

SINGAPORE TELECOMMUNICATIONS LIMITED
(Incorporated in the Republic of Singapore)
Company Registration Number: 199201624D

ADOPTION OF HOOQ DIGITAL EMPLOYEE SHARE OPTION SCHEME

Pursuant to Rule 843(4) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**Listing Manual**"), Singapore Telecommunications Limited ("**Singtel**") wishes to disclose the principal terms of the HOOQ Digital Employee Share Option Scheme ("**Scheme**") adopted by HOOQ Digital Pte. Ltd. ("**HOOQ**"), a subsidiary of Singtel.

The purpose of the Scheme is to retain employees whose contributions are important to the well-being and prosperity of HOOQ and its subsidiaries ("**HOOQ Group**") and to recognise outstanding employees of the HOOQ Group who have contributed to the growth of the HOOQ Group. A summary of the principal terms of the Scheme is set out in Appendix to this announcement.

Issued by Singapore Telecommunications Limited on 26 April 2016.

APPENDIX

PRINCIPAL TERMS OF THE HOOQ DIGITAL EMPLOYEE SHARE OPTION SCHEME

- (a) Eligibility to participate in the Scheme: A full-time confirmed employee of any member of the HOOQ Group ("**Employee**") who is at least eighteen (18) years of age on the date an offer is made ("**Date of Grant**") to grant an option pursuant to the Scheme ("**Option**") and who is not an undischarged bankrupt and has not entered into any composition with his creditors shall be eligible to participate in the Scheme. Employees who are also controlling shareholders (as defined in the Listing Manual) of HOOQ or associates (as defined in the Listing Manual) of such controlling shareholders shall not be eligible to participate in the Scheme.
- (b) Limitation on the size of the Scheme: The aggregate number of ordinary shares in the capital of HOOQ ("**Shares**") over which Options may be granted under the Scheme on any date, when added to the number of new Shares issued and issuable in respect of all Options granted under the Scheme shall not exceed seven per cent (7%) of the total number of issued shares in the capital of HOOQ of whatever class on a fully diluted basis and as converted basis (excluding treasury shares) on the day preceding the relevant Date of Grant.
- (c) Administration of the Scheme: The Scheme shall be administered by the board of directors of HOOQ ("**Board**") unless a committee comprising directors of HOOQ is duly authorised and appointed by the Board to administer the Scheme ("**Committee**"). The Committee shall have the authority, in its discretion, subject to applicable laws and the rules of the Scheme, to, *inter alia*:
- (i) determine the fair market value¹ of a Share ("**Fair Market Value**");
 - (ii) select the Employees to whom Options may be granted from time to time;
 - (iii) determine the number of Shares over which Options may be granted to an Employee for subscription pursuant to the Scheme;
 - (iv) determine the terms and conditions on which an Option may be granted to an Employee, including the vesting schedule pursuant to which the Option shall vest;
 - (v) adjust the exercise price for the Shares, class and/or number of Shares comprised in Options to the extent unexercised and the rights attached thereto, and/or the class and/or number of Shares in respect of which additional Options may be granted to participants, in the event of a variation in the issued share capital of HOOQ, on condition, *inter alia*, that the written confirmation of the auditors of HOOQ that such adjustment is fair and reasonable is obtained;
 - (vi) offer cash payment in exchange for the surrender by a participant, and immediate cancellation of, an Option previously granted to such participant under the Scheme, based on such terms and conditions as the Committee shall establish and communicate to the participant at the time that such offer is made; and
 - (viii) construe and interpret the rules of the Scheme.

¹If the Shares are not listed on any securities exchange, the fair market value of a Share shall be determined by the Committee in good faith.

If the Shares are listed on a securities exchange, the fair market value of a Share shall be the closing price of a Share on the relevant date as quoted on such securities exchange constituting the primary market for the Shares or such other source as the Committee deems reliable, or if such relevant date does not fall on day on which the Shares are traded, then the closing price of a Share on the last day on which the Shares were so traded prior to the relevant date, or such other appropriate date as determined by the Committee in its absolute discretion.

- (d) Term of the Scheme: The Scheme shall continue in force subject to a maximum period of ten (10) years from the date it is adopted by HOOQ. The termination of the Scheme shall not affect Options which have been granted prior to such termination, whether such Options have been exercised or not.
- (e) Term of Options: An Option shall be exercisable for ten (10) years from the Date of Grant, subject to the vesting schedule and any other conditions which the Committee may introduce from time to time.
- (f) Payment upon grant of Options: Employees who receive grants of Options under the Scheme are not required to pay any cash consideration upon application or acceptance of the grant.
- (g) Exercise Price: The exercise price payable for each Share in respect of which an Option is exercisable shall be determined by the Committee in its absolute discretion, but in any event shall not be less than 100% of the Fair Market Value per Share on the Date of Grant.
- (h) Rights as shareholders: Shares acquired upon the exercise of an Option shall be subject to all provisions of the Companies Act (Cap. 50) and the memorandum and articles of association of HOOQ (including all provisions thereof relating to the voting, dividend, transfer and other rights attached to such Shares, including those rights which arise from a liquidation of the Company) and shall rank *pari passu* in all respect with the then existing issued Shares in the capital of HOOQ except for any dividend, right, allotment or other distribution, the record date for which is prior to the date such Option is exercised.
- (i) Adjustments upon changes in capitalisation, merger or certain other transactions: If a variation in the issued share capital of HOOQ (whether by way of a capitalisation of profits or reserves or rights issue or reduction, subdivision, consolidation or distribution, or otherwise howsoever) should take place, then:
- (i) the exercise price for the Shares, class and/or number of Shares comprised in the Options to the extent unexercised and the rights attached thereto; and/or
 - (ii) the class and/or number of Shares in respect of which additional Options may be granted to participants,
- may be adjusted in such manner as the Committee may determine to be appropriate (except in relation to a capitalisation issue) upon the written confirmation of the auditors of HOOQ that in their opinion such adjustment is fair and reasonable.
- Notwithstanding the foregoing, no such adjustment shall be made (aa) if as a result, a participant receives a benefit that a shareholder of HOOQ does not receive; and (bb) unless the Committee, after considering all relevant circumstances, considers it equitable to do so.
- Unless the Committee considers an adjustment to be appropriate, the issue of securities as consideration for an acquisition of any assets by HOOQ or in connection with a private placement of securities shall not normally be regarded as a circumstance requiring adjustment.
- (j) Amendment of the Scheme: Any or all the provisions of the Scheme may be modified and/or altered by resolution of the shareholders of HOOQ, except that:
- (i) no modification or alteration shall adversely alter the rights attached to any Option granted prior to such modification or alteration and which in the opinion of the Committee, materially alters the rights attaching to any Option granted prior to such modification or alteration except with the consent in writing of the relevant participant;
 - (ii) the definitions of "Associate", "Committee", "Controlling Shareholder", "Employee", "Fair Market Value" and "Participant" and the provisions of rules 4, 5, 6, 7, 8, 10, 11, 12, 13 and 14 of the Scheme shall not be altered to the advantage of participants except with the prior approval of the shareholders of HOOQ in general meeting; and

- (iii) no modification or alteration shall be made unless in compliance with applicable laws as may be required.

The shareholders of HOOQ may at any time by resolution modify or amend the rules of the Scheme in any way to the extent necessary to cause the Scheme to comply with any law or enactment, or any rules or regulations of any legislative or non-legislative governing body or any regulatory authority or other relevant authority or body for the time being in force in Singapore, India, Mauritius, Philippines, Indonesia, Thailand (as the case may be), or any other relevant country having jurisdiction in relation to any of the Options granted under the Scheme. The opinion of the Committee as to whether any modification or alteration would adversely affect the rights attached to any Option shall be final, binding and conclusive.

- (k) Disclosures in annual report: HOOQ will provide the necessary disclosures in relation to the Scheme, as required pursuant to Rule 852 of the Listing Manual, in its annual report.