any Vesting Period, the Committee shall, subject to Rules 6, 7.1.2 and 7.1.3 and provided that the relevant Participant has continued to be a Group Executive or an Associated Company Executive, as the case may be, from the Award Date up to the end of the Performance Period, Release to that Participant the number of Shares determined by the Committee under Rule 7.1.2(c) on the Vesting Date relating thereto. Such part of an Award not Released shall lapse and be of no value.

7.1.5 In relation to a Performance-related Award which is subject to a Vesting Period or Vesting Periods, the provisions of Rule 7.1.1 shall apply to the Release of Shares in respect of such Award.

7.2 No Vesting Period

In relation to an Award (other than a Performance-related Award) which is not subject to any Vesting Period, the Committee shall, subject to Rule 6, Release to the relevant Participant the relevant number of Shares on the Vesting Date relating thereto.

7.3 Delivery of Shares

7.3.1 Shares which are Released to a Participant pursuant to Rule 7.1 or Rule 7.2 shall be delivered on a Market Day falling as soon as practicable (as determined by the Committee) after the relevant Vesting Date by way of an allotment or transfer to the Participant of the relevant number of Shares (which may, in the case of a transfer of Shares and to the extent permitted by law, include Shares held by the Company as treasury shares).

7.3.2 Where new Shares are allotted pursuant to Rule 7.3.1, the Company shall, as soon as practicable after such allotment, apply to the Singapore Exchange for permission to deal in and for quotation of such Shares.

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

7.4 Ranking of Shares

New Shares allotted and issued, and existing Shares procured by the Company for transfer, pursuant to the Release of any Award shall:

- (a) be subject to all the provisions of the ~~Articles and the Memorandum of Association of the Company~~Constitution; and
- (b) rank in full for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Shares, the Record Date for which is on or after the relevant Vesting Date, and shall in all other respects rank *pari passu* with other existing Shares then in issue.

7.5 Cash Awards

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

APPENDIX 3

7.6 Retention Period

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

5. Rule 8

8. LIMITATION ON THE SIZE OF THE PLAN

8.1 The total number of Shares which may be delivered pursuant to Awards granted under the Plan on any date, when added to:

- (a) the total number of new Shares allotted and issued and/or to be allotted and issued pursuant to Awards granted under the Plan; and
- (b) the total number of new Shares allotted and issued and/or to be allotted and issued pursuant to options granted under the SingPost Share Option Scheme 2012,

shall not exceed 10% of the total number of issued Shares (excluding ~~Shares held by the Company as treasury shares and subsidiary holdings (as defined in the Listing Manual)~~) on the date preceding the date of the relevant Award.

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

6. Rule 12

12. MODIFICATIONS TO THE PLAN

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

- (a) no modification or alteration shall adversely affect the rights attached to:
 - (i) in the case of a Performance-related Award, any such Award granted prior to such modification or alteration except with the consent in writing of such number of Participants who have been granted Performance-related Awards and who, if such Awards were Released to them upon the Performance Condition(s) for such Awards being satisfied in full, would become entitled to not less than three-quarters in number of all the Shares which would fall to be Vested upon Release of all such outstanding Awards upon the Performance Condition(s) for all such outstanding Awards being satisfied in full; and
 - (ii) in the case of an Award other than a Performance-Related Award, any such Award granted prior to such modification or alteration except with the consent in writing of such number of Participants who have been granted Awards other than Performance-related Awards and who, if such Awards were Released to them on the applicable Vesting Dates relating to such Awards, would become entitled to not less than three-quarters in number of all the Shares which would fall to be Vested upon Release of all such outstanding Awards on the relevant Vesting Dates applicable to all such outstanding Awards;

APPENDIX 3

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

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

- 12.2 Notwithstanding anything to the contrary contained in Rule 12.1, the Committee may at any time by a resolution (and without any other formality, save for the prior approval of the Singapore Exchange) amend or alter the Plan in any way to the extent necessary or desirable, in the opinion of the Committee, to cause the Plan to comply with, or take into account, any statutory provision (or any amendment or modification thereto, including amendment of or modification to the Act) or the provision or the regulations of any regulatory or other relevant authority or body (including the Singapore Exchange).
- 12.3 Written notice of any modification or alteration made in accordance with this Rule 12 shall be given to all Participants.

APPENDIX 4

THE PRINCIPAL PROVISIONS IN THE NEW CONSTITUTION WHICH ARE SIGNIFICANTLY DIFFERENT FROM THE EQUIVALENT PROVISIONS IN THE EXISTING CONSTITUTION

Set out below are the principal provisions in the New Constitution which are significantly different from the equivalent provisions in the Existing Constitution, or which have been included in the New Constitution as new provisions, with the main differences blacklined. References to article numbers are to article numbers of the New Constitution.

1. Article 1

21. ~~In these presents~~this Constitution (if not inconsistent with the Interpretation subject or context) the words and expressions set out in the first column below shall bear the meanings set opposite to them respectively.

“Act”	The Companies Act, Chapter 50.
“in writing”	Written or produced by any substitute for writing or partly one and partly another <u>and shall include (except where otherwise expressly specified in this Constitution or the context otherwise requires, and subject to any limitations, conditions or restrictions contained in the Statutes) any representation or reproduction of words, symbols or other information which may be displayed in a visible form, whether in a physical document or in an electronic communication or form or otherwise howsoever.</u>
“Market Day”	A day on which the <u>Singapore Stock Exchange Securities Trading Limited</u> is open for trading in securities.
“month”	Calendar month.
“Office”	The registered office of the Company for the time being.
“paid”	Paid or credited as paid.
<u>“Postal Authority”</u>	<u>The Postal Authority referred to in the Postal Services Act.</u>
<u>“Postal Services Act”</u>	<u>The Postal Services Act, Chapter 237A.</u>

APPENDIX 4

<u>"Prescribed Limits"</u>	<u>The limits applicable in relation to the holding of or having an interest in, shares, or the controlling of voting power, in the Company, in each case as defined in and as prescribed by the Postal Services Act and/or any other legislation to which the Company is subject from time to time and/or any regulations, directives, guidelines, notices and/or codes of practice promulgated or issued thereunder from time to time, as the case may be.</u>
<u>"registered address" or "address"</u>	<u>In relation to any member, his physical address for the service or delivery of notices or documents personally or by post, except where otherwise expressly provided in this Constitution.</u>
"Seal"	The Common Seal of the Company.
"Statutes"	The Act and every other Act <u>act</u> for the time being in force concerning companies and affecting the Company.
<u>"Stock Exchange"</u>	<u>Any stock exchange upon which shares in the Company may be listed.</u>
<u>"these presents"this Constitution"</u>	These Articles of Association <u>This Constitution</u> as from time to time altered.
"Year"	Calendar year.

The expressions "Depositor", "Depository", "Depository Agent", and "Depository Register" and ~~"treasury shares"~~ shall have the meanings ascribed to them respectively in the Securities and Futures Act, Chapter 289.

The expressions "current address", "electronic communication", "relevant intermediary" and ~~"treasury shares"~~ shall have the meanings ascribed to them respectively in the Act.

The expression "associate" shall have the meaning ascribed to it in the Postal Services Act and/or any other legislation to which the Company is subject from time to time and/or any regulations, directives, guidelines, notices and/or codes of practice promulgated or issued thereunder from time to time, as the case may be.

APPENDIX 4

References in ~~these presents~~this Constitution to “holders” of shares or a class of shares shall:

- (a) exclude the Depository or its nominee (as the case may be) except where otherwise expressly provided in ~~these presents~~this Constitution or where the term “registered holders” or “registered holder” is used in ~~these presents~~this Constitution;
- (b) where the context so requires, be deemed to include references to Depositors whose names are entered in the Depository Register in respect of those shares; and
- (c) except where otherwise expressly provided in ~~these presents~~this Constitution, exclude the Company in relation to shares held by it as treasury shares,

and “holding” and “held” shall be construed accordingly.

References in ~~these presents~~this Constitution to “member” shall, where the Act requires, exclude the Company where it is a member by reason of its holding of its shares as treasury shares.

The expression “Secretary” shall include any person appointed by the Directors to perform any of the duties of the Secretary and where two or more persons are appointed to act as Joint Secretaries, or where one or more Assistant or Deputy Secretaries are appointed, shall include any one of those persons.

All such of the provisions of ~~these presents~~this Constitution as are applicable to paid-up shares shall apply to stock, and the words “share” and “shareholder” shall be construed accordingly.

Words denoting the singular shall include the plural and vice versa. Words denoting the masculine shall include the feminine. Words denoting persons shall include corporations.

Any reference in ~~these presents~~this Constitution to any enactment is a reference to that enactment as for the time being amended or re-enacted.

Subject as aforesaid any words or ~~expression~~expressions defined in the Act shall (if not inconsistent with the subject or context) bear the same meanings in ~~these presents~~this Constitution.

A Special Resolution shall be effective for any purpose for which an Ordinary Resolution is expressed to be required under any provision of ~~these presents~~this Constitution.

The headnotes and marginal notes are inserted for convenience only and shall not affect the construction of ~~these presents~~this Constitution.

APPENDIX 4

2. Article 6

6. (A) Subject to article 6(B), no person (or, as the case may be, no person, together with his associates) shall reach or exceed any of the Prescribed Limits without first obtaining the prior written approval of the Postal Authority.

Prescribed Limits

(B) Such person or persons approved by the Postal Authority may reach or exceed any of the Prescribed Limits, subject to such conditions as may be imposed by the Postal Authority and the provisions of this Constitution. Any person or persons who reaches or exceeds any of the Prescribed Limits shall provide the Company evidence of such approval(s) as the Directors may reasonably require.

Approval from Postal Authority

3. Articles 7

7. (A) The rights attaching to shares of a class other than ordinary shares shall be expressed in this Constitution.

Shares of a class other than ordinary shares

(B) The Company may issue shares for which no consideration is payable to the Company.

Issue of shares for no consideration

4. Article 8(a)

38. Subject to the Statutes and to these presents this Constitution, no shares may be issued by the Directors without the prior approval of the Company in General Meeting but subject thereto and to ~~Article 8~~ article 12, and to any special rights attached to any shares for the time being issued, the Directors may allot and issue shares or grant options over or otherwise dispose of the same to such persons on such terms and conditions and for such consideration (if any) and at such time and subject or not to the payment of any part of the amount (if any) thereof in cash as the Directors may think fit, and any shares may be issued with such preferential, deferred, qualified or special rights, privileges or conditions as the Directors may think fit, and preference shares may be issued which are or at the option of the Company are liable to be redeemed, the terms and manner of redemption being determined by the Directors, Provided always that:

Issue of shares

(a) except with the prior written approval of the Postal Authority or except as permitted by article 6(B), no shares shall be issued to a person if, in the opinion of the Directors, such issue would result in a person (or, as the case may be, a person together with his associates) reaching or exceeding any of the Prescribed Limits;

(ab) ...

(bc) ...

APPENDIX 4

5. Article 13

913. (A) The Company may by Ordinary Resolution:

Power to consolidate, subdivide and redenominate shares

- (a) consolidate and divide all or any of its shares;
- (b) ~~sub-divides~~subdivide its shares, or any of them; (subject, nevertheless, to the provisions of the Statutes and this Constitution), and so that the resolution whereby any share is ~~sub-divided~~subdivided may determine that, as between the holders of the shares resulting from such ~~sub-divisions~~subdivision, one or more of the shares may, as compared with the others, have any such preferred, deferred or other special rights, or be subject to any such restrictions, as the Company has power to attach to new shares; and
- (c) subject to the provisions of the Statutes, convert its share capital or any class of shares from one currency to another currency.

(eB) The Company may by Special Resolution, subject to the provisions of and in accordance with the Statutes, convert any ~~one~~ class of shares into any other ~~another~~ class of shares.

Power to convert shares

6. Article 20

~~1620.~~ Every share certificate shall be issued in accordance with the requirements of the Act and be under the Seal and shall specify the number and class of shares to which it relates and the amount paid and amount (if any) unpaid thereon and shall bear the autographic or facsimile signatures of one Director and the Secretary or a second Director or some other person appointed by the Directors. The facsimile signatures may be reproduced by mechanical, electronic or other method approved by the Directors or signed in the manner set out in the Act. No certificate shall be issued representing shares of more than one class.

Share certificates

7. Articles 42(B)(e) and 42(C)

~~3842.~~ (B) The Directors may in their sole discretion refuse to register any instrument of transfer of shares unless:

When Directors may refuse to register a transfer

- (a) ...
- (b) ...
- (c) ...
- (d) ...
- (e) the instrument of transfer has a declaration attached to it duly made by or on behalf of the transferee stating:
 - (i) the extent of the transferee's interest, directly or indirectly, in the issued shares of the Company as at the date of the declaration;

APPENDIX 4

- (ii) whether or not the transferee is a nominee and (where the transferee is a nominee) such particulars of the interest in the shares comprised in such instrument of transfer as would otherwise have to be given under sub-paragraph (i) above; and
- (iii) such other information as may be required by the Directors for the purpose of article 43 or 45.

(C) The Directors may at any other time request the Depository or require a member or the holder of securities convertible into or giving the right to the holders thereof to subscribe for shares in the Company to submit a declaration or further declaration or furnish evidence or information for the purpose of ascertaining or verifying the interests of the member or holder of shares in the Company or matters related thereto (including whether or not the member or holder of shares in the Company holds any shares as a trustee and if so, particulars relating to the same). Provided that the Depository shall not be required to submit any declaration for the purposes of articles 42(B) and 43.

Directors may request for declaration, evidence or information

8. Article 43

43. (A) The Directors may:

Transfer of Affected Shares

- (a) if a declaration made or any evidence or information furnished pursuant to article 42(B)(e) or 42(C) contains any statement which is false or incorrect in any material particular; or
- (b) if it shall come to the notice of the Directors that:
 - (i) any person (or, as the case may be, any person together with his associates) has reached or exceeded any of the Prescribed Limits without first obtaining the prior written approval of the Postal Authority; or
 - (ii) any person is in breach of any condition of written approval imposed by the Postal Authority in relation to his reaching or exceeding any of the Prescribed Limits; or
- (c) if required:
 - (i) under the Postal Services Act and/or any other legislation to which the Company is subject from time to time and/or any regulations, directives, guidelines, notices and/or codes of practice promulgated or issued thereunder from time to time, as the case may be; or
 - (ii) by the Postal Authority.

APPENDIX 4

at any time serve a notice in writing on the holder or holders of the shares concerned requiring that holder to transfer or dispose and/or the person having an interest in the shares concerned to transfer or dispose of the interest in such number of shares registered in the name of such holder or in which such person has an interest as the Directors may deem necessary (the "Affected Shares") to a person who is qualified to have an interest in the Affected Shares.

(B) Where article 43(A)(b)(i), 43(A)(b)(ii) or 43(A)(c) above applies, the Directors may additionally take all steps and do all acts or things as they may, in their absolute discretion, deem necessary and/or required to ensure that the provisions of the Postal Services Act and/or any other legislation to which the Company is subject from time to time and/or any regulations, directives, guidelines, notices and/or codes or practice promulgated or issued thereunder from time to time, as the case may be, are or will be complied with. Without prejudice to the foregoing, the Directors shall take such action as may be directed by the Postal Authority, including but not limited to the following:

Directors may take additional steps to ensure compliance

- (a) to restrict the voting power in all or any of the shares in the Company held or controlled by such person; and/or
- (b) to restrict the issuance or offer of shares in the Company (whether by way of rights, bonus or otherwise) in respect of all or any of the shares in the Company held or controlled by such person; and/or
- (c) except in a winding up of the Company, to restrict the payment of any amount (whether by way of dividends or otherwise) in respect of all or any of the shares in the Company held or controlled by such person,

in each case unless the Postal Authority expressly permits or authorises.

(C) If within 21 days after the giving of the notice referred to in article 43(A) (or such shorter or longer period as in all the circumstances the Directors shall consider reasonable) such notice is not complied with to the satisfaction of the Directors, the Directors may arrange for the Company to sell the Affected Shares or any part thereof at the best price reasonably obtainable. For this purpose the Directors may authorise in writing some person to execute or effect on behalf of the relevant holder of or, as the case may be, the relevant person having an interest in the Affected Shares a transfer or transfers (if required) of any of the Affected Shares to any purchaser or purchasers and may (if required) issue new share certificates to the purchaser or purchasers. Upon the sale by the Company of any of the Affected Shares, the share certificates relating thereto may (if applicable) be cancelled by the Company to the extent of the Affected Shares sold and the Company may (if necessary) issue replacement share certificates for the balance (if any) of the shares comprised in such share certificates relating to the Affected Shares in exchange for such share certificates relating to the Affected Shares.

Directors may authorise sale and execution of transfer of Affected Shares

APPENDIX 4

(D) The net proceeds of the sale of any Affected Shares shall be received by the Company whose receipt shall be a good discharge for the purchase moneys and (subject, where relevant, to any direction by the Postal Authority) shall be paid over by the Company (after deduction of any expenses incurred by the Directors in the sale) to the holder of or person having an interest in such Affected Shares upon surrender (if required) of the certificates for such Affected Shares but such proceeds shall under no circumstances carry interest against the Company.

Net proceeds of sale of Affected Shares

(E) If at any one time the Directors are entitled to give notice to more than one person pursuant to the provisions of article 43(A) above, it shall be for the Directors to decide the persons and (if more than one person, the proportion of) the Affected Shares which shall be the subject of such notice, and in making any such decision, the Directors shall apply such criterion or criteria as they shall consider appropriate and their decision shall be final and conclusive.

Directors may decide persons and proportion of Affected Shares which are subject of notice

9. Article 44

44. The Directors shall not be required to give any reason for any decision or declaration taken or made in accordance with articles 42 to 45.

Directors not required to give reasons

10. Article 45

45. The Directors may in their sole discretion refuse to register any transfer of shares if, *inter alia*, in their opinion:

Directors may refuse to register transfer of shares if Prescribed Limits exceeded, or if transfer is to nominee

- (a) except as permitted by article 6(B), such transfer when registered would result in any person (or, as the case may be, any person together with his associates) reaching or exceeding any of the Prescribed Limits; or
- (b) such transfer is made to a corporation, individual or other legal entity (other than the Depository) who in the opinion of the Directors will hold the shares as a nominee, unless such holding as nominee shall be approved by the Directors.

11. Article 56

4956. (A) AnSave as otherwise permitted under the Act, an Annual General Meeting shall be held once in every year, at such time (within a period of not more than 15 months after the holding of the last preceding Annual General Meeting) and place as may be determined by the Directors in accordance with the provisions of the Act. All other General Meetings shall be called Extraordinary General Meetings.

Annual General Meeting and Extraordinary General Meeting

(B) The time and place of any General Meeting shall be determined by the Directors.

Time and place

APPENDIX 4

12. Article 60

~~53~~60. Routine business shall mean and include only business transacted at an Annual General Meeting of the following classes, that is to say:

Routine business

- (a) declaring dividends;
- (b) receiving and adopting the ~~accounts~~financial statements, ~~the reports of the Directors' statement, the Auditor's report and Auditors and other documents required to be attached or annexed to the accounts~~financial statements;
- (c) appointing or re-appointing Directors to fill vacancies arising at the meeting on retirement whether by rotation or otherwise;
- (d) ~~appointing or re-appointing the retiring Auditors (unless they were last appointed otherwise than by the Company in General Meeting)~~Auditor;
- (e) fixing the remuneration of the ~~Auditors~~Auditor or determining the manner in which such remuneration is to be fixed; and
- (f) fixing the remuneration of the Directors proposed to be paid ~~under Article 79~~in respect of their office as such under article 86 and/or article 87(A).

13. Articles 68, 69, 70 and 71

~~64~~68. (A) If required by the listing rules of the Stock Exchange, all resolutions at General Meetings shall be voted by poll (unless such requirement is waived by the Stock Exchange).

Mandatory polling

(B) ~~At~~Subject to article 68(A), at any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by:

Method of voting where mandatory polling not required

- (a) the chairman of the meeting; or
- (b) not less than two members present in person or by proxy and entitled to vote at the meeting; or
- (c) a member present in person or by proxy and representing not less than ~~one-tenth~~five per cent. of the total voting rights of all the members having the right to vote at the meeting; or
- (d) a member present in person or by proxy and holding ~~not less than 10 per cent. of the total number of paid-up shares of the Company (excluding treasury shares);~~shares conferring a right to vote at the meeting, being shares on which an aggregate sum has been paid up equal to not less than five per cent. of the total sum paid up on all the shares conferring that right.

APPENDIX 4

~~Provided always that no poll shall be demanded on the choice of a chairman or on a question of adjournment.~~

~~62. ——— A demand for a poll made pursuant to this article 68(B) may be withdrawn only with the approval of the meeting. Unless a poll is required chairman of the meeting, and any such demand shall not prevent the continuance of the meeting for the transaction of any business other than the question on which the poll has been demanded. Unless a poll is demanded, a declaration by the chairman of the meeting that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book, shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded for or against such resolution. If a poll is required, it shall be taken in such manner (including the use of ballot or voting papers or tickets) as the chairman of the meeting may direct, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The chairman of the meeting may (and if so directed by the meeting shall) appoint scrutineers and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.~~

~~6369. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a casting vote. Where a poll is taken, it shall be taken in such manner (including the use of ballot or voting papers) as the chairman of the meeting may direct, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was taken. The chairman of the meeting may (and, if required by the listing rules of the Stock Exchange or if so directed by the meeting, shall) appoint scrutineers and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.~~

Taking a poll

~~6470. A poll demanded on anyA poll on the choice of a chairman or on a question of adjournment shall be taken immediately. A poll on any other question shall be taken either immediately or at such subsequent time (not being more than 30 days from the date of the meeting) and place as the chairman may direct. No notice need be given of a poll not taken immediately. The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the question on which the poll has been demanded.~~

Timing for taking a poll

~~71. In the case of an equality of votes, whether on a poll or on a show of hands, the chairman of the meeting at which the poll or show of hands takes place shall be entitled to a casting vote.~~

Casting vote of chairman

14. Article 72

~~6572. Subject and without prejudice to any special privileges or restrictions as to voting for the time being attached to any special class of shares for the time being forming part of the capital of the Company and to Article 5article 14(C), each member entitled to vote may vote in person or by proxy. On a show of hands, everyEvery member who is present in person or by proxy shall:~~

Appx. 2.2 para. (b) (a) & (e)How members may vote

- (a) on a poll, have one vote for every share which he holds or represents; and

APPENDIX 4

- (b) ~~on a show of hands, have one vote (provided that, Provided always that:~~
- (i) ~~in the case of a member who is not a relevant intermediary and who is represented by two proxies, only one of the two proxies as determined by that member or, failing such determination, by the Chairmanchairman of the meeting (or by a person authorised by him) in his sole discretion shall be entitled to vote on a show of hands) and on a poll, every member who is present in person or by proxy shall have one vote for every share which he holds or represents; and~~
- (ii) ~~in the case of a member who is a relevant intermediary and who is represented by two or more proxies, each proxy shall be entitled to vote on a show of hands.~~

For the purpose of determining the number of votes which a member, being a Depositor, or his proxy may cast at any General Meeting on a poll, the reference to shares held or represented shall, in relation to shares of that Depositor, be the number of shares entered against his name in the Depository Register as at 4872 hours before the time of the relevant General Meeting as certified by the Depository to the Company.

15. Article 78

~~7+78.~~ (A) Save as otherwise provided in the Act:

Appointment of proxies

- (a) ~~Aa member who is not a relevant intermediary may appoint not more than two proxies to attend, speak and vote at the same General Meeting;. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy; and~~
- (b) ~~a member who is a relevant intermediary may appoint more than two proxies to attend, speak and vote at the same General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.~~

~~(B) Provided that if the~~In any case where a member is a
Depositor, the Company shall be entitled and bound:

Shares entered in Depository Register

- (a) ~~to reject any instrument of proxy lodged if theby that Depositor if he is not shown to have any shares entered against his name in the Depository Register as at 4872 hours before the time of the relevant General Meeting as certified by the Depository to the Company; and~~

APPENDIX 4

- (b) to accept as the maximum number of votes which in aggregate the proxy or proxies appointed by ~~the~~^{that} Depositor is or are able to cast on a poll a number which is the number of shares entered against the name of that Depositor in the Depository Register as at ~~48~~⁷² hours before the time of the relevant General Meeting as certified by the Depository to the Company, whether that number is greater or smaller than the number specified in any instrument of proxy executed by or on behalf of that Depositor.

(BC) The Company shall be entitled and bound, in determining rights to vote and other matters in respect of a completed instrument of proxy submitted to it, to have regard to the instructions (if any) given by and the notes (if any) set out in the instrument of proxy.

Notes and instructions

~~(C) In any case where a form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.~~

- (D) A proxy need not be a member of the Company.

Appx. 2.2 para. (8) (c)
Proxy need not be a member

16. Article 79

~~72~~⁷⁹. (A) An instrument appointing a proxy shall be in writing in any usual or common form or in any other form which the Directors may approve and:

Execution of proxies

- (a) in the case of an individual, shall be:
- (i) signed by the appointor or his attorney if the instrument is delivered personally or sent by post; or
 - (ii) authorised by that individual through such method and in such manner as may be approved by the Directors, if the instrument is submitted by electronic communication; and
- (b) in the case of a corporation, shall be:
- (i) either given under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation if the instrument is delivered personally or sent by post; or
 - (ii) authorised by that corporation through such method and in such manner as may be approved by the Directors, if the instrument is submitted by electronic communication.

The Directors may, for the purposes of articles 79(A)(a)(ii) and 79(A)(b)(ii), designate procedures for authenticating any such instrument, and any such instrument not so authenticated by use of such procedures shall be deemed not to have been received by the Company.

APPENDIX 4

(B) The signature on, or authorisation of, such instrument need not be witnessed. Where an instrument appointing a proxy is signed or authorised on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy pursuant to ~~the next following Article~~ article 80(A), failing which the instrument may be treated as invalid.

Witness and authority

(C) The Directors may, in their absolute discretion:

- (a) approve the method and manner for an instrument appointing a proxy to be authorised; and
- (b) designate the procedure for authenticating an instrument appointing a proxy.

Directors may approve method and manner, and designate procedure, for electronic communications

as contemplated in articles 79(A)(a)(ii) and 79(A)(b)(ii) for application to such members or class of members as they may determine. Where the Directors do not so approve and designate in relation to a member (whether of a class or otherwise), article 79(A)(a)(i) and/or (as the case may be) article 79(A)(b)(i) shall apply.

17. Article 80

~~7380.~~ (A) An instrument appointing a proxy:

Deposit of proxies

- (a) if sent personally or by post, must be left at such place or one of such places (if any) as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the meeting (or, if no place is so specified, at the Office); or
- (b) if submitted by electronic communication, must be received through such means as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the meeting.

and in either case, not less than 48~~72~~ hours before the time appointed for the holding of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used, and in default shall not be treated as valid. The instrument shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting as for the meeting to which it relates; Provided always that an instrument of proxy relating to more than one meeting (including any adjournment thereof) having once been so delivered in accordance with this article 80 for the purposes of any meeting shall not be required again to be delivered for the purposes of any subsequent meeting to which it relates.

(B) The Directors may, in their absolute discretion, and in relation to such members or class of members as they may determine, specify the means through which instruments appointing a proxy may be submitted by electronic communications, as contemplated in article 80(A)(b). Where the Directors do not so specify in relation to a member (whether of a class or otherwise), article 80(A)(a) shall apply.

Directors may specify means for electronic communications

APPENDIX 4

18. Article 82

~~75~~82. A vote cast by proxy shall not be invalidated by the previous death or ~~insanity~~mental disorder of the principal or by the revocation of the appointment of the proxy or of the authority under which the appointment was made, Provided always that no intimation in writing of such death, ~~insanity~~mental disorder or revocation shall have been received by the Company at the Office at least one hour before the commencement of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) the time appointed for the taking of the poll at which the vote is cast.

Intervening death or
mental disorder

19. Article 97

~~99~~97. The office of a Director shall be vacated in any of the following events, namely:

When office of
Director to be vacated

- (a) if he shall become prohibited by law from acting as a Director; or
- (b) if he shall become disqualified from acting as a director in any jurisdiction for reasons other than on technical grounds; or
- (bc) if (not being a Director holding any executive office for a fixed term) he shall resign by writing under his hand left at the Office or if he shall in writing offer to resign and the Directors shall resolve to accept such offer; or
- (ed) if he shall have a bankruptcy order made against him or if he shall compoundmake any arrangement or composition with his creditors generally; or
- (de) if he becomes ~~of unsound mind~~mentally disordered and incapable of managing himself or his affairs or if in Singapore or elsewhere an order shall be made by any court claiming jurisdiction in that behalf on the ground (however formulated) of mental disorder for his detention or for the appointment of a guardian or for the appointment of a receiver or other person (by whatever name called) to exercise powers with respect to his property or affairs; or
- (ef) if he is removed by the Company in General Meeting pursuant to ~~these presents~~this Constitution.

Appx. 2.2 para. (9) (g)

Appx. 2.2 para. (9) (g)

20. Article 100

~~93~~100. The Company at the meeting at which a Director retires under any provision of ~~these presents~~this Constitution may by Ordinary Resolution fill the office being vacated by electing thereto the retiring Director or some other person eligible for appointment. In default the retiring Director shall be deemed to have been re-elected except in any of the following cases:

Filling vacated office

- (a) where at such meeting it is expressly resolved not to fill such office or a resolution for the re-election of such Director is put to the meeting and lost; or

APPENDIX 4

- (b) where such Director is ~~qualified~~disqualified under the Act from holding office as a Director or has given notice in writing to the Company that he is unwilling to be re-elected; or
- (c) where such Director is disqualified from acting as a director in any jurisdiction for reasons other than on technical grounds; or
- (ed) where the default is due to the moving of a resolution in contravention of the next following ~~Article~~article.
- (d) ~~where such Director has attained any retiring age applicable to him as Director.~~

The retirement shall not have effect until the conclusion of the meeting except where a resolution is passed to elect some other person in the place of the retiring Director or a resolution for his re-election is put to the meeting and lost and accordingly a retiring Director who is re-elected or deemed to have been re-elected will continue in office without a break.

21. Article 117

~~110~~117. The business and affairs of the Company shall be managed by, or under the direction or supervision of, the Directors. The Directors may exercise all such powers of the Company as are not by the Statutes or by ~~these presents~~this Constitution required to be exercised by the Company in General Meeting. The Directors shall not carry into effect any proposals for selling or disposing of the whole or substantially the whole of the Company's undertaking unless such proposals have been approved by the Company in General Meeting. The general powers given by this ~~Article~~article shall not be limited or restricted by any special authority or power given to the Directors by any other ~~Article~~article.

General powers
of Directors to
manage Company's
business

22. Article 123

~~116~~123. ~~The~~Where the Company has a Seal, the Directors shall provide for the safe custody of the Seal which shall not be used without the authority of the Directors or of a committee authorised by the Directors in that behalf.

Seal

23. Article 125

~~118~~125. (A) ~~The~~Where the Company has a Seal, the Company may exercise the powers conferred by the Statutes with regard to having an official seal for use abroad and such powers shall be vested in the Directors.

Official seal

(B) ~~The~~Where the Company has a Seal, the Company may exercise the powers conferred by the Statutes with regard to having a duplicate Seal as referred to in Section 124 of the Act which shall be a facsimile of the Seal with the addition on its face of the words "Share Seal".

Share Seal

APPENDIX 4

24. Article 126

~~119~~126. Any Director or the Secretary or any person appointed by the Directors for the purpose shall have power to authenticate any documents affecting the constitution of the Company and any resolutions passed by the Company or the Directors or any committee, and any books, records, documents and accounts and financial statements relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts; and where any books, records, documents ~~or~~ accounts or financial statements are elsewhere than at the Office the local manager or other officer of the Company having the custody thereof shall be deemed to be a person appointed by the Directors as aforesaid. A document purporting to be a copy of a resolution, or an extract from the minutes of a meeting, of the Company or of the Directors or any committee which is certified as aforesaid shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed, or as the case may be, that any minute so extracted is a true and accurate record of proceedings at a duly constituted meeting. Any authentication or certification made pursuant to this ~~Article~~article may be made by any electronic means approved by the Directors for such purpose from time to time incorporating, if the Directors deem necessary, the use of security and/or identification procedures and devices approved by the Directors.

Power to authenticate documents

25. Article 137

137. (A) Whenever the Directors or the Company in General Meeting have resolved or proposed that a dividend (including an interim, final, special or other dividend) be paid or declared on shares of a particular class in the capital of the Company, the Directors may further resolve that members entitled to such dividend be entitled to elect to receive an allotment of shares of that class credited as fully paid in lieu of cash in respect of the whole or such part of the dividend as the Directors may think fit. In such case, the following provisions shall apply:

Scrip dividend scheme

- (a) the basis of any such allotment shall be determined by the Directors;
- (b) the Directors shall determine the manner in which members shall be entitled to elect to receive an allotment of shares of the relevant class credited as fully paid in lieu of cash in respect of the whole or such part of any dividend in respect of which the Directors shall have passed such a resolution as aforesaid, and the Directors may make such arrangements as to the giving of notice to members, providing for forms of election for completion by members (whether in respect of a particular dividend or dividends or generally), determining the procedure for making such elections or revoking the same and the place at which and the latest date and time by which any forms of election or other documents by which elections are made or revoked must be lodged, and otherwise make all such arrangements and do all such things, as the Directors consider necessary or expedient in connection with the provisions of this article 137;

APPENDIX 4

- (c) the right of election may be exercised in respect of the whole of that portion of the dividend in respect of which the right of election has been accorded, Provided always that the Directors may determine, either generally or in any specific case, that such right shall be exercisable in respect of the whole or any part of that portion; and
- (d) the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable in cash on the shares of the relevant class in respect whereof the share election has been duly exercised (the "elected shares") and, in lieu and in satisfaction thereof, shares of the relevant class shall be allotted and credited as fully paid to the holders of the elected shares on the basis of allotment determined as aforesaid. For such purpose and notwithstanding the provisions of article 142, the Directors shall (i) capitalise and apply out of the amount standing to the credit of any of the Company's reserve accounts or any amount standing to the credit of the profit and loss account or otherwise available for distribution as the Directors may determine, such sum as may be required to pay up in full the appropriate number of shares for allotment and distribution to and among the holders of the elected shares on such basis, or (ii) apply the sum which would otherwise have been payable in cash to the holders of the elected shares towards payment of the appropriate number of shares of the relevant class for allotment and distribution to and among the holders of the elected shares on such basis.

(B) The shares of the relevant class allotted pursuant to the provisions of article 137(A) shall rank *pari passu* in all respects with the shares of that class then in issue save only as regards participation in the dividend which is the subject of the election referred to above (including the right to make the election referred to above) or any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneous with the payment or declaration of the dividend which is the subject of the election referred to above, unless the Directors shall otherwise specify.

Ranking of shares

(C) The Directors may, on any occasion when they resolve as provided in article 137(A), determine that rights of election under that article shall not be made available to the persons who are registered as holders of shares in the Register of Members or (as the case may be) in the Depository Register, or in respect of shares, the transfer of which is registered, after such date as the Directors may fix subject to such exceptions as the Directors think fit, and in such event the provisions of article 137 shall be read and construed subject to such determination.

Record date

APPENDIX 4

(D) The Directors may, on any occasion when they resolve as provided in article 137(A), further determine that: Eligibility

- (a) no allotment of shares or rights of election for shares under article 137(A) shall be made available or made to members whose registered addresses entered in the Register of Members or (as the case may be) the Depository Register is outside Singapore or to such other members or class of members as the Directors may in their sole discretion decide and in such event the only entitlement of the members aforesaid shall be to receive in cash the relevant dividend resolved or proposed to be paid or declared; and
- (b) no allotment of shares or rights of election for shares under article 137(A) shall be made available or made to any person, or any person and its associates, if such allotment or rights of election would in the opinion of the Directors cause such person, or such person and its associates, to hold or control voting shares in excess of any of the Prescribed Limits, without the approval of the Postal Authority.

(E) Notwithstanding the foregoing provisions of this article, if at any time after the Directors' resolution to apply the provisions of article 137(A) in relation to any dividend but prior to the allotment of shares pursuant thereto, the Directors shall consider that by reason of any event or circumstance (whether arising before or after such resolution) or by reason of any matter whatsoever it is no longer expedient or appropriate to implement that proposal, the Directors may at their discretion and as they deem fit in the interest of the Company and without assigning any reason therefor, cancel the proposed application of article 137(A). Disapplication

(F) The Directors may do all acts and things considered necessary or expedient to give effect to the provisions of article 137(A), with full power to make such provisions as they think fit in the case of shares of the relevant class becoming distributable in fractions (including, notwithstanding any provision to the contrary in this Constitution, provisions whereby, in whole or in part, fractional entitlements are disregarded or rounded up or down). Fractional entitlements

26. Article 143

~~133~~143. In addition and without prejudice to the powers provided for by Article 132~~article 142~~, the Directors shall have power to issue shares for which no consideration is payable ~~to the Company~~ and/or to capitalise any undivided profits or other moneys of the Company not required for the payment or provision of any dividend on any shares entitled to cumulative or non-cumulative preferential dividends (including profits or other moneys carried and standing to any reserve or reserves) and to apply such profits or other moneys in paying up in full new shares, in each case on terms that such shares shall, upon issue,:

Power to issue free shares and/or to capitalise reserves for share-based incentive plans and Directors' remuneration

- (a) be held by or for the benefit of participants of any share incentive or option scheme or plan implemented by the Company and approved by shareholders in General Meeting and on such terms as the Directors shall think fit; or

APPENDIX 4

- (b) be held by or for the benefit of non-executive Directors as part of their remuneration under article 86 and/or article 87(A) approved by shareholders in General Meeting in such manner and on such terms as the Directors shall think fit.

The Directors may do all such acts and things considered necessary or expedient to give effect to any of the foregoing.

27. Article 145

~~135~~145. In accordance with the provisions of the Act, the Directors shall cause to be prepared and to be laid before the Company in General Meeting such ~~profit and loss accounts~~financial statements, ~~balance-sheets~~, ~~group accounts (if any) and reports, statements and other documents~~ as may be necessary. The interval between the close of a financial year of the Company and the date of the Company's Annual General Meeting shall not exceed four months (or such other period as may be permitted by the Act).

Appx-2:2 para-(10)
Presentation of
financial statements

28. Article 146

~~136~~146. A copy of ~~every~~the financial statements and, if required, the balance sheet and profit and loss account which is to be laid before a General Meeting of the Company~~balance-sheet~~ (including every document required by law to be comprised therein or attached or annexed thereto), which is duly audited and which is to be laid before the Company in General Meeting accompanied by a copy of the Auditor's report thereon, shall not less than 14 days before the date of the meeting be sent to every member of, ~~and every holder of debentures of,~~ the Company and to every other person who is entitled to receive notices of meetings from the Company under the provisions of the Statutes or of ~~these presents~~this Constitution; Provided always that:

Copies of financial
statements

- (a) these documents may, subject to the listing rules of the Stock Exchange, be sent less than 14 days before the date of the meeting if all persons entitled to receive notices of meetings from the Company so agree; and
- (b) this Article~~article 146~~ shall not require a copy of these documents to be sent to more than one ~~or~~of any joint holders or to any person of whose address the Company is not aware, but any member ~~or holder of debentures~~ to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the Office.

APPENDIX 4

29. Articles 149(B) to (F)

~~139~~149.(B) Without prejudice to the provisions of ~~Article 139(A)~~ article 149(A), but subject otherwise to the Act and any regulations made thereunder and (where applicable) the listing rules of the Stock Exchange, relating to electronic communications, any notice or document (including, without limitation, any accounts, balance-sheet, financial statements or report) which is required or permitted to be given, sent or served under the Act or under ~~these presents~~this Constitution by the Company, or by the Directors, to a member or an officer or Auditor of the Company may be given, sent or served using electronic communications:

Electronic
communications

- (a) to the current address of that person; or
- (b) by making it available on a website prescribed by the Company from time to time,

in accordance with the provisions of, ~~or as otherwise provided by, the Statutes~~ this Constitution, the Act and/or any other applicable regulations or procedures. Such notice or document shall be deemed to have been duly given, sent or served upon transmission of the electronic communication to the current address of such person or as otherwise provided under the Statutes and/or any other applicable regulations or procedures.

(C) For the purposes of article 149(B) above, a member shall be deemed to have agreed to receive such notice or document by way of such electronic communications and shall not have a right to elect to receive a physical copy of such notice or document.

Implied consent

(D) Notwithstanding article 149(C) above, the Directors may, at their discretion, at any time give a member an opportunity to elect within a specified period of time whether to receive such notice or document by way of electronic communications or as a physical copy, and a member shall be deemed to have consented to receive such notice or document by way of electronic communications if he was given such an opportunity and he failed to make an election within the specified time, and he shall not in such an event have a right to receive a physical copy of such notice or document.

Deemed consent

(E) Where a notice or document is given, sent or served by electronic communications:

When notice given
by electronic
communications
deemed served

- (a) to the current address of a person pursuant to article 149(B)(a), it shall be deemed to have been duly given, sent or served at the time of transmission of the electronic communication by the email server or facility operated by the Company or its service provider to the current address of such person (notwithstanding any delayed receipt, non-delivery or "returned mail" reply message or any other error message indicating that the electronic communication was delayed or not successfully sent), unless otherwise provided under the Act and/or any other applicable regulations or procedures; and

APPENDIX 4

(b) by making it available on a website pursuant to article 149(B)(b), it shall be deemed to have been duly given, sent or served on the date on which the notice or document is first made available on the website, unless otherwise provided under the Act and/or any other applicable regulations or procedures.

Notice to be given of service on website

(F) Where a notice or document is given, sent or served to a member by making it available on a website pursuant to article 149(B)(b), the Company shall give separate notice to the member of the publication of the notice or document on that website and the manner in which the notice or document may be accessed by any one or more of the following means:

- (a) by sending such separate notice to the member personally or through the post pursuant to article 149(A);
- (b) by sending such separate notice to the member using electronic communications to his current address pursuant to article 149(B)(a);
- (c) by way of advertisement in the daily press; and/or
- (d) by way of announcement on the Stock Exchange.

30. Article 156

~~146~~156. Subject to the provisions of and so far as may be permitted by the Statutes, every Director, Auditor, Secretary or other officer of the Company shall be entitled to be indemnified by the Company against all costs, charges, losses, expenses and liabilities incurred or to be incurred by him in the execution and discharge of his duties or in relation thereto including ~~any liability by him in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Company and in which judgment is given in his favour (or the proceedings otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted or in connection with any application under any statute for relief from liability in respect of any such act or omission in which relief is granted to him by the court.~~ Without prejudice to the generality of the foregoing, no Director, ~~Manager~~, Secretary or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or officer or for joining in any receipt or other act for conformity or for any loss or expense happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person with whom any moneys, securities or effects shall be deposited or left or for any other loss, damage or misfortune whatsoever which shall happen in the execution of the duties of his office or in relation thereto unless the same shall happen through his own negligence, wilful default, breach of duty or breach of trust.

Indemnity

APPENDIX 4

31. Article 158

158. (A) A member who is a natural person is deemed to have consented to the collection, use and disclosure of his personal data (whether such personal data is provided by that member or is collected through a third party) by the Company (or its agents or service providers) from time to time for any of the following purposes:

Personal data of members

- (a) implementation and administration of any corporate action by the Company (or its agents or service providers);
- (b) internal analysis and/or market research by the Company (or its agents or service providers);
- (c) investor relations communications by the Company (or its agents or service providers);
- (d) administration by the Company (or its agents or service providers) of that member's holding of shares in the Company;
- (e) implementation and administration of any service provided by the Company (or its agents or service providers) to its members to receive notices of meetings, annual reports and other shareholder communications and/or for proxy appointment, whether by electronic means or otherwise;
- (f) processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for any General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to any General Meeting (including any adjournment thereof);
- (g) implementation and administration of, and compliance with, any provision of this Constitution;
- (h) compliance with any applicable laws, listing rules, take-over rules, regulations and/or guidelines; and
- (i) purposes which are reasonably related to any of the above purpose.

(B) Any member who appoints a proxy and/or representative for any General Meeting and/or any adjournment thereof is deemed to have warranted that where such member discloses the personal data of such proxy and/or representative to the Company (or its agents or service providers), that member has obtained the prior consent of such proxy and/or representative for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy and/or representative for the purposes specified in articles 158(A)(f) and 158(A)(h), and is deemed to have agreed to indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of such member's breach of warranty.

Personal data of proxies and/or representatives

This page has been intentionally left blank.

