



**SINGAPORE POST LIMITED**

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

**LETTER TO SHAREHOLDERS DATED 22 JUNE 2022**

**IN RELATION TO**

- (1) **THE PROPOSED RENEWAL OF THE SHAREHOLDERS MANDATE FOR INTERESTED PERSON TRANSACTIONS;**
- (2) **THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE; AND**
- (3) **THE PROPOSED EXTENSION OF, AND ALTERATIONS TO, THE SINGAPORE POST RESTRICTED SHARE PLAN 2013.**

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## CONTENTS

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	<b>Page</b>
<b>LETTER TO SHAREHOLDERS</b>	
1. Introduction.....	2
2. The Proposed Renewal of the Shareholders Mandate.....	3
3. The Proposed Renewal of the Share Purchase Mandate .....	3
4. The Proposed Extension of, and Alterations to, the Singapore Post Restricted Share Plan 2013.....	15
5. Directors' and Substantial Shareholders' Interests .....	18
6. Directors' Recommendations .....	19
7. Inspection of Documents.....	20
8. Directors' Responsibility Statement.....	20
 <b>APPENDIX 1</b>	
The Shareholders Mandate.....	21
 <b>APPENDIX 2</b>	
The Amended and Restated Rules of the Singapore Post Restricted Share Plan 2013.....	28

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## LETTER TO SHAREHOLDERS

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### 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 Phang Heng Wee, Vincent (*Executive Non-Independent Director*)  
Mrs Fang Ai Lian (*Non-Executive Lead Independent Director*)  
Mr Chen Jun (*Non-Executive Non-Independent Director*)  
Ms Chu Swee Yeok (*Non-Executive Independent Director*)  
Ms Lim Cheng Cheng (*Non-Executive Non-Independent Director*)  
Ms Elizabeth Kong Sau Wai (*Non-Executive Independent Director*)  
Mr Steven Robert Leonard (*Non-Executive Independent Director*)  
Mr Bob Tan Beng Hai (*Non-Executive Independent Director*)

#### Registered Office:

10 Eunos Road 8  
Singapore Post Centre  
Singapore 408600

22 June 2022

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 30<sup>th</sup> Annual General Meeting of the Company dated 22 June 2022 (the “**Notice**”) convening the 30<sup>th</sup> Annual General Meeting of the Company to be held on 21 July 2022 (the “**2022 AGM**”);
- (b) Ordinary Resolution 11 relating to the proposed renewal of the Shareholders Mandate (as defined in paragraph 2.1 below) for interested person transactions, as proposed in the Notice;
- (c) Ordinary Resolution 12 relating to the proposed renewal of the Share Purchase Mandate (as defined in paragraph 3.1 below), as proposed in the Notice; and
- (d) Ordinary Resolution 13 relating to the proposed extension of, and alterations to, the Plan (as defined in paragraph 4.1 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 Resolutions 11, 12 and 13, 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.

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.

1.5 **Legal Adviser.** Allen & Gledhill LLP is the legal adviser to the Company in relation to the proposed renewal of the Share Purchase Mandate and the proposed extension of, and alterations to, the Plan.

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## LETTER TO SHAREHOLDERS

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### 2. THE PROPOSED RENEWAL OF THE SHAREHOLDERS MANDATE

- 2.1 **Shareholders Mandate.** At the annual general meeting of the Company held on 15 July 2021 (the “**2021 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 of the SGX-ST (the “**Listing Manual**”)) to enter into certain interested person transactions (the “**Shareholders Mandate**”) with the classes of interested persons (the “**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 16 June 2021 (the “**2021 Letter**”).
- 2.2 **Proposed Renewal of the Shareholders Mandate.** At the 2021 AGM, the Shareholders Mandate was expressed to take effect until the conclusion of the next Annual General Meeting of the Company, being the 2022 AGM. Accordingly, the Directors of the Company (the “**Directors**”) propose that the Shareholders Mandate be renewed at the 2022 AGM, to take effect until the 31<sup>st</sup> 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.
- 2.3 **Appendix 1.** 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 1 to this Letter.
- 2.4 **Audit Committee’s Statement.** The Audit Committee (currently comprising Mrs Fang Ai Lian, Ms Chu Swee Yeok and Mr Bob Tan Beng Hai) confirms that:
- (a) the methods or procedures for determining transaction prices under the Shareholders Mandate have not changed since the 2021 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.
- 2.5 **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 1 to this Letter), will abstain from voting their Shares, if any, in respect of Ordinary Resolution 11, being the Ordinary Resolution relating to the proposed renewal of the Shareholders Mandate to be proposed at the 2022 AGM. The Company will disregard any votes cast by Temasek, Singtel and their respective associates on Ordinary Resolution 11.

The Directors, being interested persons (as described in paragraph 4.1 of Appendix 1 to this Letter), will abstain, and will procure their associates to abstain, from voting their Shares, if any, in respect of Ordinary Resolution 11, being the Ordinary Resolution relating to the proposed renewal of the Shareholders Mandate to be proposed at the 2022 AGM. The Company will disregard any votes cast by the Directors and their respective associates, in respect of their holdings of Shares (if any) on Ordinary Resolution 11.

Each of the Directors and their respective associates will also decline to accept appointment as proxy for any Shareholder to vote in respect of Ordinary Resolution 11, unless such Shareholder has given specific instructions in a validly completed and submitted instrument appointing a proxy(ies) as to voting, or abstention from voting, in respect of Ordinary Resolution 11.

### 3. THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

- 3.1 **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 2021 AGM. The authority and limitations on the Share Purchase Mandate were set out in the 2021 Letter and Ordinary Resolution 11 set out in the Notice of the 2021 AGM.

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## LETTER TO SHAREHOLDERS

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The Share Purchase Mandate was expressed to take effect on the date of the passing of Ordinary Resolution 11 at the 2021 AGM and will expire on the date of the forthcoming 2022 AGM to be held on 21 July 2022. Accordingly, Shareholders' approval is being sought for the renewal of the Share Purchase Mandate at the 2022 AGM.

As at 27 May 2022 (the "**Latest Practicable Date**"), the Company had not undertaken any purchase or acquisition of its Shares pursuant to the Share Purchase Mandate approved by Shareholders at the 2021 AGM.

As at the Latest Practicable Date, the Company had 25,511,422 treasury shares and no subsidiary holdings (as defined in the Listing Manual)<sup>1</sup>.

<sup>1</sup> "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 1967.

3.2 **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 Company and its subsidiaries (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 3.3.1 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.

3.3 **Authority and Limits of the Share Purchase Mandate.** The authority and limitations placed on the Share Purchase Mandate, if renewed at the 2022 AGM, are substantially the same as were previously approved by Shareholders at the 2021 AGM. These are summarised below:

### 3.3.1 **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 2022 AGM. Treasury shares and subsidiary holdings will be disregarded for purposes of computing the 10% limit.

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## LETTER TO SHAREHOLDERS

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Purely for illustrative purposes, on the basis of 2,275,089,525 Shares in issue as at the Latest Practicable Date (out of which 25,511,422 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 2022 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 224,957,810 Shares (representing 10% of the Shares in issue as at that date and disregarding the 25,511,422 Shares held in treasury) may be purchased or acquired by the Company pursuant to the proposed Share Purchase Mandate.

### 3.3.2 *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 2022 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.

### 3.3.3 *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 1967 (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.

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.

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## LETTER TO SHAREHOLDERS

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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.

### 3.3.4 **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 and must not exceed, in the case of both Market Purchases and Off-Market Purchases, 105% of the Average Closing Price of the Shares, 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 during the relevant five-day period and 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

**“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.

- 3.4 **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 2023 or ability to service its debts would be adversely affected.

- 3.5 **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.

- 3.6 **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:



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## LETTER TO SHAREHOLDERS

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### 3.6.1 *Maximum Holdings*

The number of Shares held as treasury shares<sup>2</sup> cannot at any time exceed 10% of the total number of issued Shares.

<sup>2</sup> 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 1967.

### 3.6.2 *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.

### 3.6.3 *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.

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.

- 3.7 **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.

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## LETTER TO SHAREHOLDERS

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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 2022, are based on the assumptions set out below:

### 3.7.1 *Maximum Price Paid for Shares Acquired or Purchased*

In the case of both Market Purchases and Off-Market Purchases by the Company and assuming that the Company purchases or acquires 224,957,810 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\$0.715 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 224,957,810 Shares is S\$160,844,834.

### 3.7.2 *Illustrative Financial Effects*

For illustrative purposes only and on the basis of the assumptions set out in paragraph 3.7.1 above, and further assuming that 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 or Off-Market Purchases is made as to 6% out of profits and as to 4% out of capital and cancelled or held in treasury, 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 2022 are set out below.

**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 2022 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 2023 or ability to service its debts would be adversely affected.**

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## LETTER TO SHAREHOLDERS

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### **Scenario A**

*Market Purchases or 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 2022</u>				
Share capital	638,762	574,424	638,762	574,424
Capital reserves	34,513	34,513	-	-
Other reserves	47,328	47,328	37,308	37,308
Revenue reserves	616,527	520,020	587,328	490,821
	1,337,130	1,176,285	1,263,398	1,102,553
Treasury shares	(29,724)	(29,724)	(29,724)	(29,724)
Ordinary equity	1,307,406	1,146,561	1,233,674	1,072,829
Perpetual securities	-	-	-	-
	1,307,406	1,146,561	1,233,674	1,072,829
Net tangible assets (NTA)	612,660	451,815	1,233,674	1,072,829
Current assets	564,252	403,407	319,696	158,851
Current liabilities	831,433	831,433	487,950	487,950
Total borrowings	517,008	517,008	50,000	50,000
Cash and cash equivalents	280,438	119,593	200,598	39,753
Number of shares ('000)	2,249,577	2,024,619	2,249,577	2,024,619
<u>Financial ratios</u>				
Basic earnings per share (cents)	3.09	3.11	1.20	1.21
NTA per share (cents)	27.2	22.3	54.8	53.0
Gross gearing (%)	39.5	45.1	4.1	4.7
Net debt gearing (%)	18.1	34.7	n.m.	1.0
Current ratio (%)	67.9	48.5	65.5	32.6

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## LETTER TO SHAREHOLDERS

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### **Scenario B**

*Market Purchases or 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 2022</u>				
Share capital	638,762	638,762	638,762	638,762
Capital reserves	34,513	34,513	-	-
Other reserves	47,328	47,328	37,308	37,308
Revenue reserves	616,527	616,527	587,328	587,328
	1,337,130	1,337,130	1,263,398	1,263,398
Treasury shares	(29,724)	(174,152)	(29,724)	(174,152)
Ordinary equity	1,307,406	1,162,978	1,233,674	1,089,246
Perpetual securities	-	-	-	-
	1,307,406	1,162,978	1,233,674	1,089,246
Net tangible assets (NTA)	612,660	468,232	1,233,674	1,089,246
Current assets	564,252	419,824	319,696	175,268
Current liabilities	831,433	831,433	487,950	487,950
Total borrowings	517,008	517,008	50,000	50,000
Cash and cash equivalents	280,438	136,010	200,598	56,170
Number of shares ('000)	2,249,577	2,047,579	2,249,577	2,047,579
<u>Financial ratios</u>				
Basic earnings per share (cents)	3.09	3.11	1.20	1.21
NTA per share (cents)	27.2	22.9	54.8	53.2
Gross gearing (%)	39.5	44.5	4.1	4.6
Net debt gearing (%)	18.1	32.8	n.m.	n.m.
Current ratio (%)	67.9	50.5	65.5	35.9

#### **Notes:**

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 25,511,422 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 227,508,952 Shares to 201,997,530 Shares. The financial effects under Scenario A is computed based on 224,957,810 Shares purchased and cancelled. The financial effects under Scenario B is computed based on 201,997,530 additional Shares purchased and held as treasury shares.

"n.m." means "not meaningful".

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## LETTER TO SHAREHOLDERS

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- 3.8 **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 21.96% of the issued Shares (excluding the Shares held in treasury) as at that date, Temasek has a deemed interest in 494,865,681 Shares (including the Shares held by Singtel) representing approximately 21.99% of the issued Shares (excluding the Shares held in treasury) as at that date, Alibaba Investment Limited has a direct interest in 327,649,907 Shares representing approximately 14.56% 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 14.56% of the issued Shares (excluding the Shares held in treasury) as at that date. Approximately 63.48% 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 59.42% 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.

- 3.9 **Shareholding Limits.** The Postal Services Act 1999 (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**”), unless otherwise exempted in accordance with any applicable exemption issued under the Postal Services Act.

For the purposes of this paragraph 3.9:

“**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;

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## LETTER TO SHAREHOLDERS

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**“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, for the purposes of Part IVA of the Postal Services Act. 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.

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 2017, which was issued by the IMDA on 29 May 2017 and which came into effect on 9 June 2017 (the **“Postal Competition Code”**) provides some additional guidance on the purchase or acquisition of Shares by the Company. Section 8 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, or had control of less than 5% of the voting power in the Company would, after the transaction, hold 5% or more, but less than 12% of the voting shares in the Company, or control 5% or more but less than 12% of the voting power 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 IMDA before the Company proceeds with such purchase or acquisition.

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## LETTER TO SHAREHOLDERS

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3.10 **Take-over Implications.** Appendix 2 of the Takeover 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:

### 3.10.1 ***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 Takeover 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 Takeover Code.

### 3.10.2 ***Persons Acting in Concert***

Under the Takeover 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 Takeover 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 the adviser and persons controlling, controlled by or under the same control as the adviser;

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## LETTER TO SHAREHOLDERS

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- (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 Takeover Code after a purchase or acquisition of Shares by the Company are set out in Appendix 2 of the Takeover Code.

### 3.10.3 ***Effect of Rule 14 and Appendix 2***

In general terms, the effect of Rule 14 and Appendix 2 of the Takeover 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 Takeover 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 5.2 below, none of the Substantial Shareholders would become obliged to make a take-over offer for the Company under Rule 14 of the Takeover 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.

**Shareholders who are in doubt as to their obligations, if any, to make a mandatory take-over offer under the Takeover 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.**



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## LETTER TO SHAREHOLDERS

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- 3.11 **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.
- 3.12 **No Purchases During Price or Trade 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 or trade sensitive development has occurred or has been the subject of a decision until the price or trade sensitive information has been publicly announced. In particular, the Company will not purchase or acquire any Shares during the period of one month immediately preceding the announcement of the Company’s half year and full year financial statements.

#### 4. THE PROPOSED EXTENSION OF, AND ALTERATIONS TO, THE SINGAPORE POST RESTRICTED SHARE PLAN 2013

- 4.1 **Background.** The Singapore Post Restricted Share Plan 2013 (the “**Plan**”) was approved and adopted at an Extraordinary General Meeting of the Company held on 28 June 2013. Shareholders also approved alterations to the Plan at the 25<sup>th</sup> Annual General Meeting of the Company held on 20 July 2017 to provide the committee comprising Directors duly authorised and appointed by the Board to administer the Plan (the “**Committee**”) the flexibility to prescribe performance conditions to awards of shares granted under the Plan, where appropriate to do so as determined in the absolute discretion of the Committee.

The initial duration of the Plan is 10 years commencing on the date of adoption, provided that it can be continued beyond that period with the approval of Shareholders by ordinary resolution in general meeting and of any relevant authorities which may be required. As the Plan is due to expire on 27 June 2023, Shareholders’ approval is being sought for an extension of the duration of the Plan for a further period of 10 years from 28 June 2023 up to 27 June 2033 (both dates inclusive).

The Company also has in place a share option scheme known as the “Singapore Post Share Option Scheme 2012” (the “**2012 Scheme**”), which was adopted on 29 June 2012 to replace the previous share option scheme known as the “Singapore Post Share Option Scheme” (the “**Previous Scheme**”). The initial duration of the 2012 Scheme is 10 years commencing on the date of adoption and is due to expire on 28 June 2022. It is not intended to be renewed. No further options may be granted under the 2012 Scheme following its expiry. However, such expiry will not affect the options which have been granted and accepted prior to such expiry, whether such options have been exercised (whether fully or partially) or not. There are no options outstanding under the Previous Scheme.

- 4.2 **Rationale.** The Plan, under which awards (“**Awards**”) are granted to participants by which they may receive fully-paid Shares, their equivalent cash value or combinations thereof, free of charge, provided any prescribed performance condition(s) are met and/or upon expiry of any prescribed vesting period(s), is an integral part of the Group’s compensation programme. The Plan gives participants an opportunity to have a personal equity interest in the Company and helps to achieve the following positive objectives:
- (a) motivates the participants to optimise their performance standards and efficiency and to maintain a high level of contribution to the Group;

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## LETTER TO SHAREHOLDERS

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- (b) retains key executives and executive directors of the Group and associated companies whose contributions are essential to the long-term growth and profitability of the Group;
- (c) instils loyalty to, and a stronger identification by employees with the long-term prosperity of, the Company;
- (d) attracts potential employees with relevant skills to contribute to the Group and to create value for the shareholders of the Company; and
- (e) aligns the interests of employees and non-executive directors with the interests of the shareholders of the Company.

As the Plan remains an integral part of the Group's compensation programme, the Directors propose that the duration of the Plan be extended for a further period of 10 years up to (and including) 27 June 2033. The Committee has approved the proposed extension.

- 4.3 **Maximum Limit.** There will be no change to the maximum limit of new Shares which may be issued under the Plan following the extension of its duration to 27 June 2033. The maximum aggregate number of new Shares which may be issued pursuant to the Plan and the 2012 Scheme is limited to 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) from time to time. The Company will, however, be seeking Shareholders' approval for a lower limit of 5% at the 2022 AGM, as the Company does not anticipate that it will require a higher limit before the next Annual General Meeting.

The number of existing Shares (including Shares held in treasury) which may be delivered pursuant to Awards granted under the Plan will not be subject to any limit as such methods of delivery do not involve the issuance of any new Shares, and therefore do not have any dilutive impact on Shareholders.

- 4.4 **Proposed Alterations.** The Directors are taking this opportunity to update the Rules of the Plan to take into account the amendments to the Listing Manual which have been effected since the Plan was last altered in 2017, and to streamline and rationalise certain provisions. The Amended and Restated Rules of the Plan, incorporating the proposed alterations, are set out in Appendix 2 to this Letter, and the proposed alterations are blacklined for ease of reference. The following is a summary of the principal proposed alterations:

4.4.1 ***Listing Manual***

Rules 9.1 and 9.3, which relate to adjustments to Awards and the auditors' confirmation on such adjustments, are proposed to be altered to replace the respective references to "capitalisation of profits or reserves" and "capitalisation issue" as an adjustment event with references to "bonus" and "bonus issue", in line with the amendments to Rules 850(1) and (4) of the Listing Manual which took effect on 7 February 2020.

4.4.2 ***Collection, Use and Disclosure of Personal Data***

A new Rule 22 is proposed to be inserted to regulate the collection, use and disclosure of participants' personal data by the Company for purposes of implementing and administering the Plan.

4.4.3 ***Other Alterations***

The other alterations which are being proposed to clarify, streamline and rationalise certain provisions of the Rules of the Plan are blacklined in Appendix 2 to this Letter.

- 4.5 **Particulars of Awards.** As at the Latest Practicable Date, Awards in respect of 22,866,560 Shares, representing approximately 1.02% of the issued Shares (excluding treasury shares and subsidiary holdings), have been granted under the Plan to approximately 335 participants since its adoption on 28 June 2013, of which as at the Latest Practicable Date:

- (a) no new Shares have been issued to participants pursuant to Awards;

## LETTER TO SHAREHOLDERS

- (b) 3,895,178 existing Shares have been transferred to participants pursuant to Awards;
- (c) 5,543,255 Shares are comprised in outstanding Awards; and
- (d) 13,428,127 Shares are comprised in Awards which have lapsed pursuant to the Plan.

Awards vest upon satisfaction of the performance and/or time-based conditions (if any) prescribed on the date of grant, and subject to the Rules of the Plan. Save as disclosed in this Letter and as provided in the Rules of the Plan and save for the prescribed performance and/or time-based conditions, the Awards outstanding as at the Latest Practicable Date are not subject to any material conditions.

No Awards have been granted to controlling shareholders of the Company or associates of such controlling shareholders, under the Plan.

Other than Mr Phang Heng Wee, Vincent, none of the Directors held any outstanding Awards as at the Latest Practicable Date.

Particulars of outstanding Awards held by Mr Phang Heng Wee, Vincent as at the Latest Practicable Date are as follows:

Director	Award Date	Number of Shares Delivered	Number of Shares comprised in Awards which have lapsed	Number of Shares comprised in outstanding Awards <sup>(1)</sup>
Phang Heng Wee, Vincent	31.05.19	–	–	309,799
	01.06.20	–	–	327,434
	20.01.22	–	–	403,794

**Note:**

- (1) Depending on the extent of the satisfaction of the relevant performance criteria, 0% to 200% in the Shares comprised in the Awards may vest.

**4.6 Particulars of Options.** As at the Latest Practicable Date:

- (a) there are outstanding and unexercised options granted under the 2012 Scheme to subscribe for up to an aggregate of 6,325,000 Shares, representing approximately 0.28% of the issued Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date; and
- (b) an aggregate of 20,976,000 Shares, representing approximately 0.93% of the issued Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date, have been delivered upon exercise of options granted since the commencement of the 2012 Scheme.

Details of existing options outstanding and unexercised under the 2012 Scheme as at the Latest Practicable Date are as follows:

Date of Grant	Exercise Period	Exercise Price per Share (S\$)	Number of Shares comprised in Unexercised Options	Number of Participants
10.08.12	11.08.13 to 10.08.22	1.070	689,000	8
17.01.14	18.01.17 to 17.01.24	1.350	1,223,000	8
07.03.14	08.03.17 to 07.03.24	1.330	375,000	1
20.05.14	21.05.15 to 20.05.24	1.450	609,000	7
07.08.14	08.08.15 to 07.08.24	1.760	62,000	3

## LETTER TO SHAREHOLDERS

Date of Grant	Exercise Period	Exercise Price per Share (\$)	Number of Shares	
			Unexercised Options	Number of Participants
19.05.15	20.05.16 to 19.05.25	1.890	1,875,000	33
20.05.16	21.05.17 to 20.05.26	1.570	1,492,000	32
			6,325,000	

Save as disclosed in this Letter and as provided in the Rules of the 2012 Scheme, existing options outstanding and unexercised under the 2012 Scheme as at the Latest Practicable Date are not subject to any material conditions.

No options have been granted to controlling shareholders of the Company or associates of such controlling shareholders, under the 2012 Scheme.

None of the Directors held any outstanding and unexercised options under the 2012 Scheme as at the Latest Practicable Date.

There are no options outstanding under the Previous Scheme.

4.7 **Abstention from Voting.** Any Shareholder who is eligible to participate in the Plan (as proposed to be extended and altered) must abstain from voting his Shares on Ordinary Resolution 13, being the Ordinary Resolution relating to the proposed extension of, and alterations to, the Plan to be proposed at the 2022 AGM, and the Company will disregard any votes cast by such Shareholder in respect of his Shares on Ordinary Resolution 13. Any such Shareholder must also decline to accept appointment as proxy for any other Shareholder to vote in respect of Ordinary Resolution 13, unless that other Shareholder has given specific instructions in a validly completed and submitted instrument appointing a proxy(ies) as to voting, or abstention from voting, in respect of Ordinary Resolution 13.

4.8 **SGX-ST.** The SGX-ST has granted in-principle approval for the listing and quotation of the new Shares to be issued pursuant to the Plan (as proposed to be extended and altered) subject to, *inter alia*, compliance with the SGX-ST's listing requirements and guidelines and independent Shareholders' approval being obtained for the proposed extension of, and alterations to, the Plan. The SGX-ST's in-principle approval is not to be taken as an indication of the merits of the Plan (as proposed to be extended and altered), the new Shares, the Company and/or its subsidiaries.

### 5. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

5.1 **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				Number of Shares comprised in outstanding share awards
	Direct Interest	Deemed Interest	Total Interest	% of Issued Shares <sup>(1)</sup>	
Simon Israel	—	—	—	—	—
Phang Heng Wee, Vincent	—	—	—	—	1,041,027 <sup>(2)</sup>
Fang Ai Lian	—	—	—	—	—
Chen Jun	—	—	—	—	—
Chu Swee Yeok	—	—	—	—	—
Lim Cheng Cheng	—	—	—	—	—
Elizabeth Kong Sau Wai	—	—	—	—	—
Steven Robert Leonard	—	—	—	—	—
Bob Tan Beng Hai	—	—	—	—	—

## LETTER TO SHAREHOLDERS

**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) Of the 1,041,027 Shares:
  - (a) 309,799 Shares are comprised in performance and restricted share awards granted to Phang Heng Wee, Vincent pursuant to the Plan for a 4-year performance period from 1 April 2019 to 31 March 2023. Depending on the extent of the satisfaction of the relevant performance criteria, 0% to 200% in the Shares comprised in the share awards may vest;
  - (b) 327,434 Shares are comprised in performance and restricted share awards granted to Phang Heng Wee, Vincent pursuant to the Plan for a 4-year performance period from 1 April 2020 to 31 March 2024. Depending on the extent of the satisfaction of the relevant performance criteria, 0% to 200% in the Shares comprised in the share awards may vest; and
  - (c) 403,794 Shares are comprised in performance and restricted share awards granted to Phang Heng Wee, Vincent pursuant to the Plan for a 4-year performance period from 1 April 2021 to 31 March 2025. Depending on the extent of the satisfaction of the relevant performance criteria, 0% to 200% in the Shares comprised in the share awards may vest.

5.2 **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 <sup>(1)</sup>
	Direct Interest	Deemed Interest	Total Interest	
Temasek Holdings (Private) Limited	–	494,865,681 <sup>(2)</sup>	494,865,681	21.99
Singapore Telecommunications Limited	494,000,000	–	494,000,000	21.96
Alibaba Investment Limited	327,649,907	–	327,649,907	14.56
Alibaba Group Holding Limited	–	327,649,907 <sup>(3)</sup>	327,649,907	14.56
SoftBank Group Corp.	–	327,649,907 <sup>(4)</sup>	327,649,907	14.56

**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 subsidiary, Singapore Telecommunications Limited, 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.

## 6. DIRECTORS' RECOMMENDATIONS

6.1 **The Proposed Renewal of the Shareholders Mandate.** All the Directors are interested persons (as described in paragraph 4.1 of Appendix 1 to this Letter). Accordingly, they have refrained from making any voting recommendation to Shareholders in respect of Ordinary Resolution 11, being the Ordinary Resolution relating to the proposed renewal of the Shareholders Mandate to be proposed at the 2022 AGM.

6.2 **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 Ordinary Resolution 12, being the Ordinary Resolution relating to the proposed renewal of the Share Purchase Mandate to be proposed at the 2022 AGM.

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## LETTER TO SHAREHOLDERS

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- 6.3 **The Proposed Extension of, and Alterations to, the Plan.** All the Directors are eligible to participate in the Plan. Accordingly, they have refrained from making any voting recommendation to Shareholders in respect of Ordinary Resolution 13, being the Ordinary Resolution relating to the proposed extension of, and alterations to, the Plan to be proposed at the 2022 AGM.

### 7. INSPECTION OF DOCUMENTS

The Annual Report of the Company for the financial year ended 31 March 2022 and the 2021 Letter may be accessed at the URLs <https://www.singpost.com/about-us/investor-relations/annual-reports> and <https://www.singpost.com/about-us/investor-relations/shareholder-meetings> respectively.

### 8. 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

## 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 2022, the consolidated NTA of the SingPost Group was S\$612,660,000. 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 2023 are published, 5% of the latest audited consolidated NTA of the SingPost Group would be S\$30,633,000.
- 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;

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## APPENDIX 1

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- (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. The SGX-ST may also deem any person or entity to be an interested person if the person or entity has entered into, or proposes to enter into (i) a transaction with an entity at risk, and (ii) an agreement or arrangement with an interested person in connection with that transaction;
- (c) a **“controlling shareholder”** means a person who:
  - (i) holds directly or indirectly 15% or more of the total voting rights 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



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## APPENDIX 1

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- (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,

(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. The IPT Mandate would, however, cover Interested Person Transactions with values below S\$100,000 entered into during the same financial year and which are aggregated by the SGX-ST under Chapter 9 of the Listing Manual and treated as if they were one Interested Person Transaction which has a value of S\$100,000 or more.
- 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 21 July 2022 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**”);

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## APPENDIX 1

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- (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.

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.

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## APPENDIX 1

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### 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.

(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

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## APPENDIX 1

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- (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.

### **7. Audit Committee's Statements**

- 7.1 The Audit Committee (currently comprising Mrs Fang Ai Lian, Ms Chu Swee Yeok and Mr Bob Tan Beng Hai) 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.

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## APPENDIX 1

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### **8. Disclosure**

- 8.1 SingPost will announce the aggregate value of transactions conducted with Interested Persons pursuant to the Shareholders Mandate for the 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.

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## APPENDIX 2

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### THE AMENDED AND RESTATED RULES OF THE SINGAPORE POST RESTRICTED SHARE PLAN 2013 (Incorporating amendments up to 21 July 2022)

#### 1. NAME OF THE PLAN

The Plan shall be called the “Singapore Post Restricted Share Plan 2013”.

#### 2. DEFINITIONS

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

“ <b>Act</b> ”	:	The Companies Act <del>1967, Chapter 50</del> of Singapore.
“ <b>Adoption Date</b> ”	:	The date on which the Plan is adopted by the Company in general meeting.
“ <b>Associated Company</b> ”	:	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).
“ <b>Associated Company Executive</b> ”	:	Any employee of an Associated Company (including any Associated Company Executive Director).
“ <b>Associated Company Executive Director</b> ”	:	A director of an Associated Company who performs an executive function.
“ <b>Auditors</b> ”	:	The auditors of the Company for the time being.
“ <b>Award</b> ”	:	An award of Shares granted under Rule 5.
“ <b>Award Date</b> ”	:	In relation to an Award, the date on which the Award is granted pursuant to Rule 5.
“ <b>Award Letter</b> ”	:	A letter in such form as the Committee shall approve confirming an Award granted to a Participant by the Committee.
“ <b>CDP</b> ”	:	The Central Depository (Pte) Limited.
“ <b>Committee</b> ”	:	A committee comprising directors of the Company duly authorised and appointed by the board of directors of the Company to administer the Plan.
“ <b>Communication</b> ”	:	An Award, including the Award Letter and/or any correspondence made or to be made under the Plan (individually or collectively).

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## APPENDIX 2

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<b>“Company”</b>	:	Singapore Post Limited, a company incorporated in Singapore.
<b>“Constitution”</b>	:	The Constitution of the Company, as amended from time to time.
<b><u>“Depository Agent”</u></b>	:	<u>Has the meaning given to it in the Securities and Futures Act 2001.</u>
<b>“Group”</b>	:	The Company and its subsidiaries.
<b>“Group Executive”</b>	:	Any employee of the Group (including any Group Executive Director).
<b>“Group Executive Director”</b>	:	A director of the Company and/or any of its subsidiaries, as the case may be, who performs an executive function.
<b>“Listing Manual”</b>	:	The listing manual of the Singapore Exchange.
<b>“Market Day”</b>	:	A day on which the Singapore Exchange is open for trading in securities.
<b>“Market Value”</b>	:	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.
<b>“Non-Executive Director”</b>	:	A director of:  (a) the Company and/or <u>any of</u> its subsidiaries, other than a Group Executive Director; or  (b) an Associated Company, other than an Associated Company Executive Director.
<b>“Participant”</b>	:	The holder of an Award (including, where applicable, the executor or personal representative of such holder).

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## APPENDIX 2

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- “Performance-related Award”** : An Award in relation to which a Performance Condition is specified.
- “Performance Condition”** : In relation to a Performance-related Award, the condition specified on the Award Date in relation to that Award.
- “Performance Period”** : 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.
- “Plan”** : The Singapore Post Restricted Share Plan 2013, as modified or altered from time to time.
- “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.



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## APPENDIX 2

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- “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.
- “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.

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## APPENDIX 2

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### 3. OBJECTIVES OF THE PLAN

The Plan is a share incentive scheme. The Plan is proposed on the basis that it is important to retain staff whose contributions are essential to the well-being and prosperity of the Group and to give recognition to key employees and directors of the Group and Associated Companies who contribute to the growth of the Group. The Plan will also enable grants of fully paid Shares to be made to non-executive directors of the Group and Associated Companies as part of their remuneration in respect of their office as such in lieu of cash, ~~or, where the Committee deems appropriate, to give recognition to the contributions made or to be made by such non-executive directors to the success of the Group.~~ The Plan will give Participants an opportunity to have a personal equity interest in the Company and will help to achieve the following positive objectives:

- (a) to motivate the Participant to optimise his performance standards and efficiency and to maintain a high level of contribution to the Group;
- (b) to retain key executives and executive directors of the Group and Associated Companies whose contributions are essential to the long-term growth and profitability of the Group;
- (c) to instil loyalty to, and a stronger identification by employees with the long-term prosperity of, the Company;
- (d) to attract potential employees with relevant skills to contribute to the Group and to create value for the shareholders of the Company; and
- (e) to align the interests of employees and non-executive directors with the interests of the shareholders of the Company.

### 4. ELIGIBILITY OF PARTICIPANTS

The following persons, unless they are also controlling shareholders (as defined in the Listing Manual) of the Company or associates (as defined in the Listing Manual) of such controlling shareholders, shall be eligible to participate in the Plan at the absolute discretion of the Committee:

- (a) Group Executives who have attained the age of twenty-one (21) years and hold such rank as may be designated by the Committee from time to time;
- (b) Associated Company Executives who have attained the age of twenty-one (21) years and hold such rank as may be designated by the Committee from time to time and who, in the opinion of the Committee, have contributed or will contribute to the success of the Group; and
- (c) Non-Executive Directors.

### 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.

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## APPENDIX 2

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- 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;
  - (e) the Vesting Period(s), if any;
  - (f) the Vesting Date(s), if any;
  - (g) the Release Schedule, if any;
  - (h) the Retention Period in relation to any or all of the Shares comprised in the Award, if any; and
  - (i) 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

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## APPENDIX 2

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- (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;
  - (d) the Vesting Period(s), if any;
  - (e) the Vesting Date(s), if any;
  - (f) the Release Schedule, if any;
  - (g) the Retention Period in relation to any or all of the Shares comprised in the Award, if any; and
  - (h) 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;
  - (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.

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## APPENDIX 2

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

### 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, or a resolution is passed, for the winding-up of the Company on the basis ~~of~~, or by reason ~~of~~, 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);
  - (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;

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## APPENDIX 2

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- (c) where athe 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 athe 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),

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.

## **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

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## APPENDIX 2

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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.

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,

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## APPENDIX 2

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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 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.

### 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.

## 8. LIMITATION ON THE SIZE OF THE PLAN

8.1 The total number of new 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,



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## APPENDIX 2

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shall not exceed 10% of the total number of issued Shares (excluding 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.

### 9. ADJUSTMENT EVENTS

- 9.1 If a variation in the issued ordinary share capital of the Company (whether by way of a ~~capitalisation of profits or reserves~~ ~~bonus~~ or rights issue, reduction, subdivision, consolidation or distribution or otherwise) shall take place or (without prejudice to the provisions of Rule 5.6) if the Company shall make a capital distribution or a declaration of a special dividend (whether in cash or *in specie*), then:

- (a) the class and/or number of Shares which are the subject of an Award to the extent not yet Vested; and/or
- (b) the class and/or number of Shares in respect of which future Awards may be granted under the Plan,

shall be adjusted in such manner as the Committee may, in its sole discretion, deem fit, unless the Committee determines that an adjustment is not appropriate. Any adjustment must be made in a way that a Participant will not receive a benefit that a shareholder of the Company does not receive.

- 9.2 Unless the Committee considers an adjustment to be appropriate:

- (a) the issue of securities as consideration for an acquisition or a private placement of securities;
- (b) the exercise of any options or conversion of any loan stock or any other securities convertible into Shares or subscription rights of any warrants; or
- (c) the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares undertaken by the Company on the Singapore Exchange or any other stock exchange on which the Shares are quoted or listed during the period when a share purchase mandate granted by shareholders of the Company (including any renewal of such mandate) is in force,

shall not normally be regarded as a circumstance requiring adjustment.

- 9.3 Notwithstanding the provisions of Rule 9.1, any adjustment (except in relation to a ~~capitalisation~~ ~~bonus~~ issue) must be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.

- 9.4 Upon any adjustment required to be made pursuant to this Rule 9, the Company shall notify the Participant (or his duly appointed personal representatives where applicable) in writing and deliver to him (or his duly appointed personal representatives where applicable) a statement setting forth the class and/or number of Shares which are the subject of the adjusted Award. Any adjustment shall take effect upon such written notification being given or on such date as may be specified in such written notification.

### 10. ADMINISTRATION OF THE PLAN

- 10.1 The Plan shall be administered by the Committee in its absolute discretion with such powers and duties as are conferred on it by the ~~B~~oard of ~~D~~irectors of the Company, provided that no member of

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## APPENDIX 2

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- the Committee shall participate in any deliberation or decision in respect of Awards granted or to be granted to him.
- 10.2 The Committee shall have the power, from time to time, to make and vary such arrangements, guidelines and/or regulations (not being inconsistent with the Plan) for the implementation and administration of the Plan, to give effect to the provisions of the Plan and/or to enhance the benefit of the Awards and the Released Awards to the Participants, as it may, in its absolute discretion, think fit. Any matter pertaining or pursuant to the Plan and any dispute and uncertainty as to the interpretation of the Plan or any rule, regulation or procedure thereunder or any rights under the Plan shall be determined by the Committee.
- 10.3 Neither the Plan nor Awards granted under the Plan shall impose on the Company or the Committee or any of its members any liability whatsoever in connection with:
- (a) the lapsing of any Awards pursuant to any provision of the Plan;
  - (b) the failure or refusal by the Committee to exercise, or the exercise by the Committee of, any discretion under the Plan; and/or
  - (c) any decision or determination of the Committee made pursuant to any provision of the Plan.
- 10.4 Any decision or determination of the Committee made pursuant to any provision of the Plan (other than a matter to be certified by the Auditors) shall be final, binding and conclusive (including for the avoidance of doubt, any decisions pertaining to disputes as to the interpretation of the Plan or any rule, regulation or procedure hereunder or as to any rights under the Plan). The Committee shall not be required to furnish any reasons for any decision or determination made by it.

### **11. NOTICES AND COMMUNICATIONS**

- 11.1 Any notice required to be given by a Participant to the Company shall be sent or made to the registered office of the Company or such other addresses (including electronic mail addresses) or facsimile number, and marked for the attention of the Committee, as may be notified by the Company to the Participant in writing.
- 11.2 Any notices or documents required to be given to a Participant or any correspondence to be made between the Company and the Participant shall be given or made by the Committee (or such person(s) as it may from time to time direct) on behalf of the Company and shall be delivered to the Participant by hand or sent to the Participant at his home address, electronic mail address or facsimile number according to the records of the Company or the last known address, electronic mail address or facsimile number provided by the Participant to the Company.
- 11.3 Any notice or other communication from a Participant to the Company shall be irrevocable, and shall not be effective until received by the Company. Any other notice or communication from the Company to a Participant shall be deemed to be received by that Participant, when left at the address specified in Rule 11.2 or, if sent by post, on the day following the date of posting or, if sent by electronic mail or facsimile transmission, on the day of despatch.
- 11.4 Any Communication under the Plan may be communicated electronically through the use of the Security Device, or through an electronic page, site, or environment designated by the Company which is accessible only through the use of the Security Device, and such Communication shall thereby be deemed to have been sent by the designated holder of such Security Device.

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## APPENDIX 2

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- 11.5 The Company may accept and act upon any Communication issued and/or transmitted through the use of the Participant's Security Device pursuant to Rule 11.4 (whether actually authorised by the Participant or not) as his authentic and duly authorised Communication and the Company shall be under no obligation to investigate the authenticity or authority of persons effecting the Communication or to verify the accuracy and completeness of the Communication and the Company may treat the Communication as valid and binding on the Participant, notwithstanding any error, fraud, forgery, lack of clarity or misunderstanding in the terms of such Communication.
- 11.6 All Communications issued and/or transmitted through the use of the Participant's Security Device pursuant to Rule 11.4 (whether authorised by the Participant or not) are irrevocable and binding on the Participant upon transmission to the Company and the Company shall be entitled to effect, perform or process such Communications without the Participant's further consent and without any further reference or notice to the Participant.
- 11.7 It shall be the Participant's sole responsibility to ensure that all information contained in a Communication is complete, accurate, current, true and correct.
- 11.8 The Participant shall ensure (and shall take all necessary precautions to ensure) that:
- (a) he complies with the Company's procedural and/or operational guidelines relating to Security Devices;
  - (b) all the Security Devices of the Participant are kept completely confidential and secure; and
  - (c) there is no unauthorised use or abuse of the Participant's Security Devices.
- 11.9 The Participant shall notify and/or contact the Company immediately if he becomes aware, has reason to believe, or suspects that any Security Device has become compromised, including but not limited to where:
- (a) the security or integrity of any Security Device may have been compromised;
  - (b) such Security Device has become known or been revealed to any other person;
  - (c) there has been unauthorised use of the Security Device; and/or
  - (d) such Security Device is lost, damaged, defective or stolen,
- and the Participant shall immediately cease to use such compromised Security Device until further notice from the Company. The Participant shall be bound by all Communications and transactions resulting from any Communications made which are referable to any compromised Security Device until such time as the Company has received a notification from the Participant under this Rule 11.9.
- 11.10 The Company's records of the Communications, and its record of any transactions maintained by any relevant person authorised by the Company relating to or connected with the Plan, whether stored in electronic or printed form, shall be binding and conclusive on the Participant and shall be conclusive evidence of such Communications and/or transactions. All such records shall be admissible in evidence and the Participant shall not challenge or dispute the admissibility, reliability, accuracy or the authenticity of the contents of such records merely on the basis that such records were incorporated and/or set out in electronic form or were produced by or are the output of a computer system, and the Participant waives any of his rights (if any) to so object.

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## APPENDIX 2

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11.11 Any provision in these Rules or any regulation of the Committee requiring a Communication to be signed by a Participant may be satisfied in the case of an electronic Communication, by the execution of any on-line act, procedure or routine designated by the Company to signify the Participant's intention to be bound by such Communication.

### 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;
- (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).

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## APPENDIX 2

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- 12.3 Written notice of any modification or alteration made in accordance with this Rule 12 shall be given to all Participants.

### 13. TERMS OF EMPLOYMENT UNAFFECTED

The terms of employment of a Participant (being a Group Executive or an Associated Company Executive, as the case may be) shall not be affected by his participation in the Plan, which shall neither form part of such terms nor entitle him to take into account such participation in calculating any compensation or damages on the termination of his employment for any reason.

### 14. DURATION OF THE PLAN

- 14.1 The Plan shall continue to be in force at the discretion of the Committee, subject to a maximum period of ten (10) years commencing on the Adoption Date, provided always that the Plan may continue beyond the above stipulated period with the approval of the Company's shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

- 14.2 The Plan may be terminated at any time by the Committee or, at the discretion of the Committee, by resolution of the Company in general meeting, subject to all relevant approvals which may be required and if the Plan is so terminated, no further Awards shall be granted by the Committee hereunder.

- 14.3 The expiry or termination of the Plan shall not affect Awards which have been granted prior to such expiry or termination, whether such Awards have been Released (whether fully or partially) or not.

### 15. TAXES

All taxes (including income tax) arising from the grant, Vesting or Release of any Award granted to any Participant under the Plan shall be borne by that Participant.

### 16. COSTS AND EXPENSES OF THE PLAN

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

- 16.2 Save for the taxes referred to in Rule 15 and such other costs and expenses expressly provided in the Plan to be payable by the Participants, all fees, costs and expenses incurred by the Company in relation to the Plan including but not limited to the fees, costs and expenses relating to the allotment and issue, or transfer, of Shares pursuant to the Release of any Award shall be borne by the Company.

### 17. DISCLAIMER OF LIABILITY

Notwithstanding any provisions herein contained, the Committee and the Company and the Company's directors and employees shall not under any circumstances be held liable for any costs, losses, expenses and damages whatsoever and howsoever arising in any event, including but not limited to the Company's delay in issuing, or procuring the transfer of, the Shares or applying for or procuring the listing of new Shares on the Singapore Exchange in accordance with Rule 7.3.2.

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## APPENDIX 2

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### 18. DISCLOSURES IN ANNUAL REPORT

For as long as the Plan continues in operation, the Company will make such disclosures (or include the appropriate negative statements) in its annual report as from time to time required by the Listing Manual including the following (where applicable):

- (a) the names of the members of the Committee administering the Plan;
- (b) in respect of the following Participants of the Plan:
  - (i) Directors of the Company; and
  - (ii) Participants (other than those in paragraph (i) above) who have received Shares pursuant to the Release of Awards granted under the Plan and/or options available under the SingPost Share Option Scheme 2012 which, in aggregate, represent 5% or more of the total number of Shares available under the Plan and the SingPost Share Option Scheme 2012 collectively,

the following information:

- (aa) the name of the Participant;
- (bb) the following particulars relating to Shares delivered pursuant to Awards Released under the Plan:
  - (1) the number of new Shares issued to such Participant during the financial year under review; and
  - (2) the number of existing Shares transferred to such Participant during the financial year under review; and
- (cc) the following particulars relating to options granted under the SingPost Share Option Scheme 2012:
  - (1) options granted during the financial year under review (including terms);
  - (2) the aggregate number of Shares comprised in options granted since the commencement of the SingPost Share Option Scheme 2012 to the end of the financial year under review;
  - (3) the aggregate number of Shares arising from options exercised since the commencement of the SingPost Share Option Scheme 2012 to the end of the financial year under review;
  - (4) the aggregate number of Shares comprised in options outstanding as at the end of the financial year under review;
  - (5) the number of new Shares issued to such Participant during the financial year under review; and
  - (6) the number of existing Shares transferred to such Participant during the financial year under review; and

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## APPENDIX 2

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- (c) in relation to the Plan, the following particulars:
- (i) the aggregate number of Shares comprised in Awards granted under the Plan since the commencement of the Plan to the end of the financial year under review;
  - (ii) the aggregate number of Shares comprised in Awards which have been Released under the Plan during the financial year under review and in respect thereof, the proportion of:
    - (1) new Shares issued; and
    - (2) existing Shares transferred and, where existing Shares were purchased for delivery, the range of prices at which such Shares have been purchased,upon the Release of Awards granted under the Plan; and
  - (iii) the aggregate number of Shares comprised in Awards granted under the Plan which have not been Released as at the end of the financial year under review.

### 19. DISPUTES

Any disputes or differences of any nature arising hereunder shall be referred to the Committee and its decision shall be final and binding in all respects.

### 20. GOVERNING LAW

The Plan shall be governed by, and construed in accordance with, the laws of the Republic of Singapore. The Participants, by accepting grants of Awards in accordance with the Plan, and the Company submit to the exclusive jurisdiction of the courts of the Republic of Singapore.

### 21. ~~CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 2001, CHAPTER 53B~~

No person other than the Company or a Participant shall have any right to enforce any provision of the Plan or any Award by virtue of the ~~Contracts (Rights of Third Parties) Act 2001, Chapter 53B of Singapore.~~

### 22. COLLECTION, USE AND DISCLOSURE OF PERSONAL DATA

For the purposes of implementing and administering the Plan, and in order to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines, the Company will collect, use and disclose the personal data of the Participants, as contained in each Award Letter and/or any other notice or communication given or received pursuant to the Plan, and/or which is otherwise collected from the Participants (or their authorised representatives). By participating in the Plan, each Participant consents to the collection, use and disclosure of his personal data for all such purposes, including disclosure of data to related corporations of the Company and/or third parties who provide services to the Company (whether within or outside Singapore), and to the collection, use and further disclosure by such parties for such purposes. Each Participant also warrants that where he discloses the personal data of third parties to the Company in connection with this Plan, he has obtained the prior consent of such third parties for the Company to collect, use and disclose their personal data for the abovementioned purposes, in accordance with any applicable laws, regulations and/or guidelines. Each Participant shall indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Participant's breach of this warranty.