

**CIRCULAR DATED 12 APRIL 2013**

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

**If you are in doubt about its contents or the action you should take, you should consult your bank manager, stockbroker, solicitor, accountant or other professional adviser immediately.**

If you have sold all your Shares (as defined in this Circular), you should immediately hand this Circular and the enclosed Proxy Form to the purchaser or to the bank, stockbroker or agent through whom you effected the sale for onward transmission to the purchaser.

Your attention is drawn to page 36 and 37 of this Circular in respect of actions to be taken if you wish to attend and vote at the Special General Meeting.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Circular.



**CDW HOLDING LIMITED**

(Incorporated in Bermuda on 2 April 2004)  
(Bermuda Company Registration Number: 35127)

**CIRCULAR TO SHAREHOLDERS**

**IN RELATION TO**

- (1) **THE PROPOSED ADOPTION OF THE CDW EMPLOYEES' SHARE OPTION SCHEME 2013;**
- (2) **THE PROPOSED ADOPTION OF THE CDW SHARE PERFORMANCE SCHEME 2013; AND**
- (3) **THE PROPOSED OFFER AND GRANT OF OPTIONS AT A DISCOUNT UNDER CDW EMPLOYEES' SHARE OPTION SCHEME 2013; AND**
- (4) **THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE**

**IMPORTANT DATES AND TIMES**

Last date and time for lodgement of Proxy Form : 27 April 2013 at 3.15 p.m.

Date and time of Special General Meeting : 29 April 2013 at 3.15 p.m. (or immediately following the conclusion or adjournment of the 2013 Annual General Meeting of the Company to be held at 3.00 p.m. on the same day and at the same place)

Place of Special General Meeting : Sandalwood Room  
Swissotel Merchant Court Singapore  
20 Merchant Road  
Singapore 058281

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## DEFINITIONS

For the purpose of this Circular, the following definitions have, where appropriate, been used:

“2013 AGM”	:	The AGM of the Company to be held on 29 April 2013 at 3.00 p.m. at Sandalwood Room, Swissotel Merchant Court Singapore, 20 Merchant Road, Singapore 058281
“AGM”	:	The annual general meeting of the Company
“Associate”	:	Shall bear the meaning assigned to it by the Listing Manual
“Associated Company”	:	Shall bear the meaning assigned to it by the Listing Manual
“Auditors”	:	The auditors for the time being of the Company
“Award”	:	A contingent award of Shares granted under the Performance Scheme
“Bermuda Companies Act”	:	The Companies Act 1981 of Bermuda (as amended)
“Board”	:	The board of the Directors
“Bye-laws”	:	The bye-laws of the Company
“CDP”	:	The Central Depository (Pte) Limited
“Committee”	:	A committee comprising Directors duly authorised and appointed by the Board to administer the ESOS 2013 or the Performance Scheme
“Companies Act”	:	The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time
“Company” or “CDW”	:	CDW Holding Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the SGX-ST
“Controlling Shareholder”	:	A person who:  (a) holds directly or indirectly 15.0% or more of the nominal amount of all voting shares in the company; or  (b) in fact exercises control over a company
“Council”	:	The Securities Industry Council
“Directors”	:	Directors of the Company as at the date of this Circular
“EPS”	:	Earnings per share
“ESOS 2004” or “CDW Holding Share Option Scheme”	:	The CDW Holding Share Option Scheme as approved at by the sole Shareholder at a special general meeting on 8 November 2004 and as modified by Shareholders at a special general meeting on 22 May 2008.
“ESOS 2013” or “CDW Employees’ Share Option Scheme 2013” or the “Scheme”	:	The CDW Employees’ Share Option Scheme 2013 to be adopted by the Company at the SGM, as the same may be amended from time to time pursuant to the terms and conditions set out therein.

“FY”	:	Financial year ended or ending 31 December
“Group”	:	The Company and its Subsidiaries
“Latest Practicable Date”	:	8 April 2013, being the latest practicable date prior to the printing of this Circular
“Listing Manual”	:	The Listing Manual of the SGX-ST, as the same may be amended, varied or supplemented from time to time
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“Market Purchases”	:	On-market acquisitions of Shares on the SGX-ST through the Central Limit Order Book trading system during the Relevant Period. For the purposes of this definition, a market acquisition means an on-market purchase transacted on SGX-ST through the Central Limit Order Book trading system, and a “Market Purchase” shall be construed accordingly
“Maximum Price”	:	The maximum price at which the Shares can be purchased pursuant to the Share Purchase Mandate, which shall: <ul style="list-style-type: none"> <li>(a) in the case of a Market Purchase not exceed the sum constituting five per cent. (5.0%) above the average closing price of the Shares over the period of five (5) Market Days in which transactions in the Shares on the SGX-ST were recorded before the day on which such purchase is made and deemed to be adjusted for any corporate actions occurring after the relevant 5-day period; and</li> <li>(b) in the case of an Off-Market Purchase not exceed the sum constituting five per cent. (5.0%) above the average closing price of the Shares over the period of five (5) Market Days in which transactions in the Shares on the SGX-ST were recorded immediately preceding the date of offer by the Company and deemed to be adjusted for any corporate actions occurring after the relevant 5-day period</li> </ul>
“Month”	:	Calendar month
“NAV”	:	Net asset value
“Non-Executive Director”	:	A person who is: <ul style="list-style-type: none"> <li>(a) an Independent Director of the Company; or</li> <li>(b) a Director of the Company and/or any of its subsidiaries, as the case may be, other than a Group Executive Director</li> </ul>
“NTA”	:	Net tangible assets
“Off-Market Purchases”	:	Off-market acquisitions of Shares undertaken by the Company during the Relevant Period on an equal access scheme as defined in Section 76C of the Companies Act, and an “Off-Market Purchase” shall be construed accordingly
“Offeree Shareholders”	:	Shareholders holding Shares at the time of an offer of Shares Purchase, and an “Offeree Shareholder” shall be construed accordingly

“Offer Date”	: The date on which a grant of Options is made pursuant to the ESOS 2013
“Options”	: The right to subscribe for Shares granted or to be granted pursuant to the ESOS 2004 or the proposed ESOS 2013, as the case may be
“Option Period”	: Has the meaning ascribed to it in Appendix 1 of this Circular
“Participant”	: A person who is selected by the Committee to participate in the ESOS 2004, ESOS 2013 or Performance Scheme, as the case may be, in accordance with the rules of the ESOS 2004, the ESOS 2013 or the Performance Scheme
“Performance Scheme”	: The CDW Share Performance Scheme 2013 to be adopted by the Company at the SGM, as the same may be amended from time to time pursuant to the terms and conditions set out therein
“Relevant Period”	: The period commencing from the date the Share Purchase Mandate is conferred by the Company in general meeting and expiring on the earlier of (i) the date the next AGM of the Company is held or is required by law to be held, or (ii) the date the said mandate is revoked or varied by the Company in general meeting
“Required Price”	: In relation to the offer required to be made under the provisions of Rule 14.1 of the Take-over Code, the offer shall be in cash or be accompanied by a cash alternative at a price in accordance with Rule 14.3 of the Take-over Code which is the highest price paid by the offerors and/or person(s) acting in concert with them for the Company’s Shares (i) during the offer period and within the preceding six (6) months, (ii) acquired through the exercise of instruments convertible into securities which carry voting rights within six (6) months of the offer and during the offer period, or (iii) acquired through the exercise of rights to subscribe for, and options in respect of, securities which carry voting rights within six (6) months of the offer or during the offer period; or at such price as determined by the Council under Rule 14.3 of the Take-over Code
“Securities and Futures Act”	: Securities and Futures Act (Chapter 289) of Singapore
“SGM”	: Special general meeting of the Company
“SGX-ST”	: Singapore Exchange Securities Trading Limited
“Shareholders”	: The registered shareholders of the Shares
“Shares”	: Shares of US\$0.02 each in the capital of the Company
“Share Purchase Mandate”	: The general mandate granted by the Shareholders to authorise the Directors to make Shares Purchases within the Relevant Period, or within any one (1) financial year of the Company, whichever is earlier, of up to ten per cent. (10.0%) of the issued ordinary share capital of the Company (ascertained as at the date of the last AGM of the Company or at the date of the SGM, whichever is the higher) at the price of up to but not exceeding the Maximum Price, in accordance with the terms of this Circular and subject to compliance with the Bermuda Companies Act and the rules and regulations of the SGX-ST, the renewal of which is subject to the approval of the Shareholders at the SGM

“Shares Purchases”	: Off-Market Purchases or Market Purchases undertaken by the Company during the Relevant Period and a “Shares Purchase” shall be construed accordingly
“Subsidiaries”	: The subsidiaries of a company (as defined in Section 5 of the Companies Act) and “Subsidiary” shall be construed accordingly
“Substantial Shareholders”	: A person who has an interest in not less than five per cent. (5.0%) of the total votes attached to all the voting shares of a company
“Take-over Code”	: The Singapore Code on Take-overs and Mergers
“treasury shares”	: Shares which were (or are treated as having been) purchased by the Company in circumstances in which Section 42B of the Bermuda Companies Act applies and have been held by the Company continuously since the treasury shares were so purchased and have not been cancelled
“S\$”	: Singapore dollars
“US\$” or “US cents”	: US dollars and cents respectively
“%” or “per cent.”	: Per centum or percentage

The expressions “our”, “ourselves”, “us”, “we” or other grammatical variations thereof shall, unless otherwise stated, mean our Company and our subsidiaries.

The terms “Depositor” and “Depository Register” shall have the meanings ascribed to them respectively by Section 130A of the Companies Act.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall include corporations.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined in the Securities and Futures Act, the Companies Act, or any statutory modifications thereof and used in this Circular, where applicable, shall have the meaning assigned to it under the Securities and Futures Act, the Companies Act or statutory modifications as the case may be.

Any reference to a time of day in this Circular will be a reference to Singapore time, unless otherwise stated.

Unless otherwise indicated, certain U.S. dollar amounts in this Circular have been translated into Singapore dollars and *vice versa*, based on the exchange rate of US\$1.00 = S\$1.2413 (rounded to 4 decimal place), obtained from the Monetary Authority of Singapore on 8 April 2013.

**CDW HOLDING LIMITED**  
(Incorporated in Bermuda)  
(Bermuda Company Registration Number: 35127)

**Directors:**

Mr. Koichi URANO (Chairman and Chief Executive Officer)  
Mr. Akihiro KIYOTA (Executive Director and Chief Operating Officer)  
Mr. DY MO Hua Cheung, Philip (Executive Director)  
Mr. Shinichi OCHI (Executive Director)  
Mr. LAI Shi Hong, Edward (Non-Executive Director)  
Mr. CHONG Pheng (Independent Director)  
Mr. Masatoshi MITANI (Independent Director)  
Mr. NG Wai Kee (Independent Director)

**Registered Office:**

Canon's Court  
22 Victoria Court  
Hamilton HM12  
Bermuda

12 April 2013

To: The Shareholders and Depositors of CDW Holding Limited

Dear Shareholder,

**1. INTRODUCTION**

The purpose of this Circular is to provide Shareholders with the relevant information pertaining to, and to seek Shareholders' approval for the same, at the SGM to be held on 29 April 2013 for the following:-

- (1) the proposed adoption of the CDW Employees' Share Option Scheme 2013;
- (2) the proposed adoption of the CDW Share Performance Scheme 2013; and
- (3) the proposed offer and grant of options at a discount under the CDW Employees' Shares Option Scheme 2013; and
- (4) the proposed renewal of the Share Purchase Mandate.

The notice of the SGM is set out on pages 71-74 of this Circular.

SGX-ST had on 11 April 2013 granted in-principle approval for the listing and quotation on the SGX-ST of the new Shares which may be issued from time to time pursuant to the exercise of the Options under the ESOS 2013 and the Performance Scheme subject to Shareholders' approval of the ESOS 2013 and the Performance Scheme, and the Company's compliance with the SGX-ST's listing requirement and guidelines. The approval of the SGX-ST shall not be taken as an indication of the merits of the ESOS 2103, the Performance Scheme, the Company and/or its subsidiaries. The SGX-ST takes no responsibility for the accuracy of any statements made, opinions expressed or reports contained in this Circular.

**2. THE PROPOSED ADOPTION OF THE CDW EMPLOYEES' SHARE OPTION SCHEME 2013**

**2.1 The CDW Holding Share Option Scheme**

The Company had, prior to its listing on 26 January 2005, adopted a share option scheme called the CDW Holding Share Option Scheme, which was approved by the sole Shareholder pursuant to resolutions passed on 8 November 2004 (the "**ESOS 2004**"). The ESOS 2004 was subsequently amended with the approval of Shareholders at SGM held on 22 May 2008 to extend the eligible group of Participants from the Executive Directors and employees of the Group to include the Non-Executive Directors.

Full-time employees of the Group who have attained the age of 21 (regardless of whether they were seconded to other companies not within the Group or to associated companies), Executive Directors and Non-Executive Directors were eligible to participate in the ESOS 2004. Persons who are Controlling Shareholders and associates of Controlling Shareholders were not eligible to participate in the ESOS 2004.

Under the ESOS 2004, the aggregate number of Shares over which Options may be offered on any date when added to the number of Shares issued and issuable in respect of all Options granted under the ESOS 2004 shall not exceed 15% of the Company's total issued share capital on the day preceding that date.

Under Rule 17.1 of the ESOS 2004, the ESOS 2004 was to continue for a maximum period of five (5) years commencing 8 November 2004, being the adoption date of the ESOS 2004, provided always that the ESOS 2004 may continue beyond the stipulated period with the approval of Shareholders by ordinary resolution in a general meeting and of any relevant authorities which may then be required.

The ESOS 2004 has since expired on 8 November 2009. However, share options granted and outstanding prior to such expiry will continue to be valid and subject to the terms and conditions of the ESOS 2004.

As at the Latest Practicable Date:

- (a) There were 13 Participants under the ESOS 2004;
- (b) A total of 57,584,000 Options have been granted pursuant to the ESOS 2004, of which 37,088,000 were cancelled, 2,928,000 have lapsed, 1,464,000 were exercised, and 16,104,000 Options granted to 10 Participants remain unexercised;
- (c) In respect of the 1,464,000 Options which were exercised, 1,464,000 treasury shares have been transferred to fulfill the Company obligations pursuant to the exercise of Options granted to the Participants under the ESOS 2004;
- (d) Participants were granted options on 12 September 2005, 9 March 2007 and 11 June 2008; and
- (e) There were no Options granted to any of the Company's Controlling Shareholders or their Associates as the ESOS 2004 does not permit the grant of Options to these persons.

As at the Latest Practicable Date, details of Options granted under the CDW Holding ESOS to the Directors are as follows:

Name	Date of grant	Number of Shares offered under share options	Number of Shares allotted and issued, or transferred pursuant to Exercise of share options
Mr. Koichi URANO	9 March 2007	1,952,000	Cancelled (Note 1)
	11 June 2008	1,952,000	–
Mr. Akihiro KIYOTA	12 September 2005	3,416,000	Cancelled (Note 2)
	9 March 2007	1,952,000	Cancelled (Note 1)
	11 June 2008	1,952,000	–
Mr. DY MO Hua Cheung, Philip (prior to appointment as Executive Director)	12 September 2005	3,416,000	Cancelled (Note 2)
	9 March 2007	1,952,000	Cancelled (Note 1)
Mr. DY MO Hua Cheung, Philip	11 June 2008	1,952,000	–
Mr. LAI Shi Hong, Edward	12 September 2005	3,416,000	Cancelled (Note 2)
	9 March 2007	1,464,000	Cancelled (Note 1)
	11 June 2008	1,464,000	–
Mr. Shinichi OCHI (prior to appointment as Executive Director)	9 March 2007	1,464,000	Cancelled (Note 1)
	11 June 2008	1,464,000	–

**Notes:**

1. The Options were among the 19,032,000 Options cancelled on 23 May 2008.
2. The Options were among the 18,056,000 Options cancelled on 27 February 2007.

There are no material conditions to which the Options granted under the ESOS 2004 are subject.



## 2.2 The Proposed CDW Holding Share Option Scheme 2013

In light of the expiry of the ESOS 2004 on 8 November 2009, the Directors are proposing to implement the ESOS 2013. The Company recognises that in order to maintain the Group's competitiveness and for the Group to build sustainable businesses in the long term, the Company must be able to continue to attract, motivate, reward and maintain a core group of directors, executives and employees. The Company is thus proposing to adopt an employee share option scheme, which shall be named the "CDW Employees' Share Option Scheme 2013" (the "**ESOS 2013**"). The ESOS 2013 will take effect from the date of its adoption by Shareholders at the SGM.

The proposed ESOS 2013 will be administered by the Committee which will determine the terms and conditions of the grant of the Options. Where a member of the Committee is also a proposed Participant, he will not be involved in the deliberations of the Committee in respect of the Options granted, or to be granted, to him.

## 2.3 Rationale for the ESOS 2013

The ESOS 2013 is a share incentive scheme. The purpose is to provide an opportunity for the Non-Executive Directors, Executive Directors and employees of our Group to participate in the equity of our Company so as to motivate them to greater dedication, loyalty and higher standards of performance. The ESOS 2013 is proposed on the basis that it is important to acknowledge and secure future contribution by the Non-Executive Directors, Executive Directors and employees which is essential to the well-being and profitability of our Group. The Company, by adopting the ESOS 2013, will give these categories of persons a real and meaningful stake in the Company and this will help to achieve the following objectives:–

- (a) the motivation of Participants to optimise performance standards and efficiency and to maintain a high level of contribution to the Group;
- (b) to make total employee remuneration sufficiently competitive to attract, recruit and retain key employees whose contributions are important to the long term growth and profitability of our Group;
- (c) to align the interests of Participants with the interests of the shareholders of our Company;
- (d) the attainment of harmonious employer/staff relations, as well as the strengthening of working relationships with them; and
- (e) the development of a participatory style of management which promotes greater commitment and dedication amongst the employees and instill loyalty and a stronger sense of identification with the long term prosperity of our Group.

### 2.3.1 Participation of Non-Executive Directors in the ESOS 2013

It is proposed that the ESOS 2013 be extended to Non-Executive Directors, which includes the independent Directors of the Company. Although the Non-Executive Directors are not involved in the day-to-day running of the Company, they still play an invaluable role in the success of the Group. They work closely with the Company and by reason of their relationships with the Company, are in a position to give input and contribute their experience, knowledge and expertise to the development and prosperity of the Group. By giving Non-Executive Directors an opportunity to participate in the equity of the Company, their working relationships with the Company will be enhanced as it will instill in them a greater sense of involvement.

The Committee, when deciding and selecting the Non-Executive Directors for the ESOS 2013 and the number of Shares to be comprised in the Options to be offered, will take into consideration the nature and extent of their input, assistance and expertise rendered to the committees on which they sit and the impact thereof on the growth, success and development of the Company and the Group, as well as their involvement and commitment to the committees on which they sit. The Committee may, where it considers relevant, take into account other factors such as the economic conditions and the Company's performance. The Non-Executive Directors will abstain from making any recommendation

as a Director or abstain from voting as a member of the Company when the grant of Options to him or her is being considered. The Company will ensure that the number of Options granted to the Non-Executive Directors will be such that any conflict of interests that may potentially arise is kept minimal and that the independence of the Non-Executive Directors is not compromised.

## 2.4 Summary of the ESOS 2013

The following is a summary of the principal rules of the ESOS 2013. The detailed rules of the ESOS 2013 are set out in Appendix 1 to this Circular.

### 2.4.1 Eligibility

The Scheme allows participation, at the absolute discretion of the Committee, of:

- (a) confirmed full-time employees of our Company and/or its subsidiaries who have attained the age of 21 years on or before the Offer Date;
- (b) directors of our Company and/or its subsidiaries who perform an executive function (“Executive Directors”); and
- (c) directors of our Company who perform a non-executive function (“Non-Executive Directors”),

***provided*** that none of the participants shall be an undischarged bankrupt employees, Executive Directors or Non-Executive Directors who are either Controlling Shareholders or their associates are not eligible to participate in the ESOS 2013.

Directors and employees of any associated company are not eligible to participate in the ESOS 2013. However, employees of the Company who are seconded to an associated company or any other company outside our Group in which the Company and/or Group has an equity interest are unless transferred, considered employees of the Company and may also be eligible to participate in the ESOS 2013 at the discretion of the Committee, where the Committee considers that such persons have the ability to contribute significantly to the overall performance and prosperity of the Group.

### 2.4.2 Limitations under the ESOS 2013

The aggregate number of Shares over which Options may be granted on any date, when added to the number of Shares issued and issuable and/ or treasury shares in respect of (a) all Options granted under the ESOS 2013 and (b) all awards, shares and options granted under any share option, share incentive, or performance share plan implemented by the Company and for the time being in force, shall not exceed 15% of the issued share capital (excluding treasury shares) of the Company on the day preceding that date. Our Directors believe that the size of the scheme is reasonable, taking into account the nature of our business, the contributions of our employees, Executive Directors and Non-Executive Directors, and our share capital.

Subject to paragraph 2.4.1 on eligibility above, the aggregate number of Shares in respect of which Options may be offered to a participant under the Scheme shall be subsequently determined at the discretion of the Committee, who shall take into account criteria such as the rank and responsibilities within our Group, performance, years of service and potential for future development of that participant, and the general performance of our Group.

### 2.4.3 Exercise Price

The Exercise Price for each Share in respect of which an Option is exercisable shall be determined by reference to:

- (a) a price equal to the average of the last dealt price(s) for a Share, as determined by reference to the official list or any other publication by the SGX-ST, for the last five market days immediately preceding the Offer Date (“Market Price”); or

- (b) a price (as shall be determined by the Committee in its absolute discretion) which is set at a discount to the Market Price, provided that: (i) the maximum discount shall not exceed 20% of the Market Price (or such other percentage or amount as may be prescribed or permitted for the time being by the SGX-ST) and (ii) the discount must have been approved by our Shareholders in a separate resolution.

In no event shall the Exercise Price be less than the nominal value of a Share. Where the Exercise Price is less than the nominal value of a Share, the Exercise Price shall then be the nominal value.

#### 2.4.4 Rationale for the granting of Options at a discount

Options with discounted Exercise Price will only be granted to deserving employees, Executive Directors and Non- Executive Directors whose performance have been consistently sterling and/or whose future contributions and value-add to our Group would be invaluable.

Our Company believes that the ability to offer Options at a discount will operate as a means to recognise good employees, Executive Directors and Non-executives for their outstanding performance and a reward for their valuable and dedicated service to our Group, as well as to motivate and encourage greater dedication and loyalty to our Group.

Our Directors are of the view that the ability to grant Options at a discount will enable our Group to have greater flexibility to use share options as a means of building a variable component into the remuneration package of its employees. It would enable our Group to introduce a refreshing manner of motivating employees to maximise their performance and enable them to also benefit as shareholders of our Company thereby spurring them to optimise their performance standards and efficiency which is important to our Group's success.

The discretion to grant Options at a discount as well as the amount of discount thereon will be used judiciously by the Committee. The Committee may decide to grant Options at Market Price instead of at a discount.

#### 2.4.5 Option Period

Each Option shall be exercisable, in whole or in part, during the Option Period. For Options granted with the Exercise Price set at the Market Price, the Option Period shall commence on (and include) the first anniversary of the Offer Date and expire on (and include) the day immediately preceding the fifth anniversary of the Offer Date, or such other period determined by the Committee or prescribed under any relevant law, regulation or rule of the SGX-ST from time to time.

For Options granted with the Exercise Price set at a discount to the Market Price, the Option Period shall commence on (and include) the second anniversary of the Offer Date and expire on (and include) the day immediately preceding the fifth anniversary of the Offer Date, or such other period determined by the Committee or prescribed under any relevant law, regulation or rule of the SGX-ST from time to time. Any Option granted and accepted by a Participant but not exercised within the Option Period in accordance with the Rules shall lapse and determine.

In the event of an Option being exercised in part only, the balance of the Option not thereby exercised shall continue to be exercisable in accordance with the Scheme until such time as it shall lapse in accordance with the Scheme.

Under the ESOS 2013, a nominal consideration of S\$1.00 is payable by each Participant for an Option granted.

#### 2.4.6 Lapse of Options

- (i) An Option shall, to the extent that it is unexercised, lapse:
  - (a) upon the Participant ceasing to be in employment of the Group, for any reason whatsoever; or
  - (b) upon 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 such Option; or
  - (c) in the event of misconduct on the part of the Participant, as determined by the Committee in its discretion; or
  - (d) in the event that the Committee shall, at its discretion, deem it appropriate that such Option shall lapse on the grounds that any of the objectives of the ESOS 2013 have not been met.
- (ii) If a Participant dies and at the date of his death holds any unexercised Option, such Option may, at the absolute discretion of the Committee, be fully exercisable by the duly appointed personal representatives of the Participant from the date of his death to the end of the relevant Option Period and upon the expiry of such period, the Option shall immediately lapse.

#### 2.4.7 Duration of the Scheme

The Scheme shall continue to be in force at the discretion of the Committee subject to a maximum period of five (5) years commencing from the Adoption Date, provided always that the Scheme may continue beyond the above stipulated date with the approval of the Shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

On the termination of the Scheme, no further Options may be granted by our Company pursuant to the Scheme. Options granted and outstanding prior to such expiry and termination will continue to be valid.

#### 2.4.8 Variation of Capital

If a variation in the issued ordinary share capital of the Company (whether by way a capitalisation of profits or reserves or rights issue, reduction of capital, or subdivision or consolidation or distribution of Shares or otherwise) shall take place:

- (a) the Exercise Price in respect of the Option Shares comprised in the Option to the extent unexercised; and/or
- (b) the class and/or number of Option Shares comprised in the Option to the extent unexercised and the rights attached thereto; and/or
- (c) the class and/or number of Option Shares in respect of which additional Options may be granted to Participants,

shall be adjusted by the Committee in such manner as it may determine to be appropriate provided that, except in relation to the capitalisation issue, a written confirmation is given by the Auditors that such adjustment is fair and reasonable.

The issue of securities as consideration for an acquisition or a private placement of securities or the cancellation of issued Shares purchased or acquired by the Company on the SGX-ST during the period when a share purchase mandate granted by Shareholders (including any renewal of such mandate) is in force shall not normally be regarded as a circumstance requiring adjustment, unless the Committee considers an adjustment to be appropriate.

Upon any such adjustment being made, the Committee shall notify the Participant in writing informing him of the new Exercise Price thereafter to be in effect and the number of Option Shares thereafter to be issued on the exercise of the Option. Any adjustment shall take effect upon such written notification being given.

#### 2.4.9 Administration of the ESOS 2013

The ESOS 2013 shall be administered by the Committee, comprising Directors for the time being duly authorised and appointed by the Board of Directors to administer the ESOS 2013. A member of the Committee who is also a Participant shall not participate in any deliberation or decision in respect of Options to be granted to or held by him.

#### 2.4.10 Disclosures to be made in future annual reports

Subject to the ESOS 2013 being approved by Shareholders at the SGM, the Company will make the following disclosures (as applicable) in its annual reports for FY2013 and future financial years for so long as the ESOS 2013 continues in operation:

- (a) the names of the members of the Committee administering the ESOS 2013;
- (b) the information required in the table below for the following Participants:
  - (i) Directors of the Company; and
  - (ii) Participants, other than those in (i) above, who receive 5% or more of the total number of options available under the Scheme:

Name of Participant	No. of Options granted during financial year under review (including terms)	Aggregate Options granted since commencement of the Scheme to the end of the financial year under review	Aggregate Options exercised since commencement of the Scheme to the end of the financial year under review	Aggregate Options outstanding as at the end of the financial year under review

- (c) the number and proportion of Options granted at a discount during the financial year under review, such information to be disclosed in respect of every 10% discount range, up to 20%;
- (d) an appropriate negative statement that the participants who are Controlling Shareholders or their associates, directors and employees of the parent company and its subsidiaries are not eligible to participate in the Scheme.

### 3. THE PROPOSED ADOPTION OF THE CDW SHARE PERFORMANCE SCHEME 2013

#### 3.1 Rationale for the Performance Scheme

The Directors are proposing to adopt a new share performance share scheme, which shall be name the “CDW Share Performance Scheme 2013” (the “Performance Scheme”) and which, if approved and adopted by Shareholders at the SGM, will take effect from the date of its adoption at the SGM.

The Performance Scheme will be complementary to the proposed ESOS 2013 as it aims to increase the Company’s flexibility and effectiveness in its efforts to reward and retain Participants, as well as to motivate Participants to achieve enhanced performance and to maintain a high level of contribution to the Company. The Directors are proposing to implement the Performance Scheme to complement the current practice of paying cash bonus payments to employee and directors of the Group. The Company may pay a percentage of an employee’s or director’s annual cash bonus payment in the form of Shares. The number of Shares to be issued and allotted to each Participant shall be based on a pre-determined percentage of the value of the Participant’s annual bonus and such pre-determined percentage shall be determined at the sole discretion of

the Committee. By giving the employee and directors the opportunity to participate in the equity of the Company as opposed to providing solely cash bonus payments for their performance, the Performance Scheme aims to cultivate a greater sense of involvement in the Company amongst the employees. The Directors believe that the Performance Scheme will provide the Company with a more comprehensive set of remuneration tools and further strengthen its competitiveness in attracting and retaining talent.

Unlike the ESOS 2013 under which Participants are required to pay the Exercise Price of the Options before receiving the Shares thereunder, the Performance Scheme does not require such a payment, thereby allowing the Company to provide an incentive for Participants to achieve certain specific performance conditions by awarding fully paid Shares free of charge to Participants after the relevant conditions have been met, or as a means for rewarding excellent past performance and past contributions to the Group. In addition, the assessment criteria for granting Options under the ESOS 2013 are more general, for example, based on length of service and general performance of the Company, and as such, do not relate to specific performance conditions imposed by the Committee. In contrast, the Performance Scheme will primarily be performance-based and in granting Shares under the Performance Scheme, the Committee may choose to release the Awards conditional upon the satisfaction of specific performance conditions. Examples of performance targets to be set include targets based on criteria such as sales growth, earnings per Share and return in investment.

The objectives of the Performance Scheme are to:

- (a) to provide an opportunity for Participants to participate in the equity of the Company, thereby inculcating a stronger sense of identification with the long-term prosperity of the Group and promoting organisational commitment, dedication and loyalty of Participants towards the Group;
- (b) motivate Participants to achieve key financial and operational goals of the company and/or their respective business units and encourage greater dedication and loyalty to the Group; and
- (c) make total employee remuneration sufficiently competitive to recruit new Participants and/or retain existing Participants whose contributions are important to the long term growth and profitability of the Group.

#### 3.1.1 Participation of Non-Executive Directors in the Performance Scheme

The Company's Non-Executive Directors are individuals from various disciplines with different working experiences and backgrounds which the Company may tap for assistance in furthering its business objectives and shaping its business strategies. It is desirable that the Non-Executive Directors be allowed to participate in the Performance Scheme to give recognition to their services and contributions to the Group.

The remuneration of the Non-Executive Directors is by way of directors' fees which is wholly in the form of cash. None of the Non-Executive Directors is entitled to any profit sharing or other benefits. Through the Performance Scheme, the Company may acknowledge and give recognition to any special efforts, achievements and contributions made by such Non-Executive Director to the Group. As the Performance Scheme is a scheme based on performance, the Company recognises that the services of the Non-Executive Directors cannot be measured in the same way of the full-time employees of the Group, hence the Company envisages that the bulk of the Awards will be granted to Executive Directors and employees. In addition, the Company will ensure that the independence of the Non-Executive Directors will not be compromised by the award of shares under the Performance Scheme and/or the grant of Options under the ESOS 2013.

The rules of the Performance Scheme are set out in Appendix 2 of this Circular.

## 3.2 Summary of the Performance Scheme

### 3.2.1 Eligibility

Like the ESOS 2013, (a) confirmed full-time employees who have attained the age of 21 years; (b) Executive Directors of our Group; and (c) Non-Executive Directors of our Group, provided that such persons are not undischarged bankrupts and have not entered into compositions with their respective creditors at the relevant time, may be eligible to participate in the Performance Scheme at the absolute discretion of the Committee. Like the ESOS 2013, Controlling Shareholders or their associates are not eligible to participate in the Performance Scheme

Directors or employees of any associated company are not eligible to participate in the Performance Scheme. However, employees of the Company who are seconded to an associated company or any other company outside our Group in which the Company and/or Group has an equity interest are unless transferred, considered employees of the Company and may also be eligible to participate in the Performance Scheme at the discretion of the Committee, where the Committee considers that such persons have the ability to contribute significantly to the overall performance and prosperity of the Group.

There shall be no restriction on the eligibility of any Participant in the Performance Scheme to participate in any other share incentive schemes or share plans implemented or to be implemented by the Company or any other company within the Group.

### 3.2.2 Awards

An Award granted under the Performance Scheme represents the right to receive fully paid Shares free of charge, upon the Participant achieving the prescribed performance conditions as set out in the relevant Award. The selection of the Participants under the Performance Scheme and the number of Shares which are the subject of the relevant Award to be granted to a Participant in accordance with the Performance Scheme shall be determined at the absolute discretion of the Committee. The Committee may take into account criteria such as the financial performance of the Group, as well as, in the case of an employee or an Executive Director, his rank, job, performance, potential for future development and contribution to the success and development of the Group, and in the case of a Group Non-executive Director, his contribution to the success and development of the Group.

The performance conditions will be set by the Committee depending on the relevant Participant's particular job scope, responsibilities and circumstances. An award letter confirming the Award will be sent to each Participant to whom an Award is granted as soon as reasonably practicable after the Award is finalised, specifying, *inter alia*, the following (where applicable):

- (a) the number of Shares which are the subject of the Award;
- (b) any prescribed vesting periods; and
- (c) the performance condition(s) and the performance period(s) during which such prescribed performance condition(s) shall be met.

### 3.2.3 Size and duration of the Performance Scheme

The aggregate number of Shares in respect of which the Committee may grant Awards on any date, when added to the number of Shares issued and issuable and/ or treasury shares in respect of (a) all Awards granted under the Performance Scheme and (b) all awards, shares and options granted under any other share option, share incentive, performance share or restricted share plan implemented by the Company and for the time being in force, including the ESOS 2013 and the Performance Scheme shall not exceed fifteen per cent. (15%) of the number of all issued Shares (excluding treasury shares) on the day preceding that date.

It should however be noted that this does not indicate that the Committee will definitely grant Awards under the Performance Scheme up to the prescribed limit. The Committee will exercise its discretion in deciding the number of Shares to be granted to each Participant under the Performance Scheme. This, in turn, will depend on and be commensurate with the performance and value of the Participant to the Group.

The Committee shall monitor the grant of Awards carefully to ensure that the size of the Performance Scheme will comply with the rules of the Performance Scheme as well as the Listing Manual.

The Performance Scheme shall continue in force at the discretion of the Committee, subject to a maximum duration of five (5) years commencing on the Adoption Date, provided always that the Performance Scheme may continue beyond the above stipulated period with the approval of the Shareholders by ordinary resolution in a general meeting and of any relevant authorities which may then be required.

Notwithstanding the expiry or termination of the Performance Scheme, any Award made to Participants prior to such expiry or termination will continue to remain valid.

#### 3.2.4 Vesting and release of Awards

The Committee shall have the discretion to determine whether the relevant prescribed performance conditions for an Award have been met (whether fully or partially) or exceeded and/or whether the Participant's performance and/or contribution to the Company and/or any of its subsidiaries justifies the release of the Award. In making any such determination, the Committee shall have the right to make reference to the audited results of the Group or the 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, the right to amend the performance conditions if the Committee decides that a changed performance condition would be a fairer measure of performance.

The Company will have the flexibility to deliver any Shares comprised in Awards upon vesting by way of an issue of new Shares deemed to be fully paid upon the issuance and allotment and/ or way of transfer of treasury shares. In determining whether to issue new Shares or transfer treasury shares to the Participants to satisfy the Awards, the Company shall take into account factors such as (but not limited to) the number of Shares to be delivered under the Award, and the cost to the Company of either issuing new Shares or transferring the treasury shares.

Shares which are allotted and issued or transferred (as the case may be) pursuant to the release of an Award shall be subject to all the provisions of the Bye-laws of the Company and the Bermuda Companies Act, and shall 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 date of such issue or delivery of the Shares, and shall in all other respects rank *pari passu* with other existing Shares then in issue.

#### 3.2.5 Events Prior to Vesting

Special provisions for the vesting and lapsing of Awards apply in certain circumstances, including the following:

- (a) where the Participant ceases to be an employee, Executive Director or Non-Executive Director of the Group for any reason whatsoever;
- (b) the bankruptcy of a Participant or the happening of any other event which results in him being deprived of the legal or beneficial ownership of the Award;
- (c) the death of a Participant;
- (d) a Participant commits any breach of any of the terms of his Award; and/ or



- (e) misconduct on the part of a Participant as determined by the Committee in its discretion;

Upon the occurrence of any of the events specified in paragraphs (a) to (e) above, an Award then held by a Participant shall, subject as provided in the rules of the Performance Scheme and to the extent not yet released, immediately lapse without any claim whatsoever against the Company. The Committee may, in its absolute discretion, preserve all or any part of any Award.

Upon the occurrence of the following events specified in paragraphs (f) to (i) below, the Committee will consider, at its discretion, whether or not to release any Award:

- (f) a general offer (whether conditional or unconditional) being made for all or any part of the Shares;
- (g) a scheme of an arrangement or compromise between the Company and its Shareholders being sanctioned by the court under the Companies Act;
- (h) an order for the compulsory winding-up of the Company is made; or
- (i) a resolution for a voluntary winding-up (other than for amalgamation or reconstruction) of the Company being made.

#### 3.2.6 Variations in Capital

If a variation in the issued ordinary share capital of the Company (whether by way of a capitalisation of profits or reserves or rights issue, reduction, subdivision, consolidation or distribution) shall take place, 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 over which future Awards may be granted under the Scheme,

shall be adjusted in such manner as the Committee may determine to be appropriate, provided that any such adjustment shall be made in such a way that a Participant will not receive a benefit that a Shareholder does not receive.

The issue of securities as consideration for an acquisition or a private placement of securities or 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 SGX-ST during the period when a shares purchase mandate granted by Shareholders (including any renewal of such mandate) is in force shall not normally be regarded as a circumstance requiring adjustment.

Any adjustment (except in relation to a capitalisation issue) must be confirmed in writing by the Auditors to be in their opinion, fair and reasonable.

#### 3.2.7 Administration of the Performance Scheme

Like the ESOS 2013, the Performance Scheme shall be administered by the Committee, comprising Directors for the time being duly authorised and appointed by the Board of Directors to administer the Performance Scheme. A member of the Committee who is also a Participant shall not participate in any deliberation or decision in respect of Awards to be granted to or held by him.

### 3.2.8 Disclosures to be made in future annual reports

The following disclosures (as applicable) in its annual reports for FY2013 and future financial years for so long as the Performance Scheme continues in operation:

- (a) the names of the members of the Committee administering the Performance Scheme;
- (b) in respect of the Performance Scheme Participants, the following information:
  - (i) Directors of the Company; and
  - (ii) Participants, other than those in (i) above, who receive 5% or more of the total number of options available under the Scheme, specifically:
    - (1) the aggregate number of Shares comprised in Awards granted to such Participants during the financial year under review;
    - (2) the aggregate number of Shares comprised in Awards granted to such Participants since the commencement of the Performance Scheme to the end of the financial year under review;
    - (3) the aggregate number of Shares issued or transferred to such Participant pursuant to the vesting of Awards under the Scheme during the financial year under review; and
    - (4) the aggregate number of Shares comprised in Awards which have not been vested as at the end of the financial year under review.

## 4. **USE OF TREASURY SHARES FOR THE ESOS 2013 AND THE PERFORMANCE SCHEME**

At the SGM held on 28 April 2009, Shareholders approved the amendments to the Bye-laws of the Company. The Bye-laws were amended following amendments to the Bermuda Companies law under the Companies Amendment Act 2006 of Bermuda to allow the Company to repurchase its shares out of profits and/or capital of the Company and to hold repurchased shares as treasury shares.

Subject to the Bye-laws, prevailing legislation and the Listing Manual, the Company may deliver Shares to Participants the purposes of or pursuant to a share scheme by way of an issue of new Shares and/or by way of the transfer of treasury shares. This provides flexibility to the Company in implementing the ESOS 2013 and Performance Scheme by providing the Company with an alternative to satisfy the exercise of an Option under the ESOS 2013 or the vesting of the Shares under the Performance Scheme (as the case may be) through the transfer of treasury shares instead of newly issued Shares, or through a combination of both. Further, the delivery of treasury shares upon exercise of Options under the ESOS 2013 or vesting of Shares under the Performance Scheme (as the case may be) would avoid the potential dilutive effect on the Company's capital base and future returns.

The Company proposes to renew a shares purchase mandate at the SGM to be held on 29 April 2013 at 3.15 p.m. (or such time immediately following the conclusion or adjournment of the annual general meeting of the Company to be held on the same day and at the same venue, for which a separate notification will be given to Shareholders). In the event that the proposed renewal of the shares purchase mandate is approved by the Shareholders, the Company will have the flexibility of transferring any treasury shares held by it to satisfy the exercise of Options granted under the ESOS 2013 or the vesting of Shares under the Performance Scheme.

## 5. FINANCIAL EFFECTS OF THE ESOS 2013 AND THE PERFORMANCE SCHEME

The financial effects of granting Options under the ESOS 2013 and the Awards under the Performance Scheme on the Company are as follows:

### (a) Share Capital

The ESOS 2013 and Performance Scheme will result in an increase in the Company's issued shares capital to the extent that the new Shares are issued upon the exercise of the Options under the ESOS 2013 or the vesting of the Awards under the Performance Scheme. This increase will in turn depend on, *inter alia*, the number of Shares comprised in the Options and Awards (as the case may be), the prevailing market price of the Shares, and in the case of the ESOS 2013, the number of Options vested and exercised, and the exercise price of the Options.

If treasury shares are delivered to the Participants, the ESOS 2013 and Performance Scheme would have no effect on the share capital of the company. Similarly, there would be no change to the share capital of the Company if the relevant Options are not exercised under the ESOS 2013.

### (b) NAV

To the extent that new Shares are issued upon the exercise of the Options under the ESOS 2013, the ESOS 2013 will result in an increase in the Company's consolidated NAV by the aggregate exercise price of the new Shares issued. On a per Share basis, the effect on the NAV of the Company is accretive if the exercise price is above the NAV per Share, but dilutive if otherwise.

As described in paragraph 5(c) below, the Performance Scheme will result in a charge to the Company's and the Group's profit and loss account equal to the market value at which the new Shares are issued or which the existing Shares are purchased to meet the delivery under the Awards. If new Shares are issued under the Performance Scheme, the NAV of the Group and the Company would decrease by the amount charged. If existing Shares are purchased for delivery to Participants, the NAV of the Group and the Company would decrease by the amount charged.

Although the Performance Scheme will result in a charge to the profit and loss account of the Company and the Group, it should be noted that Awards are granted only on a selective basis and will be granted to Participants whom the Company believes would have contributed and/or will contribute significantly to its success, including financial performance. In particular, the grant of Awards and delivery of Shares to Participants of the Performance Scheme, are contingent upon the Participants meeting prescribed performance targets. Hence, Participants would have contributed to enhance the NAV of the Company and the Group before the Awards are granted and Shares delivered. As such, it is expected any dilutive impact of the Performance Scheme on the NAV would not be significant.

### (c) EPS

The ESOS 2013 and Performance Scheme will have a dilutive impact on the Company's consolidated EPS following the increase in the Company's number of issued Shares to the extent that new Shares are issued pursuant to the ESOS 2013 and the Performance Scheme.

The Performance Scheme will result in a charge to earnings equivalent to the market value at which the existing Shares are purchased or the market value on the date at which Shares are issued under the Awards.

Although the Performance Scheme will have a dilutive impact (to the extent that new Shares are issued pursuant to the Performance Scheme) on the EPS of the Company and the Group, it should again be noted that the delivery of Shares to Participants under the Scheme will generally be contingent upon the Participants meeting the prescribed performance targets and conditions. Accordingly, the earnings of the Company and the Group would have grown before the Awards are granted and Shares delivered. As such, any dilutive impact of the Performance Scheme on the EPS is not expected to be significant.

(d) Potential Cost of Options and Awards

The grant of Options under the ESOS 2013 and/or Awards under the Performance Scheme will not have an impact on our Company's cash flow, as neither our Company nor our Group would expend any cash outlay at the time of such grant of Options and/or Awards (as the case may be), as compared with the payment of cash bonuses. However, any new Shares issued pursuant to the exercise of the Options and/or grant of Awards will have a fair value at the time of the grant. The fair value is an estimate of the amount that a willing buyer would pay a willing seller for the Option on the date of grant.

Under the ESOS 2013, Options are granted to grantees at a nominal consideration of \$1.00. Insofar as such Options are granted at a consideration that is less than their fair value at the time of grant, there will be a cost to our Company represented by the reduced amount our Company would have received from the relevant grantee. This reduced amount that our Company would have received is the difference between the fair value of the Shares at the time of the grant and the Exercise Price of the Options granted. The quantum of this reduced amount will depend on various factors such as the length of the option period. If however, such costs were to be recognised, it would have to be charged to our Company's profit and loss account at the time Options are granted, thereby reducing the profits of our Group.

Subject as aforesaid, as and when Options are exercised, the cash inflow will add to the net tangible assets of our Company and its share capital will grow.

Our Company's cost of granting options is therefore that the impact from the issue and allotment of, and/or transfer of, new Shares upon the exercise of Options on our net tangible asset per Share will be accretive if the Exercise Price is above the net tangible asset per Share, but dilutive otherwise. This cost or impact however will materialise only upon the actual exercise of the relevant Options.

Measured against the aforementioned costs of granting the Options is the desirable effect of the Scheme to attract, recruit, retain and motivate directors and employees which could in the long term yield greater returns for our Company and our Shareholders.

Any Options granted under the ESOS 2013 would have a fair value at the Date of Grant. In addition to the impact on the Company's consolidated EPS and consolidated NAV as described above, the cost to the Company of granting Options under the ESOS 2013 will have an impact on the Company's and the Groups reported profit under IFRS 2 "Share Based Payment", which is effective for financial periods beginning on or after 1 January 2005 and requires the recognition of an expense in respect of Options granted under the ESOS 2013. The expense will be based on the fair value of the Options at the Date of Grant (as determined by an option-pricing model) and will be recognised over the vesting period.

The cost of the Options granted would be recognised in the financial statements even if the Options are not exercised.

IFRS 2 “Share Based Payment” also requires the recognition of an expense in respect of Awards granted under the Performance Scheme. The expenses will be based on the fair value of the Awards at the date of grant and will be recognized over the expected vesting period. However, no expense will ultimately be recognised for any Awards granted but do not vest because of failure to satisfy the performance conditions.

In accordance with IFRS 2 “Share Based Payment”, the Company shall account for the grant of Awards during the vesting period, with a corresponding increase in equity. Per IFRS 2, on a cumulative basis, no amount is recognised for services received if the entity instruments granted do not vest because of failure to satisfy a vesting condition. Also, per IFRS 2, the Company shall recognize an amount for the services received during the vesting period based on the best available estimate of the number of equity instruments expected to vest and shall revise that estimate, if necessary. Therefore, the grant of Award is recognized to income statement over the expected vesting period. If an employee leaves before the end of vesting period, the Company should revise the estimated number of equity instruments expected to vest.

## **6. GRANT OF OPTIONS AT A DISCOUNT**

In accordance with Rule 845(5) of the Listing Manual and Rule 8.1 of the ESOS 2013, the offering and granting of Option(s) under the ESOS 2013 at a discount not exceeding the maximum discount of 20% of the Market Price is subject to the approval of Shareholders at a general meeting. Such approval from the Shareholders shall be required to be obtained only once, and once obtained, shall, unless revoked, authorise the Directors to offer and grant Option(s) under the ESOS 2013 at such discount for the duration of the Scheme. Under the ESOS 2013, the Exercise Price of Option(s) granted shall be determined by the Committee at its absolute discretion. The Committee has the discretion to grant Option(s) with an Exercise Price set at a discount to the Market Price on a case by case basis, taking into consideration, including but not limited to, the criteria set out under Rule 8.2 of the ESOS 2013.

In the event that Option(s) are granted at a discount, the discount shall not exceed 20% of the Market Price.

The ability to offer Option(s) at a discount to the Market Price of the Shares will give the Company flexibility in structuring the Option(s) granted, and ensures that the Company maintains the competitiveness of its compensation strategy. The Company may utilise the Option(s) as a means to reward Participants for their outstanding performance and to motivate them to continue to excel, as well as attract new talent to the Company. Being able to grant Option(s) at a discount allows the Company to acknowledge a Participant’s contributions where such means is more meaningful than just paying a cash bonus, as these Option(s) operate as a form of cashless reward from the Company with a greater potential for capital appreciation than Option(s) granted at the Market Price. This serves as an additional method available to the Company for compensating employees and Executive Directors rather than merely through salaries, salary increments and cash bonuses as it enables the Company to introduce an effective manner of motivating Participants to maximise their performance, which will in turn create better value for the Shareholders. Further, because Option(s) granted with a discount under the Option Scheme are subject to a longer minimum vesting period (2 years) than those granted at the Market Price (1 year), holders of such Option(s) are encouraged to have a long-term view of the Group, thereby promoting staff and executive retention and reinforcing their commitment to the Group.

The Company believes that the maximum 20% discount to the Market Price of the Shares is sufficient to allow for flexibility in the Option Scheme, while minimising the potential dilutive effect to the Shareholders arising from the Option Scheme.

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

### 7.1 The Share Purchase Mandate

7.1.1 At the SGM held on 22 May 2008, Shareholders had approved, *inter alia*, the Share Purchase Mandate to enable the Company to purchase or otherwise acquire its issued Shares. The Share Purchase Mandate was last renewed at the SGM held on 26 April 2012 (the “**2012 Mandate**”).

7.1.2 The 2012 Mandate authorised the Directors to make Shares Purchases from time to time within the Relevant Period, or within any one (1) financial year of the Company, whichever is earlier, of up to ten per cent. (10.0%) of the issued Shares of the Company (ascertained as at the date of the 2012 Mandate) at the price of up to but not exceeding the maximum price, which shall:

- (a) in the case of a Market Purchase not exceed the sum constituting five per cent. (5.0%) above the average closing price of the Shares over the period of five (5) Market Days in which transactions in the Shares on the SGX-ST were recorded before the day on which such purchase is made and deemed to be adjusted for any corporate actions occurring after the relevant 5-day period; and
- (b) in the case of an Off-Market Purchase not exceed the sum constituting five per cent. (5.0%) above the average closing price of the Shares over the period of five (5) Market Days in which transactions in the Shares on the SGX-ST were recorded immediately preceding the date of offer by the Company and deemed to be adjusted for any corporate actions occurring after the relevant 5-day period (the “**Maximum Price**”).

7.1.3 The authority conferred on the Directors by the 2012 Mandate will expire on the date of the 2013 AGM. Accordingly, the Directors are convening a SGM to be held on 29 April 2013 at 3.15 p.m. (or immediately following the conclusion or adjournment of the 2013 AGM of the Company to be held at 3.00 p.m. on the same day and at the same place) to seek the approval of the Shareholders for the proposed renewal of the Share Purchase Mandate, which shall be on the same terms as the 2012 Mandate.

7.1.4 Any purchase of Shares by the Company will have to be made in accordance with, and in the manner prescribed by, the Bermuda Companies Act, the Listing Manual, and such other laws and regulations as may for the time being be applicable. The “Guidelines on Shares Purchases” are set out in Appendix 3 to this Circular.

### 7.2 Rationale for the Share Purchase Mandate

7.2.1 Short-term speculation may at times cause the market price of the Shares to be depressed below the true value of the Company and the Group. The proposed Share Purchase Mandate will provide the Directors with the means to restore investors’ confidence and protect existing Shareholders’ investments in the Company in a depressed share-price situation through judicious Shares Purchases to enhance the EPS and/or the NAV per Share. The Shares Purchases will enhance the NAV per Share if the Shares Purchases are made at a price below the NAV per Share.

7.2.2 The proposed Share Purchase Mandate will also provide the Company with an expedient and cost-effective mechanism to facilitate the return of surplus cash reserves to the Shareholders, as and when the Directors are of the view that this would be in the best interests of the Company and the Shareholders.

7.2.3 The Directors will only make a Shares Purchase in compliance with all applicable laws and regulations as and when the circumstances permit and only if the Directors are of the view that such purchases are in the best interests of the Company and the Shareholders and would not have a material adverse effect on the financial position or listing status of the Company.

### 7.3 Source of funds

7.3.1 Under the Bermuda Companies Act, a purchase of shares may only be funded (a) out of the capital paid up on the shares to be purchased, (b) out of the funds of the company which would otherwise be available for dividend or distribution, or (c) out of the proceeds of a fresh issue of shares made for the purpose of the purchase, and the premium payable on the purchase (i.e. the amount paid in excess of the nominal value of the shares to be purchased) must be provided for out of the funds of the company which would otherwise be available for dividend or distribution, or out of the company's share premium account before the shares are purchased.

7.3.2 The Company will use internal resources and/or external borrowings to finance Shares Purchases. It is not possible for the Company to realistically calculate or quantify the impact of purchases that may be made pursuant to the proposed Share Purchase Mandate on the NAV and EPS as the resultant effect would depend on factors such as the aggregate number of Shares purchased, the purchase prices paid at the relevant time, and the amount (if any) borrowed by the Company to fund the purchases.

### 7.4 Status of purchased Share under the Share Purchase Mandate

A Share purchased or acquired by the Company is deemed cancelled immediately and the relative certificate for the Share shall be cancelled and destroyed on purchase or acquisition (and all rights and privileges attached to the Share will expire on such cancellation) unless such Share is held by the Company as a treasury share. Where Shares are cancelled but not held as treasury shares, the issued share capital of the Company shall be diminished by the nominal value of the Shares purchased or acquired by the Company. No reduction is made to the Company's authorised capital. Under the Bermuda Companies Act, in order for the Company to hold Shares as treasury shares, either its Memorandum of Association or its Bye-laws must permit the Company to acquire and hold Shares as treasury shares. The Company is permitted by its Bye-laws to acquire and hold Shares as treasury shares.

### 7.5 Treasury Shares

Under the Bermuda Companies Act, Shares purchased or acquired by the Company may be held as treasury shares. Some of the provisions on treasury shares under the Bermuda Companies Act are summarised below:

#### 7.5.1 Maximum holdings

The Company may not acquire its own Shares to be held as treasury shares if, as a result of the acquisition, all of the Company's issued Shares, other than the Shares to be held as treasury shares, would be non-voting Shares.

#### 7.5.2 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 of the Company.

In addition, no dividend may be paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distributions of assets to members on a winding up) may be made, to the Company in respect of treasury shares. However, the making of an allotment of Shares as fully paid bonus shares in respect of treasury shares is allowed and any such bonus shares shall be treated for the purposes of the Bermuda Companies Act as if they had been acquired by the Company at the time they were allotted.

#### 7.5.3 Disposal and cancellation

Where Shares are held as treasury shares, the Company may, *inter alia*, at any time:

- (a) dispose of or transfer all or any of the Shares for cash or other consideration; or
- (b) cancel all or any of the Shares.

#### 7.5.4 Purchase or acquisition out of capital or profits

Under the Bermuda Companies Act, purchases or acquisitions of Shares by the Company shall be made in accordance with the requirements thereof and no purchase or acquisition by the Company of its own shares may be effected if, on the date on which the purchase or acquisition is effected, there are reasonable grounds for believing that the Company is, or after the purchase or acquisition would be, unable to pay its liabilities as they become due.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration (excluding related brokerage, goods and services tax, stamp duties and clearance fees) will correspondingly reduce the amount available for the distribution of cash dividends by the Company. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital and the share premium account, the amount available for the distribution of cash dividends by the Company will not be reduced.

### 7.6 **Financial and other impact**

The financial effects on the Company and the Group arising from purchases or acquisition of Shares which may be made pursuant to the proposed Shares Purchase Mandate will depend on, *inter alia*, whether the Shares are purchased or acquired, the price paid for such Shares and whether the Shares purchased or acquired are held in treasury or cancelled. The financial effects on the Company and the Group, based on the audited financial statements of the Company and the Group for FY2012, are based on the following principal assumptions:

- (a) the acquisition of Shares pursuant to the proposed Shares Purchase Mandate had taken place on 1 January 2012 for the purpose of computing the financial effects on the EPS of the Group;
- (b) the acquisition of Shares pursuant to the proposed Shares Purchase Mandate had taken place on 1 January 2012 for the purpose of computing the financial effects on the shareholders' equity, NTA per share and gearing of the Group and the Company; and
- (c) transaction costs incurred for the acquisition of Shares pursuant to the proposed Shares Purchase Mandate are assumed to be insignificant and have been ignored for the purpose of computing the financial effects.

#### 7.6.1 Information as at the Latest Practicable Date

As at the Latest Practicable Date, the Company's issued and fully paid up share capital is US\$10,087,084 represented by 504,354,221 Shares (which includes 43,168,000 Shares held as treasury shares). The maximum number of Shares Purchases that can be made within the Relevant Period, or within any one (1) financial year of the Company, whichever is earlier, is up to ten per cent. (10.0%) of the issued share capital (excluding treasury shares) of the Company (ascertained as at the date of the last AGM of the Company or at the date of the SGM, whichever is the higher).

**For illustrative purposes only**, as the Company has 461,186,221 Shares (excluding 43,168,000 treasury shares) as at the Latest Practicable Date, not more than 46,118,000 Shares (representing approximately ten per cent. (10.0%) of the issued share capital (excluding treasury shares) of the Company as at that date) may be purchased or acquired by the Company pursuant to the Shares Purchase Mandate.

No Shares are reserved for issue by the Company as at the Latest Practicable Date.



## 7.6.2 Financial effects

For illustrative purposes only, and on the basis of the assumptions set out below, the financial effects of the:

- (a) acquisition of Shares by the Company pursuant to the proposed Shares Purchase Mandate by way of purchases made entirely out of capital and the share premium account of the Company and held as treasury shares;
- (b) acquisition of Shares by the Company pursuant to the proposed Shares Purchase Mandate by way of purchases made entirely out of capital and the share premium account of the Company and cancelled;
- (c) acquisition of Shares by the Company pursuant to the proposed Shares Purchase Mandate by way of purchases made entirely out of funds of the Company which would otherwise be available for dividends or distributions and held as treasury shares; and
- (d) acquisition of Shares by the Company pursuant to the proposed Share Purchase Mandate by way of purchases made entirely out of funds of the Company which would otherwise be available for dividends or distributions and cancelled,

on the audited financial statements of the Group and the Company for FY2012 are set out below.

### **(a) *Purchases made entirely out of capital and the share premium account and held as treasury shares***

#### *Market Purchases*

**For illustrative purposes only**, in a Share Purchase, assuming that the Maximum Price is S\$0.148 which is five per cent. (5.0%) above the average of the closing market prices of a Share over the last five (5) Market Days on which transactions in the Shares were recorded immediately preceding the Latest Practicable Date, the maximum amount of funds required for the purchase of up to 46,118,000 Shares (representing approximately ten per cent. (10.0%) of the total issued share capital (excluding treasury shares) of the Company as at the Latest Practicable Date, which is the maximum number of Shares the Company is allowed to purchase) under and during the duration of the proposed Shares Purchase Mandate, is approximately S\$6,825,000 (equivalent to approximately US\$5,499,000).

On these assumptions, the impact of the Market Purchases by the Company undertaken in accordance with the proposed Shares Purchase Mandate on the Company's and the Group's audited financial statements for FY2012 is as follows:

	Group		Company	
	Before Shares Purchases US\$'000	After Shares Purchases US\$'000	Before Shares Purchases US\$'000	After Shares Purchases US\$'000
<u>As at 31 December 2012</u>				
Share Capital	10,087	10,087	10,087	10,087
Share Premium	18,994	18,994	18,994	18,994
Retained Earnings	22,689	17,174	247	136
Shareholders' equity	62,910	57,395	26,423	20,813
NTA <sup>(1)</sup>	62,946	57,431	26,423	20,813
Current Assets	96,700	91,185	84	84
Current Liabilities	47,950	47,950	272	272
Working Capital	48,750	43,235	(188)	(188)
Total Liabilities	55,879	55,879	272	272
Number of Shares ('000) <sup>(2)</sup>	459,842	413,724	459,842	413,724
Financial Ratios:				
NTA per Share, US cents <sup>(3)</sup>	13.69	13.88	5.75	5.03
Basic EPS, US cents <sup>(4)</sup>	2.41	2.66	N/A	N/A
Gearing <sup>(5)</sup>	0.18	0.20	N/A	N/A
Current ratio <sup>(6)</sup>	2.02	1.90	0.31	0.31

**Notes:**

- (1) NTA equals total assets less the sum of total liabilities and intangible assets.
- (2) Number of Shares outstanding excludes treasury shares held by the Company since treasury shares are not entitled to any dividends and any right to attend or vote at meetings of the Company as stated in Section 5.2.
- (3) NTA per Share equals to NTA divided by the number of Shares outstanding as at 31 December 2012.
- (4) Basic EPS equals to profit attributable to shareholders divided by the weighted average number of Shares outstanding during the year ended 31 December 2012 before and after the Shares Purchases.
- (5) Gearing equals total bank borrowings and obligation under finance leases for the Group and the Company respectively, divided by Shareholders' equity.
- (6) Current ratio equals current assets divided by current liabilities.

*Off-Market Purchases*

**For illustrative purposes only**, in a Shares Purchase, assuming that the Maximum Price is S\$0.148 which is five per cent. (5.0%) above the average of the closing market prices of a Share over the last five (5) Market Days on which transactions in the Shares were recorded immediately preceding the Latest Practicable Date, the maximum amount of funds required for the purchase of up to 46,118,000 Shares (representing approximately ten per cent. (10.0%) of the total issued share capital (excluding treasury shares) of the Company as at the Latest Practicable Date, which is the maximum number of Shares the Company is allowed to purchase) under and during the duration of the proposed Shares Purchase Mandate, is approximately S\$6,825,000 (equivalent to approximately US\$5,499,000).

On these assumptions, the impact of the Off-Market Purchases by the Company undertaken in accordance with the proposed Shares Purchase Mandate on the Company's and the Group's audited financial statements for FY2012 will be the same as those presented for the impact of Market Purchases by the Company undertaken in accordance with the proposed Shares Purchase Mandate on the Company's and the Group's audited financial statements for FY2012, as stated above under the section entitled "Purchases made entirely out of capital and the share premium account and held as treasury shares".

**(b) Purchases made entirely out of capital and the share premium account and cancelled**

The cancellation of any Shares pursuant to a Shares Purchase will reduce the issued share capital of the Company by the nominal value of the Shares purchased and the share premium account will be reduced by an amount being the consideration for the purchase of the Shares less the aggregate nominal value of such Shares. No reduction is made to the Company's authorised share capital. The NTA of the Company and the Group will be reduced by the aggregate purchase price paid by the Company for the Shares.

*Market Purchases*

**For illustrative purposes only**, in a Shares Purchase, assuming that the Maximum Price is S\$0.148 which is five per cent. (5.0%) above the average of the closing market prices of a Share over the last five (5) Market Days on which transactions in the Shares were recorded immediately preceding the Latest Practicable Date, the maximum amount of funds required for the purchase of up to 46,118,000 Shares (representing approximately ten per cent. (10.0%) of the total issued share capital (excluding treasury shares) of the Company as at the Latest Practicable Date, which is the maximum number of Shares the Company is allowed to purchase) under and during the duration of the proposed Share Purchase Mandate, is approximately S\$6,825,000 (equivalent to approximately US\$5,499,000).

On these assumptions, the impact of the Market Purchases by the Company undertaken in accordance with the proposed Shares Purchase Mandate on the Company's and the Group's audited financial statements for FY2012 is as follows:

	Group		Company	
	Before Shares Purchases US\$'000	After Shares Purchases US\$'000	Before Shares Purchases US\$'000	After Shares Purchases US\$'000
<u>As at 31 December 2012</u>				
Share Capital	10,087	9,165	10,087	9,165
Share Premium	18,994	14,417	18,994	14,417
Retained Earnings	22,689	22,673	247	136
Shareholders' equity	62,910	57,395	26,423	20,813
NTA <sup>(1)</sup>	62,946	57,431	26,423	20,813
Current Assets	96,700	91,185	84	84
Current Liabilities	47,950	47,950	272	272
Working Capital	48,750	43,235	(188)	(188)
Total Liabilities	55,879	55,879	272	272
Number of Shares ('000) <sup>(2)</sup>	459,842	413,724	459,842	413,724
Financial Ratios:				
NTA per Share, US cents <sup>(3)</sup>	13.69	13.88	5.75	5.03
Basic EPS, US cents <sup>(4)</sup>	2.41	2.66	N/A	N/A
Gearing <sup>(5)</sup>	0.18	0.20	N/A	N/A
Current ratio <sup>(6)</sup>	2.02	1.90	0.31	0.31

**Notes:**

- (1) NTA equals total assets less the sum of total liabilities and intangible assets.
- (2) Number of Shares outstanding excludes treasury shares held by the Company since treasury shares are not entitled to any dividends and any right to attend or vote at meetings of the Company as stated in Section 5.2.
- (3) NTA per Share equals to NTA divided by the number of Shares outstanding as at 31 December 2012.
- (4) Basic EPS equals to profit attributable to shareholders divided by the weighted average number of Shares outstanding during the year ended 31 December 2012 before and after the Shares Purchases.
- (5) Gearing equals total bank borrowings and obligation under finance leases for the Group and the Company respectively, divided by Shareholders' equity.
- (6) Current ratio equals current assets divided by current liabilities.

*Off-Market Purchases*

**For illustrative purposes only**, in a Shares Purchase, assuming that the Maximum Price is S\$0.148 which is five per cent. (5.0%) above the average of the closing market prices of a Share over the last five (5) Market Days on which transactions in the Shares were recorded immediately preceding the Latest Practicable Date, the maximum amount of funds required for the purchase of up to 46,118,000 Shares (representing approximately ten per cent. (10.0%) of the total issued share capital (excluding treasury shares) of the Company as at the Latest Practicable Date, which is the maximum number of Shares the Company is allowed to purchase) under and during the duration of the proposed Shares Purchase Mandate, is approximately S\$6,825,000 (equivalent to approximately US\$5,449,000).

On these assumptions, the impact of the Off-Market Purchases by the Company undertaken in accordance with the proposed Shares Purchase Mandate on the Company's and the Group's audited financial statements for FY2012 will be the same as those presented for the impact of Market Purchases by the Company undertaken in accordance with the proposed Shares Purchase Mandate on the Company's and the Group's audited financial statements for FY2012, as stated above under the section entitled "Purchases made entirely out of capital and the share premium account and cancelled".

**(c) *Purchases made entirely out of funds of the Company which would otherwise be available for dividends or distributions and held as treasury shares***

*Market Purchases*

**For illustrative purposes only**, in a Shares Purchase, assuming that the Maximum Price is S\$0.148 which is five per cent. (5.0%) above the average of the closing market prices of a Share over the last five (5) Market Days on which transactions in the Shares were recorded immediately preceding the Latest Practicable Date, the maximum amount of funds required for the purchase of up to 46,118,000 Shares (representing approximately ten per cent. (10.0%) of the total issued share capital (excluding treasury shares) of the Company as at the Latest Practicable Date, which is the maximum number of Shares the Company is allowed to purchase) under and during the duration of the proposed Shares Purchase Mandate, is approximately S\$6,825,000 (equivalent to approximately US\$5,449,000).

On these assumptions, the impact of the Market Purchases by the Company undertaken in accordance with the proposed Shares Purchase Mandate on the Company's and the Group's audited financial statements for FY2012 is as follows:

	Group		Company	
	Before Shares Purchases US\$'000	After Shares Purchases US\$'000	Before Shares Purchases US\$'000	After Shares Purchases US\$'000
<u>As at 31 December 2012</u>				
Share Capital	10,087	10,087	10,087	10,087
Share Premium	18,994	18,994	18,994	18,994
Retained Earnings	22,689	22,673	247	136
Shareholders' equity	62,910	57,395	26,423	20,813
NTA <sup>(1)</sup>	62,946	57,431	26,423	20,813
Current Assets	96,700	91,185	84	84
Current Liabilities	47,950	47,950	272	272
Working Capital	48,750	43,235	(188)	(188)
Total Liabilities	55,879	55,879	272	272
Number of Shares ('000) <sup>(2)</sup>	459,842	413,724	459,842	413,724
Financial Ratios:				
NTA per Share, US cents <sup>(3)</sup>	13.69	13.88	5.75	5.03
Basic EPS, US cents <sup>(4)</sup>	2.41	2.66	N/A	N/A
Gearing <sup>(5)</sup>	0.18	0.20	N/A	N/A
Current ratio <sup>(6)</sup>	2.02	1.90	0.31	0.31

**Notes:**

- (1) NTA equals total assets less the sum of total liabilities and intangible assets.
- (2) Number of Shares outstanding excludes treasury shares held by the Company since treasury shares are not entitled to any dividends and any right to attend or vote at meetings of the Company as stated in Section 5.2.
- (3) NTA per Share equals to NTA divided by the number of Shares outstanding as at 31 December 2012.
- (4) Basic EPS equals to profit attributable to shareholders divided by the weighted average number of Shares outstanding during the year ended 31 December 2012 before and after the Shares Purchases.
- (5) Gearing equals total bank borrowings and obligation under finance leases for the Group and the Company respectively, divided by Shareholders' equity.
- (6) Current ratio equals current assets divided by current liabilities.

*Off-Market Purchases*

**For illustrative purposes only**, in a Shares Purchase, assuming that the Maximum Price is S\$0.148 which is five per cent. (5.0%) above the average of the closing market prices of a Share over the last five (5) Market Days on which transactions in the Shares were recorded immediately preceding the Latest Practicable Date, the maximum amount of funds required for the purchase of up to 46,118,000 Shares (representing approximately ten per cent. (10.0%) of the total issued share capital (excluding treasury shares) of the Company as at the Latest Practicable Date, which is the maximum number of Shares the Company is allowed to purchase) under and during the duration of the proposed Shares Purchase Mandate, is approximately S\$6,825,000 (equivalent to approximately US\$5,499,000).

On these assumptions, the impact of the Off-Market Purchases by the Company undertaken in accordance with the proposed Shares Purchase Mandate on the Company's and the Group's audited financial statements for FY2012 will be the same as those presented for the impact of Market Purchases by the Company undertaken in accordance with the proposed Shares Purchase Mandate on the Company's and the Group's audited financial statements for FY2012, as stated above under the section entitled "Purchases made entirely out of funds of the Company which would otherwise be available for dividends or distributions and held as treasury shares".

**(d) Purchases made entirely out of funds of the Company which would otherwise be available for dividends or distributions and cancelled**

The cancellation of any Shares pursuant to a Shares Purchase will reduce the issued share capital of the Company by the nominal value of the Shares purchased. The retained earnings of the Company will be reduced by an amount being the consideration for the purchase of the Shares less the aggregate nominal value of such Shares. Any deficit in the Company's retained earnings as a consequence of this reduction will be removed by the declaration of dividends by the Subsidiaries to the Company. No reduction is made to the Company's authorised share capital. The NTA of the Company and the Group will be reduced by the aggregate purchase price paid by the Company for the Shares.

*Market Purchases*

**For illustrative purposes only**, in a Shares Purchase, assuming that the Maximum Price is S\$0.148 which is five per cent. (5.0%) above the average of the closing market prices of a Share over the last five (5) Market Days on which transactions in the Shares were recorded immediately preceding the Latest Practicable Date, the maximum amount of funds required for the purchase of up to 46,118,000 Shares (representing approximately ten per cent. (10.0%) of the total issued share capital (excluding treasury shares) of the Company as at the Latest Practicable Date, which is the maximum number of Shares the Company is allowed to purchase) under and during the duration of the proposed Shares Purchase Mandate, is approximately S\$6,825,000 (equivalent to approximately US\$5,449,000).

On these assumptions, the impact of the Shares Purchases by the Company undertaken in accordance with the proposed Shares Purchase Mandate on the Company's and the Group's audited financial statements for FY2012 is as follows:

	Group		Company	
	Before Shares Purchases US\$'000	After Shares Purchases US\$'000	Before Shares Purchases US\$'000	After Shares Purchases US\$'000
<u>As at 31 December 2012</u>				
Share Capital	10,087	9,165	10,087	9,165
Share Premium	18,994	18,994	18,994	18,994
Retained Earnings	22,689	18,096	247	(4,441)
Shareholders' equity	62,910	57,395	26,423	20,813
NTA <sup>(1)</sup>	62,946	57,431	26,423	20,813
Current Assets	96,700	91,185	84	84
Current Liabilities	47,950	47,950	272	272
Working Capital	48,750	43,235	(188)	(188)
Total Liabilities	55,879	55,879	272	272
Number of Shares ('000) <sup>(2)</sup>	459,842	413,724	459,842	413,724
Financial Ratios:				
NTA per Share, US cents <sup>(3)</sup>	13.69	13.88	5.75	5.03
Basic EPS, US cents <sup>(4)</sup>	2.41	2.66	N/A	N/A
Gearing <sup>(5)</sup>	0.18	0.20	N/A	N/A
Current ratio <sup>(6)</sup>	2.02	1.90	0.31	0.31

**Notes:**

- (1) NTA equals total assets less the sum of total liabilities and intangible assets.
- (2) Number of Shares outstanding excludes treasury shares held by the Company since treasury shares are not entitled to any dividends and any right to attend or vote at meetings of the Company as stated in Section 5.2.
- (3) NTA per Share equals to NTA divided by the number of Shares outstanding as at 31 December 2012.
- (4) Basic EPS equals to profit attributable to shareholders divided by the weighted average number of Shares outstanding during the year ended 31 December 2012 before and after the Shares Purchases.
- (5) Gearing equals total bank borrowings and obligation under finance leases for the Group and the Company respectively, divided by Shareholders' equity.
- (6) Current ratio equals current assets divided by current liabilities.

*Off-Market Purchases*

**For illustrative purposes only**, in a Shares Purchase, assuming that the Maximum Price is S\$0.148 which is five per cent. (5.0%) above the average of the closing market prices of a Share over the last five (5) Market Days on which transactions in the Shares were recorded immediately preceding the Latest Practicable Date, the maximum amount of funds required for the purchase of up to 46,118,000 Shares (representing approximately ten per cent. (10.0%) of the total issued share capital (excluding treasury shares) of the Company as at the Latest Practicable Date, which is the maximum number of Shares the Company is allowed to purchase) under and during the duration of the proposed Shares Purchase Mandate, is approximately S\$6,825,000 (equivalent to approximately US\$5,449,000).

On these assumptions, the impact of the Off-Market Purchases by the Company undertaken in accordance with the proposed Shares Purchase Mandate on the Company's and the Group's audited financial statements for FY2012 will be the same as those presented for the impact of Market Purchases by the Company undertaken in accordance with the proposed Shares Purchase Mandate on the Company's and the Group's audited financial statements for FY2012, as stated above under the section entitled "Purchases made entirely out of funds of the Company which would otherwise be available for dividends or distributions and cancelled".

- 7.6.3 As at 31 December 2012, the Group and the Company had cash balances and fixed deposits of US\$40,738,000 and US\$12,514,000 respectively. In order to effect a purchase of up to 46,118,000 Shares at the Maximum Price computed at the Latest Practicable Date, whether by way of Market Purchases or Off-Market Purchases, cash reserves by the Company of approximately US\$5,449,000 will be required.
- 7.6.4 For illustrative purposes, it is assumed that the Company demands the repayment of approximately US\$5,449,000 from its related corporations to finance purchases of its Shares. The Company may, however, when making Shares Purchases pursuant to the proposed Shares Purchase Mandate, whether by way of Market Purchases or Off-Market Purchases, use internal resources and/or external borrowings to finance the purchases.
- 7.6.5 As illustrated above, the purchase of Shares will have the effect of reducing the working capital and the NTA of the Company and/or the Group by the dollar value of the Shares purchased and interest income foregone as mentioned in Section 6.7 below. The consolidated NTA per Share as at 31 December 2012 will increase from 13.69 US cents to 13.88 US cents as a result of the reduction in the number of issued Shares after the Shares Purchases.

- 7.6.6 Assuming that the Shares Purchases had taken place on 1 January 2012, whether by way of Market Purchases or Off-Market Purchases, the consolidated basic EPS of the Group for FY2012 would be increased from the profit of 2.41 US cents per Share to the profit of 2.66 US cents per Share as a result of the reduction in the number of issued Shares, after taking into account of interest income foregone (based on an interest rate of 0.29% per annum, being the prevailing fixed deposits 12-month interest rate in Singapore). The Company's non-current assets will decrease from US\$26,611,000 to US\$21,001,000 as it is assumed that the Company demands the repayment from its related corporations to finance the purchases of its Shares after taking into account of interest income foregone on interest bearing loan to a subsidiary (based on an interest rate of 2% per annum) while its current assets and current liabilities will remain unchanged after the purchase at the Maximum Price in a Market Purchase. The Group's current assets will decrease from US\$96,700,000 to US\$91,185,000 after the Shares Purchases.
- 7.6.7 As the Shares Purchases will reduce the cash reserves of the Group, there will be a corresponding reduction in the current assets and the Shareholders' equity of the Group. The current ratios of the Group and the Company will decline. The actual impact on the current ratios will depend on the number of Shares purchased and the prices at which the Shares were purchased.
- 7.6.8 **Shareholders should note that the financial effects set out above, based on the respective aforementioned assumptions, are for illustration purposes only. In particular, it is important to note that the above analysis is based on historical audited FY2012 numbers, and is not necessarily representative of future financial performance.**
- 7.6.9 The Company will take into account both financial factors (for example, cash surplus, debt position and working capital requirement) and non-financial factors (for example, share market conditions and the performance of the shares) in assessing the relative impact of a Shares Purchase before execution.
- 7.6.10 Shares Purchases by the Company pursuant to the proposed Shares Purchase Mandate will only be made in circumstances where it is considered to be in the best interests of the Company. It should be noted that purchases pursuant to the proposed Shares Purchase Mandate may not be carried out to the full ten per cent. (10.0%) as mandated. Further, the Directors do not propose to exercise the proposed Shares Purchase Mandate to such an extent as would have a material adverse effect on the working capital requirements of the Company or the gearing levels which, in the opinion of the Directors, are from time to time appropriate for the Company.

## 7.7 Tax Implications

Shareholders who are in doubt as to their respective tax positions or any tax implications, or who may be subject to tax in a jurisdiction outside Singapore, should consult their own professional advisers.

## 7.8 Take-over consequences

### 7.8.1 Requirement to make General Offer

Under Appendix 2 of the Take-over Code, an increase of a Shareholder's proportionate interest in the voting rights of the Company resulting from a Shares Purchase by the Company will be treated as an acquisition for the purpose of Rule 14 of the Take-over Code. Rule 14.1 of the Take-over Code requires, *inter alia*, that, except with the consent of the Council, where:

- (a) any person acquires, whether by a series of transactions over a period of time or not, shares which (taken together with shares held or acquired by persons acting in concert with him) carry thirty per cent. (30.0%) or more of the voting rights of a company; or



- (b) any person who, together with persons acting in concert with him, holds not less than thirty per cent. (30.0%) but not more than fifty per cent. (50.0%) of the voting rights and such person, or any person acting in concert with him, acquires in any period of six (6) months additional shares carrying more than one per cent. (1.0%) of the voting rights,

such person shall extend immediately an offer in accordance with the provisions of the Take-over Code to the holders of any class of share capital which carries votes and in which such person or persons acting in concert with him hold shares. In addition to such person, each of the principal members of the group of persons acting in concert with him may, according to the circumstances of the case, have the obligation to extend an offer.

The offer required to be made under the provisions of Rule 14.1 of the Take-over Code shall, in respect of each class of share capital involved, be in cash or be accompanied by a cash alternative at the Required Price.

### 7.8.2 Application of the Take-Over Code

As at the Latest Practicable Date, the Directors' and Substantial Shareholders' shareholding interests in the Company are as follows:

Name	Direct Interest		Deemed Interest		Options to subscribe for new shares
	Number of Shares	%	Number of Shares	%	
<b>Directors</b>					
Mr. Koichi URANO	710,000	0.15	–	–	1,952,000
Mr. Akihiro KIYOTA	200,000	0.04	–	–	1,952,000
Mr. DY MO Hua Cheung, Philip	400,000	0.09	–	–	1,952,000
Mr. Shinichi OCHI	–	–	–	–	1,464,000
Mr. LAI Shi Hong, Edward	200,000	0.04	–	–	1,464,000
Mr. CHONG Pheng	–	–	–	–	–
Mr. Masatoshi MITANI	–	–	–	–	–
Mr. NG Wai Kee	–	–	–	–	–
<b>Substantial Shareholders</b>					
Mikuni Co., Limited	239,680,000	51.97	–	–	–
Kunikazu YOSHIMI <sup>(Note)</sup>	17,805,221	3.86	239,680,000	51.97	–

**Note:**

Mr. Kunikazu Yoshimi is deemed interested in the Shares held by Mikuni Co., Limited by virtue of his 100.0% shareholdings in Mikuni Co., Limited.

Mr. Kunikazu Yoshimi, a Substantial Shareholder, owns the entire issued and paid-up share capital of Mikuni Co., Limited, a Substantial Shareholder. Based on the shareholdings of Mikuni Co., Limited and Mr. Kunikazu Yoshimi in the Company (as shown above), as at the Latest Practicable Date, they collectively own more than fifty per cent. (50.0%) of the voting rights of the Company. In the event the Company undertakes Shares Purchases of up to ten per cent. (10.0%) of the issued share capital (excluding treasury shares) of the Company as permitted by the proposed Shares Purchase Mandate, Mikuni Co., Limited and Mr. Kunikazu Yoshimi are not required under the Take-over Code to make a mandatory offer.

Based on the respective individual shareholdings of our other Directors, namely Mr. Koichi Urano, Mr. Akihiro Kiyota, Mr. Lai Shi Hong, Edward and Mr. Dy Mo Hua Cheung, Philip, as set out in this Section 7.8.2 above, in the event that the Company undertakes Shares Purchases of up to ten per cent. (10.0%) of the issued share capital (excluding treasury shares) of the Company as permitted by the proposed Shares Purchase Mandate, none of the resultant shareholdings of our other Directors will increase to thirty per cent. (30.0%) or more. Accordingly, no mandatory offer is required to be made pursuant to the Take-over Code.

The Directors are not aware of any Shareholder or group of Shareholders acting in concert who may become obligated to make a mandatory offer in the event that the Directors exercise the power to make Shares Purchases pursuant to the proposed Shares Purchase Mandate.

Shareholders who are in doubt as to their obligations, if any, to make a mandatory take-over offer under the Take-over Code as a result of Shares Purchases by the Company are advised to consult their professional advisers and/or the Council and/or other relevant authorities at the earliest opportunity.

### 7.8.3 Shares bought by the Company in the previous twelve (12) months

The Company made on-market purchases of 19,229,000 Shares in the twelve (12) months preceding the Latest Practicable Date. Details of such purchases of Shares are set out below:

<b>Serial No.</b>	<b>Date of purchase</b>	<b>Total number of Shares purchased and held as treasury shares</b>	<b>Price paid per Share S\$</b>	<b>Total consideration (including stamp duties, clearing charges, etc) paid for the Shares S\$</b>
1.	16 May 2012	96,000	0.0900	8,669.37
2.	17 May 2012	50,000	0.0900	4,515.30
3.	21 May 2012	35,000	0.0900	3,160.71
4.	24 May 2012	100,000	0.0910	9,130.94
5.	25 May 2012	213,000	0.0929	19,854.97
6.	28 May 2012	200,000	0.0920	18,462.56
7.	29 May 2012	500,000	0.0913	45,805.21
8.	30 May 2012	300,000	0.0900	27,091.80
9.	1 June 2012	200,000	0.0910	18,261.88
10.	4 June 2012	240,000	0.0880	21,191.80
11.	6 June 2012	371,000	0.0890	33,131.26
12.	7 June 2012	300,000	0.0890	26,790.78
13.	8 June 2012	493,000	0.0890	44,026.18
14.	12 June 2012	70,000	0.0874	6,138.79
15.	13 June 2012	12,000	0.0880	1,059.59
16.	15 June 2012	300,000	0.0880	26,489.76
17.	18 June 2012	150,000	0.0880	13,244.88
18.	20 June 2012	50,000	0.0880	4,414.96
19.	21 June 2012	80,000	0.0880	7,063.93
20.	22 June 2012	250,000	0.0900	22,576.50
21.	25 June 2012	40,000	0.0880	3,531.96
22.	28 June 2012	200,000	0.0890	17,860.52
23.	3 July 2012	350,000	0.0900	31,607.10
24.	5 July 2012	367,000	0.0900	33,142.30
25.	10 July 2012	20,000	0.0880	1,765.98
26.	16 August 2012	5,000	0.0910	456.55
27.	17 August 2012	300,000	0.0920	27,693.84
28.	24 August 2012	100,000	0.0930	9,331.62
29.	27 August 2012	100,000	0.0930	9,331.62
30.	28 August 2012	200,000	0.0930	18,663.24
31.	29 August 2012	200,000	0.0930	18,663.24
32.	30 August 2012	250,000	0.0920	23,078.20
33.	31 August 2012	200,000	0.0930	18,663.24
34.	4 September 2012	200,000	0.0920	18,462.56

<b>Serial No.</b>	<b>Date of purchase</b>	<b>Total number of Shares purchased and held as treasury shares</b>	<b>Price paid per Share S\$</b>	<b>Total consideration (including stamp duties, clearing charges, etc) paid for the Shares S\$</b>
35.	5 September 2012	100,000	0.0920	9,231.28
36.	6 September 2012	162,000	0.0931	15,133.48
37.	7 September 2012	472,000	0.0934	44,234.68
38.	10 September 2012	150,000	0.0940	14,147.94
39.	11 September 2012	350,000	0.0957	33,608.88
40.	12 September 2012	200,000	0.0960	19,265.28
41.	13 September 2012	100,000	0.0950	9,532.30
42.	14 September 2012	375,000	0.0955	35,934.26
43.	17 September 2012	300,000	0.0955	28,747.41
44.	18 September 2012	200,000	0.0885	17,760.18
45.	19 September 2012	50,000	0.0880	4,414.96
46.	21 September 2012	141,000	0.0900	12,733.14
47.	25 September 2012	200,000	0.0920	18,462.56
48.	26 September 2012	450,000	0.0928	41,901.98
49.	28 September 2012	374,000	0.0927	34,787.67
50.	2 October 2012	112,000	0.0939	10,552.55
51.	4 October 2012	100,000	0.0940	9,431.96
52.	5 October 2012	400,000	0.0950	38,129.20
53.	8 October 2012	250,000	0.0940	23,579.90
54.	10 October 2012	200,000	0.0950	19,064.60
55.	11 October 2012	150,000	0.0940	14,147.94
56.	12 October 2012	200,000	0.0940	18,863.92
57.	15 October 2012	200,000	0.0940	18,863.92
58.	17 October 2012	150,000	0.0930	13,997.43
59.	18 October 2012	205,000	0.0940	19,335.51
60.	19 October 2012	100,000	0.0930	9,331.62
61.	22 October 2012	30,000	0.0930	2,799.48
62.	23 October 2012	150,000	0.0940	14,147.94
63.	25 October 2012	600,000	0.0940	56,591.76
64.	19 November 2012	35,000	0.0930	3,266.07
65.	21 November 2012	440,000	0.0936	41,324.02
66.	22 November 2012	212,000	0.0959	20,399.92
67.	23 November 2012	250,000	0.0960	24,081.60
68.	26 November 2012	297,000	0.0950	28,310.93
69.	28 November 2012	250,000	0.0960	24,081.60
70.	29 November 2012	250,000	0.0960	24,081.60
71.	30 November 2012	250,000	0.0970	24,332.45
72.	3 December 2012	170,000	0.0970	16,546.06
73.	5 December 2012	342,000	0.0980	33,629.95
74.	6 December 2012	250,000	0.0980	24,583.30
75.	7 December 2012	100,000	0.0980	9,833.32
76.	11 December 2012	200,000	0.0990	19,867.32
77.	12 December 2012	500,000	0.0990	49,668.30
78.	13 December 2012	100,000	0.0980	9,833.32
79.	17 December 2012	600,000	0.0990	59,601.96
80.	18 December 2012	100,000	0.1000	10,034.00

Serial No.	Date of purchase	Total number of Shares purchased and held as treasury shares	Price paid per Share S\$	Total consideration (including stamp duties, clearing charges, etc) paid for the Shares S\$
81.	19 December 2012	550,000	0.1000	55,187.00
82.	20 December 2012	600,000	0.1010	60,806.04
83.	21 December 2012	600,000	0.1010	60,806.04
84.	4 January 2013	120,000	0.1022	12,305.69

## 7.9 Listing status of the Company's securities

7.9.1 The Directors will ensure that the Shares Purchases will not have any effect on the listing of the Company's securities including the Shares listed on the SGX-ST. Clause 723 of the Listing Manual requires at least ten per cent. (10.0%) of any class of a company's listed securities to be held by the public at all times. The Directors shall safeguard the interests of public Shareholders (as defined in the Listing Manual) before undertaking any Shares Purchase. Before exercising the proposed Shares Purchase Mandate, the Directors shall at all times take due cognisance of (a) the then shareholding spread of the Company in respect of the number of Shares held by Substantial Shareholders and by non-Substantial Shareholders and (b) the volume of trading on the SGX-ST in respect of the Shares immediately before the exercise of any Shares Purchase.

7.9.2 As at the Latest Practicable Date, 202,191,000 Shares constituting approximately 43.84% of a total of 461,186,221 Shares issued by the Company (excluding treasury shares) are held by the public. The Company is of the view that there is sufficient number of Shares in issue held by public Shareholders which would permit the Company to undertake Shares Purchases of up to ten per cent. (10.0%) of its issued ordinary share capital within the Relevant Period, or within any one (1) financial year of the Company, whichever is earlier, without affecting the listing status of the Shares on the SGX-ST. The Company will ensure that notwithstanding the Shares Purchases, a sufficient float in the hands of the public will be maintained in order not to cause market illiquidity or affect orderly trade.

## 7.10 Limits on Shareholdings

The Company does not have any limits on the shareholdings of any Shareholder.

## 8. SPECIAL GENERAL MEETING

The SGM, notice of which is set out on pages 71 to 74 of this Circular, will be held at Sandalwood Room, Swissotel Merchant Court Singapore, 20 Merchant Road, Singapore 058281 on 29 April 2013 at 3.15 p.m. (or immediately following the conclusion or adjournment of the 2013 AGM to be held at 3.00 p.m. on the same day and at the same place) for the purpose of considering and, if thought fit, passing, with or without modification, the resolutions set out in the Notice of SGM on pages 71 to 74 of this Circular.

## 9. ACTION TO BE TAKEN BY SHAREHOLDERS AND DEPOSITORS

Shareholders who are unable to attend the SGM and who wish to appoint a proxy to attend and vote on their behalf are requested to complete, sign and return the relevant Proxy Form despatched to the Shareholders together with this Circular in accordance with the instructions printed therein as soon as possible and in any event so as to arrive at the office of the Company's Singapore Share Transfer agent, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place #32-01 Singapore Land Tower, Singapore 048623 not later than 48 hours before the time fixed for the SGM. The appointment of a proxy by a Shareholder does not preclude him from attending and voting in person at the meeting if he wishes to do so.

Under the Bermuda Companies Act, only a person whose name is entered in the register of members of a Bermuda company may have rights to attend and vote at general meetings of such company. Accordingly, under Bermuda laws, a Depositor holding Shares through the CDP would not be recognised as a Shareholder of the Company, and would not have the right to attend and vote at general meetings convened by the Company. Pursuant to Bye-law 85(B)(iv) of the Bye-laws of the Company, unless the CDP specifies otherwise in a written notice to the Company, the CDP shall be deemed to have appointed as the CDP's proxies to vote on behalf of the CDP at a general meeting of the Company each of the Depositors who are individuals and whose names are shown in the records of the CDP (as at a time not earlier than 48 hours prior to the time of the general meeting) supplied by the CDP to the Company. In addition, such appointment of proxies shall not require an instrument of proxy or the lodgement of any instrument of proxy.

Accordingly, Depositors who are individuals and whose names are listed in the Depository Register as at 48 hours before the time of the SGM may attend and vote at the SGM.

A Depositor which is a corporation and which wishes to attend and vote at the SGM must complete and return the enclosed Depositor Proxy Form, for the nomination of person(s) to attend and vote at the SGM on behalf of CDP. Depositors who are individuals and who wish to nominate an alternative person(s) to attend and vote at the SGM on behalf of CDP must also complete and return the enclosed Depositor Proxy Form.

To be valid, the enclosed Proxy Form or Depositor Proxy Form (as the case may be) must be signed and returned, together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority, in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach one of the places specified in the Proxy Form or Depositor Proxy Form (as the case may be) not less than 48 hours before the time appointed for holding the SGM. The completion and return of the Proxy Form or Depositor Proxy Form (as the case may be) by a Shareholder or Depositor who is an individual (as the case may be) will not prevent him from attending and voting in person at the SGM as a Shareholder or as a proxy of CDP (as the case may be) if he subsequently wishes to do so.

## **10. DIRECTORS' RECOMMENDATION**

### **10.1 The proposed adoption of the ESOS 2013, the proposed offer and grant of Options at a discount under the ESOS 2013 and the proposed adoption of the Performance Scheme**

The Directors are all eligible to participate and therefore interested in the proposed ESOS 2013 and Performance Scheme. They have accordingly abstained from making any recommendations to Shareholders, and in the case of such Directors who are Shareholders, shall abstain from voting, in respect of Resolutions 1, 2 and 3, being the Ordinary Resolutions relating to the proposed adoption of the ESOS 2013, the proposed offer and grant of Options at a discount under the ESOS 2013 and the proposed adoption of the Performance Scheme respectively, as set out in the Notice of SGM.

The Directors shall also decline to accept any appointment as proxy for any Shareholder to vote in respect of Resolutions 1, 2 and 3 unless the Shareholder concerned has given specific instructions in his Proxy Form as to the manner in which his votes are to be cast in respect of Resolutions 1, 2 and 3.

In addition, all Shareholders who are eligible to participate in the ESOS 2013 and/ or Performance Scheme should abstain from voting in respect of Resolutions 1, 2 and 3 at the SGM (as the case may be), and they shall also decline to accept any appointment as proxy for any Shareholder to vote in respect of the said Ordinary Resolutions unless the Shareholder concerned has given specific instructions in his Proxy Form as to the manner in which his votes are to be cast in respect of Resolutions 1, 2 and 3.

Shareholders should also note that the passing of Resolution 3 is contingent upon the approval of Resolution 1.

Save as disclosed above, none of the Directors or substantial Shareholders of the Company has any interest, direct or indirect, in the ESOS 2013 and the Performance Scheme.

## **10.2 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 the Resolution 4 relating to the proposed renewal of the Share Purchase Mandate.

## **11. DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Share Purchase Mandate, the ESOS 2013, the Performance Scheme, the issuer and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in the Circular 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 the circular in its proper form and context.

## **12. DOCUMENTS FOR INSPECTION**

Copies of the following documents may be inspected at the registered office of the Singapore Share Transfer Agent of the Company, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place #32-01 Singapore Land Tower, Singapore 048623 during normal business hours from the date of this Circular up to and including the date of the SGM:

- (a) the Bye-laws of the Company;
- (b) the proposed rules of ESOS 2013;
- (c) the proposed rules of the Performance Scheme; and
- (d) the Annual Report of the Company for the financial period ended 31 December 2012.

Yours faithfully  
For and on behalf of the Board of Directors of  
**CDW HOLDING LIMITED**

DY MO Hua Cheung, Philip  
Executive Director

## THE PROPOSED CDW EMPLOYEES' SHARE OPTION SCHEME 2013

### 1. Name of the Scheme

The Scheme shall be called the "CDW Employees' Share Option Scheme 2013".

### 2. Definitions

2.1 Unless the context otherwise requires, the following words and expressions shall have the following meanings:

"Acceptance Period"	: The period within which an Option may be accepted, as described in Rule 7
"Act"	: The Companies Act, Chapter 50 of Singapore as amended or modified from time to time
"Adoption Date"	: The date on which the Scheme is adopted by the Company in an extraordinary general meeting
"Aggregate Subscription Cost"	: The total amount payable for the Shares to be subscribed for on the exercise of an Option, including the aggregate Exercise Price for such Shares and the relevant CDP Charges described under Rule 19
"Associated Company"	: A company in which at least 20% but not more than 50% of its shares are held by the Company or our Group and over which the Company has control
"Auditors"	: The auditors for the time being of the Company
"Board"	: The board of directors for the time being of the Company
"CDP"	: The Central Depository (Pte) Limited
"Committee"	: A committee comprising directors of the Company, duly authorised and appointed by the Board to administer the Scheme
"Company"	: CDW Holding Limited, a company incorporated in Bermuda
"Controlling Shareholder"	: A person who: <ul style="list-style-type: none"> <li>(a) holds directly or indirectly 15.0% or more of the nominal amount of all voting shares in the company; or</li> <li>(b) in fact exercises control over a company</li> </ul>
"CPF"	: Central Provident Fund
"Depositor"	: Shall have the meaning ascribed to it under the Act
"Depository Agent"	: An entity registered as a depository agent with the CDP for the purpose of maintaining securities sub-accounts for its own account and for the account of others

“Executive Director”	: A director of the Company who is a full-time employee and who performs an executive function
“Exercise Price”	: The price at which a Participant shall subscribe for each Share upon the exercise of an Option, as determined in accordance with Rule 8.1.
“Grantee”	: A person to whom an offer of an Option is made
“Group”	: The Company and its subsidiaries
“Market Day”	: A day on which the SGX-ST is open for trading in securities
“Non-Executive Director”	: A person who is: <ul style="list-style-type: none"> <li>(a) an independent director of the Company; or</li> <li>(b) a director of the Company and/or any of its subsidiaries, as the case may be, other than a Group executive director</li> </ul>
“Offer Date”	: The date on which an Option is granted pursuant to Rule 6
“Option”	: The right to subscribe for Shares granted or to be granted pursuant to the Scheme and for the time being subsisting, and in respect of which the Exercise Price is determined in accordance with Rule 8
“Option Period”	: The period for the exercise of an Option as set out in Rule 9.1
“Participant”	: The holder of an Option
“Rules”	: The rules of the Scheme, as the same may be amended from time to time
“Scheme”	: The CDW Employees’ Share Option Scheme 2013, as modified or altered from time to time
“Securities Account”	: The securities account maintained by a Depositor with CDP
“SGX-ST”	: The Singapore Exchange Securities Trading Limited
“Shares”	: Fully-paid ordinary shares of US\$0.02 each in the capital of the Company
“Shareholders”	: The registered holders of the Shares except where the registered holder is CDP, the term “Shareholder” shall in relation to such Shares, mean the Depositor whose Securities Account are credited with Shares
“treasury shares”	: Shares which were (or are treated as having been) purchased by the Company in circumstances in which Section 42B of the Bermuda Companies Act applies and have been held by the Company continuously since the treasury shares were so purchased and have not been cancelled.
“\$”	: Singapore dollars
“%”	: Per centum



2.2 For the purposes of the Scheme:

- (a) in relation to a company (including, where the context requires, the Company), “control” means the capacity to dominate decision-making directly or indirectly, in relation to the financial and operating policies of that company;
- (b) unless rebutted, a person who holds directly or indirectly, a shareholding of 15% or more of the Company’s issued share capital shall be presumed to be a Controlling Shareholder; and
- (c) in relation to a Controlling Shareholder, its “associate” has the meaning assigned to it in the Listing Manual of the SGX-ST.

2.3 Any reference in the Scheme to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Act and used in these Rules shall have the meaning assigned to it under the Act.

2.4 Words importing the singular number shall include the plural number where the context admits and vice versa. Words importing the masculine gender shall include the feminine gender where the context admits.

2.5 Any reference to a time of day shall be a reference to Singapore time.

### **3. Objectives of the Scheme**

The Scheme is a share incentive scheme. The purpose of the Scheme is to provide an opportunity for the Non-Executive Directors, Executive Directors and employees of our Group to participate in the equity of the Company so as to motivate them to greater dedication, loyalty and higher standards of performance. The Scheme is proposed on the basis that it is important to acknowledge and secure the future contribution by the Non-Executive Directors, Executive Directors and employees, which is essential to the well-being and profitability of our Group, made by these categories of persons. The Company, by adopting the Scheme, will give these categories of persons a real and meaningful stake in the Company at no direct cost to its profitability and will help to achieve the following objectives:

- (a) the motivation of Participants to optimise performance standards and efficiency and to maintain a high level of contribution;
- (b) to make total employee remuneration sufficiently competitive to recruit and retain key employees whose contributions are important to the long term growth and prosperity of our Group;
- (c) to align the interests of employees with the interests of the shareholders of the Company;
- (d) the attainment of harmonious employer/staff relations, as well as the strengthening of working relationships with them; and
- (e) the development of a participatory style of management which promotes greater commitment and dedication amongst the employees and instills loyalty and a stronger sense of identification with the long term prosperity of our Group.

### **4 Eligibility**

4.1 The following persons (provided that such persons are not undischarged bankrupts at the relevant time) shall be eligible to participate in the Scheme at the absolute discretion of the Committee:

- (a) confirmed full-time employees of the Company and/or its subsidiaries who have attained the age of 21 years on or before the Offer Date;
- (b) Executive Directors of the Company and/or its subsidiaries;

- (c) Non-Executive Directors of the Company; and
- (d) employees who qualify under sub-paragraph (a) above and are seconded (and not formally transferred) to an Associated Company or any other company outside our Group in which the Company and/or Group has an equity interest, and who, in the absolute discretion of the Committee is selected to participate in the Scheme.

For the purposes of paragraph 4.1(d) above, the secondment of an employee to another company shall not be regarded as a break in his employment or his having ceased employment as a full-time employee of our Group by reason only of such secondment.

- 4.2 Employees, Executive Directors or Non-Executive Directors who are either Controlling Shareholders or their associates are not eligible to participate in the Scheme.
- 4.3 There shall be no restriction on the eligibility of any Participant to participate in any other share option or share incentive schemes implemented by any other companies within our Group, or by any Associated Company or otherwise.
- 4.4 Subject to the Act and any requirement of the SGX-ST or any other stock exchange on which the Shares may be listed or quoted, the terms of eligibility for participation in the Scheme may be amended from time to time at the absolute discretion of the Committee.

## **5. Limitations under the Scheme**

- 5.1 The aggregate number of Shares over which the Committee may grant Options on any date, when added to the number of Shares issued and issuable and/ or treasury shares in respect of (i) all Options granted under the Scheme; and (ii) any share option, share incentive, or performance share plans implemented by the Company for the time being in force, shall not exceed 15% of the issued shares capital (excluding treasury shares) of the Company on the day preceding that date.
- 5.2 Subject to Rule 4, the aggregate number of Shares in respect of which Options may be offered to an employee, Executive Director or a Non-Executive Director, as the case maybe, for subscription in accordance with the Scheme shall be determined at the discretion of the Committee who shall take into account criteria such as the rank and responsibilities within our Group, performance, years of service and potential for future development of the employee, Executive Director or Non-Executive Director, as the case maybe, and the general performance of our Group provided that any grant of Options to any one employee, Executive Director or Non-Executive Director, as the case maybe, together with Options already granted to such employee, Executive Director or Non-Executive Director, as the case maybe, under the Scheme, which represents 5% or more of the total number of Options available to the employees, Executive Directors and Non-Executive Directors must be approved by independent Shareholders.

## **6. Date of Grant**

- 6.1 The Committee may, subject to the provisions in Rule 12, grant Options at any time, provided that in the event that an announcement on any matter of an exceptional nature involving unpublished price sensitive information is imminent, Options may only be granted on or after the second Market Day from the date on which the aforesaid announcement is released.
- 6.2 The Letter of Offer to grant the Option shall be in, or substantially be in, the form set out in Schedule A, subject to such modification including but not limited to, imposing restrictions on the number of Options that may be exercised within the Option Period as set out in Rule 9.1, or as the Committee may from time to time determine.

## **7. Acceptance of Options**

- 7.1 An Option shall be personal to the Participant to whom it is granted and shall not be transferred, assigned (other than to a Participant's personal representative on the death of that Participant), charged, pledged or otherwise disposed of, in whole or in part, unless with the prior approval of the Committee.

- 7.2 The closing date for the acceptance for the grant of any Option under this Rule 7 shall be within thirty (30) days from the Offer Date of that Option, and not later than 5pm on the thirtieth (30th) day of the Offer Date. The grant of an Option must be accepted by completing, signing and returning the Acceptance Form in, or substantially in, the form set out in Schedule B and accompanied by payment of \$1.00 as consideration, subject to such modification as the Committee may from time to time determine.
- 7.3 The Participant may accept or refuse the whole or part of the offer. If only part of the offer is accepted, the Participant shall accept the offer in multiples of 1,000 Shares. The Committee shall within 15 Market Days of receipt of the Acceptance Form and consideration acknowledge receipt of the same.
- 7.4 The Company shall be entitled to reject any purported acceptance of a grant of an Option made pursuant to this Rule 7 or any Exercise Notice given pursuant to Rule 11 which does not strictly comply with the terms of the Scheme.
- 7.5 If a grant of an Option is not accepted in the manner as provided in Rule 7.2, such offer shall, upon the expiry of the Acceptance Period, automatically lapse and become null and void and of no effect.
- 7.6 In the event that a grant of an Option results in a contravention of any applicable law or regulation, such grant shall be null and void and of no effect and the relevant participant shall have no claim whatsoever against the Company.

## **8. Exercise Price**

- 8.1 Subject to any adjustment pursuant to Rule 12, the Exercise Price for each Share in respect of which an Option is exercisable shall be determined by the Committee at its absolute discretion by reference to:
- (a) a price equal to the average of the last dealt price(s) for a Share, as determined by reference to the official list or any other publication published by the SGX-ST, for the last five (5) Market Days immediately preceding the Offer Date of that Option ("Market Price"); or
  - (b) a price (as shall be determined by the Committee in its absolute discretion) which is set at a discount to the Market Price, provided that: (i) the maximum discount shall not exceed 20% of the Market Price (or such other percentage or amount as may be prescribed or permitted for the time being by the SGX-ST) and (ii) the discount must have been approved by our Shareholders in a separate resolution.
- 8.2 In no event shall the Exercise Price be less than the nominal value of a Share. Where the Exercise Price (as determined under Rule 8.1) is less than the nominal value of a Share, the Exercise Price shall then be the nominal value.

## **9. Rights to Exercise Options**

- 9.1 Subject to the provisions in this Rule 9 and Rule 10 and any other conditions as may be introduced by the Committee from time to time, each Option shall be exercisable, in whole or in part, during the Option Period. For Options granted with the Exercise Price set at the Market Price in accordance with Rule 8.1(a), the Option Period shall commence on (and include) the first anniversary of the Offer Date and expire on (and include) the day immediately preceding the fifth anniversary of the Offer Date, or such other period determined by the Committee or prescribed under any relevant law, regulation or rule of the SGX-ST from time to time. For Options granted with the Exercise Price set at a discount to the Market Price in accordance with Rule 8.1(b), the Option Period shall commence on (and include) the second anniversary of the Offer Date and expire on (and include) the day immediately preceding the fifth anniversary of the Offer Date, or such other period determined by the Committee or prescribed under any relevant law, regulation or rule of the SGX-ST from time to time.

- 9.2 In the event of an Option being exercised in part only, the balance of the Option not thereby exercised shall continue to be exercisable in accordance with the Scheme until such time as it shall lapse in accordance with the Scheme.
- 9.3 An Option shall, to the extent unexercised, immediately lapse without any claim against the Company:
- (a) subject to Rules 9.4 and 9.5, upon the Participant ceasing to be in the full-time employment of the Group for any reason whatsoever; or
  - (b) upon 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 such Option; or
  - (c) in the event of any misconduct on the part of the Participant as determined in the Committee's discretion; or
  - (d) in the event that the Committee shall, at its discretion, deem it appropriate that such Option granted to a Participant shall so lapse on the grounds that any of the objectives of the Scheme (as set out in Rule 3) have not been met.

For the purpose of Rule 9.3(a), the Participant shall be deemed to have ceased to be so employed as of the date of his notice of resignation of employment or the cessation of his employment/appointment, whichever is earlier, with our Group.

- 9.4 If a Participant ceases to be employed by our Group by reason of his:
- (a) ill health, injury or disability (in each case, evidenced to the satisfaction of the Committee);
  - (b) redundancy;
  - (c) retirement before the legal retirement age with the consent of the Committee;
  - (d) retirement before the legal retirement age with the consent of the Committee, or any other reason approved in writing by the Committee; he may exercise any unexercised Options within the relevant Option Period.
- 9.5 If a Participant dies and at the date of his death holds any unexercised Option, such Option may, at the discretion of the Committee, be exercised by the duly appointed personal representatives of the Participant within such period after his death as may be determined by the Committee in its absolute discretion (but before the expiration of the Option Period in respect of that Option), and upon the expiration of such period, the Option shall lapse. Such exercise shall, at the discretion of the Committee, either be in full or only in respect of such Shares comprised in that Option for which the Participant would have been entitled to exercise. The Committee may, in exercising such discretion, allow the Option to be exercised at any time, notwithstanding that the date of exercise of such Option falls on a date prior to the first day of the Option Period in respect of such Option.
- 9.6 The Committee may by notification, provide for further restrictions on the period during which Options may be exercised (whether granted with the Exercise Price set at a discount to the Market Price or not).

## **10. Take-over and Winding Up of the Company**

- 10.1 Notwithstanding Rule 9 but subject to Rule 10.5, in the event of a take-over being made for the Shares, a Participant and/or including those Participants holding Options which are not yet exercisable pursuant to provisions under Rule 9.1, shall be entitled to exercise in full or in part any Option held by him and as yet unexercised, in the period commencing on the date on which such offer is made or, if such offer is conditional, the date on which such offer becomes or is declared unconditional, as the case may be, and ending on the earlier of:

- (a) the expiry of six months thereafter, unless prior to the expiry of such six-month period, at the recommendation of the offeror and with the approvals of the Committee and the SGX-ST, such expiry date is extended to a later date (in either case, being a date falling not later than the expiry of the Option Period relating thereto); or
- (b) the date of expiry of the Option Period relating thereto,

whereupon the Option then remaining unexercised shall lapse and become null and void.

Provided that if during such period, the offeror becomes entitled or bound to exercise rights of compulsory acquisition under the provisions of the Act and, being entitled to do so, gives notice to the Participants that it intends to exercise such rights on a specified date, the Option shall remain exercisable by the Participant until the expiry of such specified date or the expiry of the Option Period relating thereto, whichever is earlier. Any Option not so exercised shall lapse provided that the rights of acquisition or obligations to acquire shall have been exercised or performed, as the case may be. If such rights or obligations have not been exercised or performed, the Option shall, notwithstanding Rule 9, remain exercisable until the expiry of the Option Period relating thereto.

- 10.2 If under any applicable laws, the court sanctions 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, each Participant (including Participants holding Options which are not yet exercisable pursuant to provisions under Rule 9.1) shall be entitled, notwithstanding Rule 9 but subject to Rule 10.5, to exercise any Option then held by him during the period commencing on the date upon which the compromise or arrangement is sanctioned by the court and ending either on the expiry of sixty (60) days thereafter or the date upon which the compromise or arrangement becomes effective, whichever is later (but not after the expiry of the Option Period relating thereto), whereupon the Option shall lapse and become null and void.
- 10.3 If an order is made for the winding-up of the Company on the basis of its insolvency, all Options, to the extent unexercised, shall lapse and become null and void.
- 10.4 In the event of a members' voluntary winding-up (other than for amalgamation or reconstruction), the Participants (including Participants holding Options which are not yet exercisable pursuant to provisions under Rule 9.1) shall be entitled, within thirty (30) days of the passing of the resolution of such winding-up (but not after the expiry of the Option Period relating thereto), to exercise any unexercised Option, after which such unexercised Option shall lapse and become null and void.
- 10.5 If in connection with the making of a general offer referred to in Rule 10.1 or the scheme referred to in Rule 10.2 or the winding-up referred to in Rule 10.4, arrangements are made (which are confirmed in writing by the Auditors, acting only as experts and not as arbitrators, in assessment of what is fair and reasonable) for the compensation of Participants, whether by the continuation of their Options or the payment of cash or the grant of other options or otherwise, a Participant holding an Option, as yet not exercised, may not, at the discretion of the Committee, be permitted to exercise that Option as provided for in this Rule 10.
- 10.6 To the extent that an Option is not exercised within the periods referred to in this Rule 10, it shall lapse and become null and void.

## **11. Exercise of Options**

- 11.1 An Option may be exercised, in whole or in part (provided that an Option may be exercised in part only in respect of 1,000 Shares or any multiple thereof), by a Participant giving notice in writing to the Company in, or substantially in, the form set out in Schedule C, subject in each case to such modification as the Committee may from time to time determine. Such notice must be accompanied by a remittance for the Aggregate Subscription Cost in respect of the Shares for which that Option is exercised and any other documentation the Committee may require. An Option shall be deemed to be exercised upon receipt by the Company of the said notice, duly completed, the relevant documentation required by the Committee and the Aggregate Subscription Cost.

- 11.2 All payments made shall be made by cheque, cashiers' order, banker's draft or postal order made out in favour of the Company or such other mode of payment as may be acceptable to the Company.
- 11.3 Subject to such consents or other required action of any competent authority under any regulations or enactments for the time being in force as may be necessary and subject to the compliance with the terms of the Scheme and the memorandum of association and Bye-laws of the Company, the Company shall, within 10 Market Days after the exercise of an Option, issue and allot and/or transfer the relevant Shares and within five (5) Market Days from the date of the allotment and/or transfer of the relevant Shares, despatch to CDP the relevant share certificates by ordinary post or such other mode as the Committee may deem fit.
- 11.4 The Company shall, if necessary, as soon as practicable after the exercise of the Option, apply to the SGX-ST (and any other stock exchange on which the Shares are quoted or listed) for permission to deal in and for quotation of such Shares. The Company may deliver the Shares to the Participant by way of an issue and allotment of new Shares or the transfer of treasury shares or a combination of both.
- 11.5 Shares which are allotted and/or transferred on the exercise of an Option by a Participant shall be issued either in the name of the Participant or in the name of CDP to the credit of the securities account of that particular Participant which is maintained with CDP, the securities sub-account maintained with a Depository Agent or the CPF investment account maintained with a CPF agent bank (if applicable) accordingly.
- 11.6 Shares issued and allotted or treasury shares which are transferred upon the exercise of an Option shall be subject to all the provisions of the memorandum of association and Bye-laws of the Company, and shall rank in full for all entitlements, excluding dividends, rights (including voting rights), allotment or other distributions declared or recommended in respect of the then existing Shares, on the Record Date for which falls on or before the relevant exercise date of the Option, and shall in all other respects rank in pari passu with other existing Shares then in issue. "Record Date" means the date fixed by the Company for purposes of determining entitlements to dividends or other distributions to or rights of holders of Shares.
- 11.7 The Company shall keep available sufficient unissued Shares and/or sufficient treasury shares to satisfy the full exercise of all Options for the time being remaining capable of being exercised.

## **12. Variation of Capital**

- 12.1 If a variation in the issued ordinary share capital of the Company (whether by way of a capitalisation of profits or reserves or rights issue, reduction, subdivision, consolidation or distribution) shall take place:
- (a) the Exercise Price for the Shares comprised in an Option to the extent unexercised; and/or
  - (b) the nominal value, class and/or number of Shares comprised in the Option so far as unexercised; and/or
  - (c) the nominal amount, class and/or number of Shares over which Options may be granted under the Scheme,

shall be adjusted by the Committee in such manner and the Committee may determine to be appropriate to give each Participant the same proportion of the equity capital of the Company as that to which he was previously entitled, and except in relation to a capitalisation issue, upon the written confirmation of the Auditors, that in their opinion, such adjustment is fair and reasonable.

- 12.2 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; or

- (b) 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 SGX-ST 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.

12.3 Notwithstanding the provisions of Rule 12.1:

- (a) no such adjustment shall be made if as a result, the Exercise Price shall fall below the nominal amount of a Share and if such adjustment would, but for this paragraph (a), result in the Exercise Price being less than the nominal amount of a Share, the Exercise Price payable shall be the nominal amount of a Share;
- (b) the adjustment must be made in such a way that a Participant will not receive a benefit that a Shareholder does not receive; and
- (c) any determination by the Committee as to whether to make any adjustment and if so, the manner in which such adjustment should be made, must (except in relation to a capitalisation issue) be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.

12.4 Upon any adjustment required to be made pursuant to this Rule 12, 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 Exercise Price thereafter in effect and the nominal value, class and/or number of Shares thereafter to be issued on the exercise of the Option. Any adjustment shall take effect upon such written notification being given.

### **13. Administration of the Scheme**

- 13.1 The Scheme shall be administered by the Committee in its absolute discretion with such powers and duties as are conferred on it by the Board, provided that no member of the Committee who is also a Participant of the Scheme shall participate in any deliberation or decision in respect of Options granted or to be granted to him.
- 13.2 The Committee shall have the power, from time to time, to make and vary such regulations (not being inconsistent with the Scheme) for the implementation and administration of the Scheme as they think fit, including but not limited to imposing restrictions on the number of Options that may be exercised within the Option Period as set out in Rule 9.1.
- 13.3 Any decision of the Committee made pursuant to any provision of the Scheme (other than a matter to be certified by the Auditors) shall be final and binding (including any disputes as to the interpretation of the Scheme or any rule, regulation, procedure thereunder or as to any rights under the Scheme).

### **14. Notices and Annual Report**

- 14.1 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 as may be notified by the Company to him in writing.
- 14.2 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 him by hand or sent to him at his home address according to the records of the Company or the last known address of the Participant and if sent by post, shall be deemed to have been given on the day following the date of posting.

14.3 The Company shall disclose the following in its annual report:

- (a) the names of the members of the Committee administering the scheme; and
- (b) the information required in the table below for the following participants:
  - (i) Directors of the Company; and
  - (ii) Participants, other than those in (i) above, who receive 5% or more of the total number of options available under the Scheme:

Name of Participant	No. of Options granted during financial year under review (including terms)	Aggregate Options granted since commencement of the Scheme to the end of the financial year under review	Aggregate Options exercised since commencement of the Scheme to the end of the financial year under review	Aggregate Options outstanding as at the end of the financial year under review
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- (c) the number and proportion of Options granted at a discount during the financial year under review, such information to be disclosed in respect of every 10% discount range, up to 20%;
- (d) an appropriate negative statement that the participants who are Controlling Shareholders or their associates, directors and employees of the parent company and its subsidiaries are not eligible to participate in the Scheme.

**15. Modifications to the Scheme**

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

- (a) no modification or alteration shall alter adversely the rights attaching to any Option granted prior to such modification or alteration except with the consent in writing of such number of Participants who, if they exercised their Options in full, would thereby become entitled to not less than three quarters in nominal amount of all the Shares which would fall to be allotted upon exercise in full of all outstanding Options; and
- (b) the definitions of “Associate”, “Associated Company”, “Committee”, “Controlling Shareholder”, “Exercise Price”, “Group”, “Non-Executive Director”, “Participant”, “Option Period” and the provisions of Rules 4, 5, 6, 7, 8, 9, 10, 11.1, 11.6, 12, 13 and this Rule 15 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 listing or quotation of new shares issued pursuant to any modification or alteration shall be made without the prior approval of the SGX-ST, or any other stock exchange on which the Shares are quoted or listed, and such other regulatory authorities as may be necessary.

15.2 Notwithstanding anything to the contrary contained in Rule 15.1, the Committee may at any time by resolution (and without other formality) amend or alter the Scheme in any way to the extent necessary to cause the Scheme to comply with any statutory provision or the provision or the regulations of any regulatory or other relevant authority or body (including the SGX-ST).

15.3 Written notice of any modification or alteration made in accordance with this Rule 15 shall be given to all Participants.



15.4 Participants who are also Shareholders and are eligible to participate in the Scheme must abstain from voting on any resolution relating to the Scheme.

15.5 The Scheme may be terminated at any time by the Committee or by ordinary resolution of the Company in general meeting and if the Scheme is so terminated, no further Options shall be offered by the Company hereunder but the then existing rights of Participants and/or Grantees under the scheme shall not be affected.

#### **16. Terms of Employment unaffected**

The terms of employment of a Participant shall not be affected by his participation in the Scheme, 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.

#### **17. Duration of the Scheme**

17.1 The Scheme shall continue to be in force at the discretion of the Committee, subject to a maximum period of five (5) years commencing on the Adoption Date, provided always that the Scheme 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.

17.2 The Scheme may be terminated at any time by the Committee or by resolution of the Company in general meeting subject to all relevant approvals which may be required and if the Scheme is so terminated, no further Options shall be offered by the Company hereunder.

17.3 The expiry or termination of the Scheme shall not affect Options which have been granted and accepted as provided in Rule 7.2, whether such Options have been exercised (whether fully or partially) or not.

#### **18. Taxes**

All taxes (including income tax) arising from the exercise of any Option granted to any Participant under the Scheme shall be borne by that Participant.

#### **19. Costs and expenses**

19.1 Each Participant shall be responsible for all fees of CDP relating to or in connection with the issue and allotment of any Shares pursuant to the exercise of any Option 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, or CPF investment account with a CPF agent bank (collectively, the "CDP Charges").

19.2 Save for the taxes referred to in Rule 18 and such other costs and expenses expressly provided in the Scheme to be payable by the Participants, all fees, costs and expenses incurred by the Company in relation to the Scheme including but not limited to the fees, costs and expenses relating to the allotment and issue of Shares pursuant to the exercise of any Option shall be borne by the Company.

#### **20. Disclaimer of liability**

Notwithstanding any provisions herein contained, the Board, the Committee and the Company 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 the Shares or applying for or procuring the listing of the Shares on the SGX-ST in accordance with Rule 11.4 (and any other stock exchange on which the Shares are quoted or listed).

**21. 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.

**22. Condition of Option**

Every Option shall be subject to the condition that no Shares shall be issued pursuant to the exercise of an Option if such issue would be contrary to any law or enactment, or any rules or regulations of any legislative or non-legislative governing body for the time being in force in Singapore or any other relevant country having jurisdiction in relation to the issue of Shares hereto.

**23. Governing law**

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

**CDW EMPLOYEES' SHARE OPTION SCHEME 2013**

**LETTER OF OFFER**

Date: \_\_\_\_\_

Serial No: \_\_\_\_\_

**PRIVATE AND CONFIDENTIAL**

To: Name  
Designation  
Address

Dear Sir/Madam

We are pleased to inform you that you have been nominated by the Committee of the Board of Directors of CDW Holding Limited ("Company") to participate in the CDW Employees' Share Option Scheme 2013 (the "Scheme").

Accordingly, an offer is hereby made to grant you an Option (as defined in the Scheme), in consideration of the payment of a sum of S\$1.00, to subscribe for and be allotted ordinary shares of US\$0.02 each in the capital of the Company at the price of S\$ per ordinary share. The Option shall be subject to the terms of this Letter of Offer and the Scheme (as the same may be amended from time to time pursuant to the terms and conditions of the Scheme), a copy of which is enclosed herewith.

The Option is personal to you and may not be sold, mortgaged, transferred, charged, assigned, pledged or otherwise disposed of or encumbered in whole or in part or in any way whatsoever.

If you wish to accept the offer, please sign and return the enclosed Acceptance Form with a sum of S\$1.00 not later than 5 p.m. on the day of failing which this offer will forthwith lapse.

Yours faithfully

For and on behalf of  
CDW Holding Limited

**CDW EMPLOYEES' SHARE OPTION SCHEME 2013**

**ACCEPTANCE FORM**

Serial No: \_\_\_\_\_

To: The Committee of the CDW Employees' Share Option Scheme 2013

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Closing Time and Date for Acceptance of Option : \_\_\_\_\_

No. of Shares in respect of which Option is offered : \_\_\_\_\_

Exercise Price per Share : S\$ \_\_\_\_\_

Total Amount Payable on Acceptance of Option : S\$ \_\_\_\_\_  
(exclusive of the relevant CDP charges)

I have read your Letter of Offer dated \_\_\_\_\_ ("Offer Date") and agree to be bound by the terms thereof and of the CDW Employees' Share Option Scheme 2013 stated therein.

I hereby accept the Option to subscribe for \_\_\_\_\_ ordinary shares of US\$0.02 each in the capital of CDW Holding Limited (the "Shares") at S\$ \_\_\_\_\_ per Share and enclose \*cash/ banker's draft/cashiers'/postal order for S\$ \_\_\_\_\_ being payment for the purchase of the Option.

I understand that I am not obliged to exercise the Option.

I also understand that I shall be responsible for all the fees of CDP relating to or in connection with the issue and allotment of any Shares in CDP's name, the deposit of share certificates with CDP, my securities account with CDP or my securities sub-account with a CDP Depository Agent (as the case may be) (collectively, the "CDP charges").

I hereby acknowledge that you have not made any representation or warranty or given me any expectation of employment or continued employment to induce me to accept the offer and that the terms of the Letter of Offer and this Acceptance Form constitute the entire agreement between us relating to the offer.

**PLEASE PRINT IN BLOCK LETTER**

Name in full : \_\_\_\_\_

Designation : \_\_\_\_\_

Address : \_\_\_\_\_

Nationality : \_\_\_\_\_

\*NRIC/Passport No. : \_\_\_\_\_

Signature : \_\_\_\_\_

Date : \_\_\_\_\_

\* Delete as appropriate

**Notes :-**

1. Option must be accepted in full or in multiples of 1,000 Shares
2. The Acceptance Form must be forwarded to the Company Secretary in an envelope marked "Private and Confidential";
3. The Participant shall be informed by the Company of the relevant CDP charges payable at the time of the exercise of an option.

**CDW EMPLOYEES' SHARE OPTION SCHEME 2013**

**EXERCISE NOTICE**

To: The Committee of the CDW Employees' Share Option Scheme 2013

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Total Number of ordinary shares of US\$0.02 each : \_\_\_\_\_  
 (the "Share") at S\$ \_\_\_\_\_ per Share  
 under an Option granted on \_\_\_\_\_  
 (the "Offer Date")

Number of Shares previously allotted and issued, : \_\_\_\_\_  
 or transferred thereunder

Outstanding balance of Shares entitled to : \_\_\_\_\_  
 under the Option thereunder

Number of Shares now to be subscribed : \_\_\_\_\_

1. Pursuant to your Letter of Offer dated [date] (the "Offer Date") and my acceptance thereof, I hereby exercise the Option to subscribe for Shares in CDW Holding Limited (the "Company") at S\$ \_\_\_\_\_ per Share.

\*2. I hereby request the Company to allot and transfer to me the number of Shares specified in paragraph 1 \*(a) in my name or \*(b) in the name of The Central Depository (Pte) Limited ("CDP") to the credit of my \*Securities Account with CDP/\* Securities Sub-Account with a CDP Depository Agent specified below and to deliver the share certificates relating thereto to CDP at my own risk. I further agree to bear such fees or other charges as may be imposed by CDP (the "CDP charges") in respect thereof:

\*(i) Direct Securities Account Number : \_\_\_\_\_

\*(ii) Securities Sub-Account Number : \_\_\_\_\_

Name of CDP Depository Agent : \_\_\_\_\_

I enclose a \*cheque/cashier's order/bank draft/postal order no. \_\_\_\_\_ for S\$ \_\_\_\_\_ in payment for the subscription of S\$ \_\_\_\_\_ for the total number of the said Shares and the CDP charges of S\$ \_\_\_\_\_.

I agree to subscribe for the Shares subject to the terms of the Letter of Offer, the CDW Employees' Share Option Scheme 2013 and the memorandum of association and Bye-laws of the Company.

3. I declare that I am subscribing for the Shares for myself and not as a nominee for any other person.

**PLEASE PRINT IN BLOCK LETTER**

Name in full : \_\_\_\_\_

Designation : \_\_\_\_\_

Address : \_\_\_\_\_

Nationality : \_\_\_\_\_

\*NRIC/Passport No. : \_\_\_\_\_

Signature : \_\_\_\_\_

Date : \_\_\_\_\_

\* Delete as appropriate

**Notes :-**

1. An Option may be exercised in whole or in part provided that an Option may be exercised in part only in respect of 1,000 Shares or any multiple thereof; and
2. The form entitled "Exercise Notice" must be forwarded to the Company Secretary in an envelope marked "Private and Confidential".

## THE PROPOSED CDW SHARE PERFORMANCE SCHEME 2013

### 1. Name of the Scheme

The Scheme shall be called the “CDW Share Performance Scheme 2013”.

### 2. Definitions

2.1 Unless the context otherwise requires, the following words and expressions shall have the following meanings:

“Act”	:	The Companies Act (Chapter 50) of Singapore as amended or modified from time to time
“Adoption Date”	:	The date on which the Performance Scheme is adopted by the Company in an extraordinary general meeting
“Associated Company”	:	A company in which at least 20% but not more than 50% of its shares are held by the Company or the Group and over which the Company has control
“Auditors”	:	The auditors for the time being of the Company
“Award”	:	A contingent award of Shares granted under Rule 5
“Award Letter”	:	A letter in such form as the Committee shall approve, confirming an Award granted to a Participant by the Committee
“Board”	:	The board of directors for the time being of the Company
“Bye-law”	:	The bye-laws of the Company, as amended or modified from time to time
“CDP”	:	The Central Depository (Pte) Limited
“Committee”	:	A committee comprising directors of the Company, duly authorised and appointed by the Board to administer the Performance Scheme
“Company”	:	CDW Holding Limited, a company incorporated in Bermuda
“Controlling Shareholder”	:	A person who: <ul style="list-style-type: none"> <li>(b) holds directly or indirectly 15.0% or more of the nominal amount of all voting shares in the company; or</li> <li>(b) in fact exercises control over a company</li> </ul>
“CPF”	:	Central Provident Fund
“Depositor”	:	Shall have the meaning ascribed to it under the Act

“Depository Agent”	: An entity registered as a depository agent with the CDP for the purpose of maintaining securities sub-accounts for its own account and for the account of others
“Date of Grant”	: The date on which an Award is granted pursuant to Rule 5
“Executive Director”	: A director of the Company who is a full-time employee and who performs an executive function
“Group”	: The Company and its subsidiaries
“Market Day”	: A day on which the SGX-ST is open for trading in securities
“Market Value”	: In relation to a Share, on any day: <ul style="list-style-type: none"> <li>(a) the volume weighted average price for a Share determined by the Committee by reference to the daily official list published by the SGX-ST for a period of five (5) consecutive Market Days prior to the day, provided that in the case of a Market Day on which the Shares were not traded on the SGX-ST, the volume weighted average price for a Share on such Market Day shall be deemed to be the volume weighted average price of a Share on the immediately preceding Market Day on which the Shares were traded, rounded up to the nearest three (3) decimal places in the event of fractional prices; or</li> <li>(b) if the Committee is of the opinion that the Market Value as determined in accordance with paragraph (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</li> </ul>
“Non-Executive Director”	: A person who is: <ul style="list-style-type: none"> <li>(a) an independent director of the Company; or</li> <li>(b) a director of the Company and/or any of its subsidiaries, as the case may be, other than a Group executive director</li> </ul>
“Participant”	: A person who is selected by the committee participates in the Performance Scheme
“Performance Condition”	: the condition(s) specified on the Date of Grant in relation to that Award
“Performance Scheme”	: The CDW Share Performance Scheme 2013, as modified or altered from time to time
“Performance Period”	: a period, the duration of which is to be determined by the Committee on the Date of Grant, during which the Performance Condition is to be satisfied



“Record Date”	: The date as at the close of business (or such other time as may have been prescribed by the Company) on which Shareholders must be registered in order to participate in the dividends, rights, allotments or other distributions (as the case may be)
“Release”	: In relation to an Award, the release at the end of the Vesting Period relating to that Award of all or some of the Shares to which that Award relates in accordance with Rule 7 and, to the extent that any Shares which are the subject of the Award are not released pursuant to Rule 7, the Award in relation to those Shares shall lapse accordingly, and “Released” shall be construed accordingly
“Released Award”	: An Award in respect of which the Vesting Period relating to that Award has ended and which has been Released
“Rules”	: The rules of the Performance Scheme, as the same may be amended from time to time
“Securities Account”	: The securities account maintained by a Depositor with CDP
“SGX-ST”	: The Singapore Exchange Securities Trading Limited
“Shares”	: Fully-paid ordinary shares of US\$0.02 each in the capital of the Company
“Shareholders”	: The registered holders of the Shares except where the registered holder is CDP, the term “Shareholder” shall in relation to such Shares, mean the Depositor whose Securities Account are credited with Shares
“Subsidiaries”	: The subsidiaries of a company (as defined in Section 5 of the Act)
“treasury shares”	: Shares which were (or are treated as having been) purchased by the Company in circumstances in which Section 42B of the Bermuda Companies Act applies and have been held by the Company continuously since the treasury shares were so purchased and have not been cancelled.
“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, the date (as determined by the Committee and notified to the relevant Participant) on which those Shares have Vested pursuant to Rule 7
“Vesting Period”	: In relation to an Award, a period or periods, the duration of which is to be determined by the Committee at the Date of Grant
“\$”	: Singapore dollars
“%”	: Per centum

2.2 For the purposes of this Performance Scheme:

- (a) in relation to a company (including, where the context requires, the Company), “control” means the capacity to dominate decision-making directly or indirectly, in relation to the financial and operating policies of that company;
- (b) unless rebutted, a person who holds directly or indirectly, a shareholding of 15% or more of the Company’s issued share capital shall be presumed to be a Controlling Shareholder; and
- (c) in relation to a Controlling Shareholder, its “associate” has the meaning assigned to it in the Listing Manual of the SGX-ST.

2.3 Any reference in the Performance Scheme to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Act and used in these Rules shall have the meaning assigned to it under the Act.

2.4 Words importing the singular number shall include the plural number where the context admits and vice versa. Words importing the masculine gender shall include the feminine gender where the context admits.

2.5 Any reference to a time of day shall be a reference to Singapore time.

### **3. Objectives of the Performance Scheme**

3.1 The Performance Scheme is a performance incentive scheme which will form an integral part of the Group’s incentive compensation program.

3.2 The objectives of the Performance Scheme are as follows:

- (a) to provide an opportunity for Participants to participate in the equity of the Company, thereby inculcating a stronger sense of identification with the long term prosperity of the Group and promoting organisational commitment, dedication and loyalty of Participants towards the Group;
- (b) motivate Participants to achieve key financial and operational goals of the company and/ or their respective business units and encourage greater dedication and loyalty to the Group; and
- (c) make total employee remuneration sufficiently competitive to recruit new Participants and/ or retain existing Participants whose contributions are important to the long term growth and profitability of the Group.

### **4. Eligibility**

4.1 Any person may be eligible to participate in the Performance Scheme at the absolute discretion of the Committee if at the Date of Grant:

- (a) he shall be: (i) an employee; (ii) an Executive Director; or (iii) a Non-executive Director;
- (b) he shall have attained the age of 21 years;
- (c) he shall not be an undischarged bankrupt and must not have entered into a composition with his creditors; and
- (d) employees who qualify under sub-paragraph (a) above and are seconded to an Associated Company or any other company outside our Group in which the Company and/or Group has an equity interest, and who, in the absolute discretion of the Committee is selected to participate in the Performance Scheme.

For the purposes of paragraph 4.1(d) above, the secondment of an employee to another company shall not be regarded as a break in his employment or his having ceased employment as a full-time employee of the Group by reason only of such secondment.

- 4.2 Persons who are Controlling Shareholders of the Company or their associates are not eligible to participate in this Performance Scheme.
- 4.3 The eligibility of Participants to participate in the Performance Scheme, and the number of Shares which are the subject of each Award to be granted to a Participant in accordance with the Performance Scheme, and any other applicable terms thereto, shall be determined at the absolute discretion of the Committee, which shall take into account:
- (a) the financial performance of the Group;
  - (b) in respect of a Participant being an employee or an Executive Director, criteria such as his rank, job performance, potential for future development and his contribution to the success and development of the Group; and
  - (c) in respect of a Participant being a Non-executive Director, criteria such as his contribution to the success and development of the Group.
  - (d) the extent of effort required to achieve the Performance Condition within the Performance Period shall also be considered.
- 4.4 There shall be no restriction on the eligibility of any Participant to participate in any other share option or share incentive schemes implemented by any other companies within the Group, or by any Associated Company or otherwise.

## **5. Grant of Awards**

- 5.1 Subject to Rule 8, the Committee may grant Awards to employees, Executive Directors and Non-executive Directors as the Committee may select in its absolute discretion, at any time during the period when the Performance Scheme is in force.
- 5.2 The Committee shall decide, in its absolute discretion, in relation to each Award:
- (a) the Participant;
  - (b) the Date of Grant;
  - (c) the number of Shares which are the subject of the Award;
  - (d) the prescribed Vesting Period(s) (if any);
  - (e) the extent to which Shares which are the subject of that Award shall be Released at the end of each prescribed Vesting Period (if any); and
  - (f) the Performance Period and the Performance Condition (if any),
- 5.3 The Committee may amend or waive the Vesting Period(s) and, the Performance Period and/or the Performance Condition in respect of any Award:
- (a) in the event of a general offer (whether conditional or unconditional) being made for all or any part of the Shares, or a scheme of arrangement or compromise between the Company and its Shareholders being sanctioned by the court under the Companies Act, or a proposal to liquidate or sell all or substantially all of the assets of the Company; or

- (b) 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) the Performance Condition should be waived as the Participant has achieved a level of performance that the Committee considers satisfactory notwithstanding that the Performance Condition may not have been fulfilled, and shall notify the Participant(s) of such change or waiver (but accidental omission to give notice to any Participant(s) shall not invalidate any such change or waiver).

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 Date of Grant;
- (b) the number of Shares which are the subject of the Award;
- (c) the prescribed Vesting Period(s) (if any);
- (d) the extent to which Shares which are the subject of that Award shall be Released at the end of each prescribed Vesting Period (if any); and
- (e) the Performance Period(s) and the Performance Condition (if any).

5.5 Participants are not required to pay for the grant of Awards.

5.6 An Award or Released Award shall be personal to the Participant to whom it is granted and prior to the allotment and/or delivery of the Shares to which the Released Award relates, shall not be transferred, charged, assigned, pledged, mortgaged, encumbered 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, that Award or Released Award shall immediately lapse.

## **6. Events prior to the Vesting Date**

6.1 An Award, to the extent not yet Released, shall forthwith become void and cease to have effect on the occurrence of any of the following events (and in such an event, the Participant shall have no claim whatsoever against the Company, its directors or employees):

- (a) a Participant, being an employee or Executive Director, ceasing for any reason whatsoever, to be in the employment of the Company and/or within the Group or in the event the company by which the employee or Executive Director is employed ceases to be a company in the Group;
- (b) a Participant, being a Non-executive Director, ceasing to be a director of the Company and/or the relevant Subsidiary/associated company, as the case may be, for any reason whatsoever;
- (c) upon the bankruptcy of the Participant or the happening of any other event which results in him being deprived of the legal or beneficial ownership of or interest in such Award;
- (d) death of a Participant;
- (e) a Participant commits any breach of any of the terms of his Award; and/or
- (f) misconduct on the part of a Participant as determined by the Company in its discretion.

For the purpose of Rule 6.1(a) above, an employee or Executive Director shall be deemed to have ceased to be in the employment of the Company or the Subsidiary/associated company (as the case may be) on the date on which he gives notice of termination of employment, unless prior to the date on which termination takes effect, the Employee has (with the consent of the Company or the Subsidiary/ associated company (as the case may be)) withdrawn such notice.

For the purpose of Rule 6.1(b), a Participant shall be deemed to have ceased to be a Non-executive Director as of the date the notice of resignation of or termination of directorship, as the case may be, is tendered by or is given to him, unless such notice shall be withdrawn prior to its effective date.

- 6.2 The Committee may in its absolute discretion and on such terms and conditions as it deems fit, preserve all or any part of any Award notwithstanding the provisions of any other Rules including Rules 6.1 and 7.1. Further to such exercise of discretion, the Awards shall be deemed not to have become void nor cease to have effect in accordance with the relevant provisions in Rule 6.1.
- 6.3 Without prejudice to the provisions of Rules 5.3 and 7.1, to the extent of an Award yet to be Released, if any of the following occurs:
- (a) a general offer (whether conditional or unconditional) being made for all or any part of the Shares;
  - (b) a scheme of an arrangement or compromise between the Company and its Shareholders being sanctioned by the court under the Companies Act;
  - (c) an order for the compulsory winding-up of the Company is made; or
  - (d) a resolution for a voluntary winding-up (other than for amalgamation or reconstruction) of the Company being made,

the Committee may consider, at its discretion, whether or not to Release such Award. If the Committee decides to Release such Award, then in determining the number of Shares to be Vested in respect of such Award, the Committee will have regard to the proportion of the Vesting Period(s) which has elapsed and the extent to which the Performance Condition (if any) has been satisfied. Where such Award is Released, the Committee will, as soon as practicable after such Release, procure the allotment and/or deliver to each Participant of the number of Shares so determined, such allotment and/or delivery to be made in accordance with Rule 7.

## **7. Release of Awards**

- 7.1 (a) As soon as reasonably practicable after the end of the relevant Performance Period, the Committee shall review the Performance Condition specified in each Award Letter to the Participants and determine whether it has been satisfied and, if so, the extent to which it has been satisfied.

If the Committee determines in its sole discretion that the Performance Condition has not been satisfied or if the relevant Participant has not continued to be an employee or director from the Date of Grant up to the end of the relevant Performance Period, that Award shall lapse and be of no value and the provisions of Rule 7 (save for this Rule 7.1(a)) shall be of no effect.

The Committee shall have the discretion to determine whether the 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 computational adjustments to the audited results of the Company or the Group, as the case may be, to take into account such factors as the Committee may determine to be relevant, including changes in accounting methods, taxes and extraordinary events.

Subject to:

- (i) the Committee having determined that the Performance Condition has been satisfied;
- (ii) the relevant Participant having continued to be an employee or director from the Date of Grant up to the end of the relevant Vesting Period;
- (iii) the Committee being of the opinion that the job performance of the relevant Participant has been satisfactory;
- (iv) such consents (including any approvals required by the SGX-ST) as may be necessary;
- (v) compliance with the terms of the Award, the Performance Scheme, the Articles and the Memorandum of Association of the Company;
- (vi) where Shares are to be allotted and/or delivered on the Release of an Award, the Participant having a Securities Account and compliance with the applicable requirements of CDP or a securities sub-account maintained with a Depository Agent; and
- (vii) where new Shares are to be issued and allotted on the Release of an Award, the Company being satisfied that the Shares which are the subject of the Released Award will be listed for quotation on the SGX-ST,

upon the expiry of each Vesting Period in relation to an Award, the Company shall Release to the relevant Participant the Shares to which his Award relates on the Vesting Date.

- (b) Shares which are the subject of a Released Award shall be Vested to a Participant on the Vesting Date, which shall be a Market Day falling as soon as practicable after the Release of such Award in accordance with Rule 7.1(a) and, on the Vesting Date, the Committee will procure the allotment and/or delivery to each Participant of the number of Shares so determined.
- (c) Where new Shares are issued and allotted upon the Vesting of any Award, the Company shall, as soon as practicable after such issue allotment, take such steps as are necessary to arrange for the listing of and quotation for such Shares on the SGX-ST.

7.2 Shares which are allotted and/or delivered on the Release of an Award to a Participant shall be registered in the name of the Participant, or 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.

7.3 The Company may delivery the Shares to the Participant by way of an issue and allotment of new Shares or the transfer of treasury shares or a combination of both. In determining whether to issue new Shares or transfer treasury shares to the Participants to satisfy the Awards, the Company shall take into account factors such as (but not limited to) the number of Shares to be delivered under the Award, and the cost to the Company of either issuing new Shares or transferring the treasury shares. New Shares issued and allotted, and/ or treasury shares which are transferred upon the Release of an Award shall:

- (a) be subject to all the provisions of the Articles and the Memorandum of Association of the Company and the Bermuda Companies Act; and
- (b) rank for any dividend, right, allotment or other distribution on the Record Date of which is on or after the relevant Vesting Date and (subject as aforesaid) will rank *pari passu* in all respects with the Shares then existing.

## **8. Limitation on the size of the Performance Scheme**

The total number of Shares in respect of which the Committee may grant Awards on any date, when added to the number of Shares issued and issuable and/ or treasury shares in respect of (a) all Awards granted under the Performance Scheme and (b) all awards, shares and options granted under any other share option, share incentive, performance share or restricted share plan implemented by the Company and for the time being in force, shall not exceed fifteen per cent. (15.0%) of the number of all issued Shares (excluding treasury shares) on the day preceding that date.

## **9. Variation of Capital**

9.1 If a variation in the issued share capital of the Company (whether by way of a capitalisation of profits or reserves, rights issue, reduction, subdivision, consolidation, distribution or otherwise) shall take place, then:

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

may, at the option of the Committee, be adjusted in such manner as the Committee may determine to be appropriate, provided that any such adjustment shall be made in such a way that a Participant will not receive a benefit that a Shareholder does not receive.

9.2 Unless the Committee considers an adjustment to be appropriate, the issue of securities as consideration for an acquisition or a private placement of securities, or 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 SGX-ST during the period when a share purchase mandate granted by Shareholders (including any renewal of such mandate) is in force, shall not normally be regarded as a circumstance requiring adjustment. Any adjustment must be made in such a way that a Participant will not receive a benefit that a Shareholder does not receive.

9.3 Notwithstanding the provisions of Rule 9.1, any adjustment (except in relation to a capitalisation issue) must be confirmed in writing by the Auditors to be in their opinion, fair and reasonable.

9.4 Upon any adjustment being 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 thereafter to be issued and/or delivered on the Vesting of an Award and the date on which such adjustment shall take effect.

9.5 Notwithstanding the provisions of Rule 9.1 or that no adjustment is required under the provisions of the Performance Scheme, the Committee may, in any circumstances where it considers that no adjustment should be made or that an adjustment should be made to any of the matters referred to in Rule 9.1 notwithstanding that no adjustment is required under the said provisions (as the case may be), request the Auditors to consider whether for any reasons whatsoever the adjustment or the absence of an adjustment is appropriate or inappropriate as the case may be, and, after such consideration, no adjustment shall take place or the adjustment shall be modified or nullified or an adjustment made (instead of no adjustment made) in such manner and on such date as shall be considered by such Auditors to be in their opinion appropriate.

## **10. Administration of the Performance Scheme**

10.1 The Performance Scheme shall be administered by the Committee in its absolute discretion, with such powers and duties as are conferred on it by the Board, provided that no member of the Committee who is also a Participant shall participate in any deliberation or decision in respect of Awards granted or to be granted to him or held by 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 Performance Scheme) for the implementation and administration of the Performance Scheme, to give effect to the provisions of the Performance Scheme 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 Performance Scheme and any dispute and uncertainty as to the interpretation of the Performance Scheme, any rule, regulation or procedure thereunder or any rights under the Performance Scheme shall be determined by the Committee.
- 10.3 Neither the Performance Scheme nor the grant of Awards under the Performance Scheme shall impose on the Company or the Committee any liability whatsoever in connection with:
- (a) the voidability or ceasing of any Awards pursuant to any provision of the Performance Scheme;
  - (b) the failure or refusal by the Committee to exercise, or the exercise by the Committee of, any discretion under the Performance Scheme; and/or
  - (c) any decision or determination of the Committee made pursuant to any provision of the Performance Scheme.
- 10.4 Any decision or determination of the Committee made pursuant to any provision of the Performance Scheme (other than a matter to be certified by the Auditors) shall be final, binding and conclusive.
- 10.5 The Company shall bear the costs of establishing and administering the Performance Scheme.

## **11. Notices**

- 11.1 A Participant shall not by virtue of being granted any Award be entitled to receive copies of any notices or other documents sent by the Company to the holders of Shares.
- 11.2 Any notice required to be given by a Participant to the Company shall be sent or made to the principal place of business 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 him in writing.
- 11.3 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 him by hand or sent to him 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 of the Participant.
- 11.4 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 11.3 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.

## **12. Modifications to the Performance Scheme**

- 12.1 Any or all the provisions of the Performance Scheme may be modified and/or altered at any time and from time to time by resolution of the Board, except that:
- (a) no modification or alteration shall be made which would adversely affect the rights attached to any Award granted prior to such modification or alteration except with the prior consent in writing of such number of Participants who, if their Awards were Released to them upon the expiry of all the Vesting Periods applicable to their Awards (if applicable), would



be entitled to not less than seventy five per cent. (75.0%) of the aggregate number of the Shares which would fall to be vested upon the Release of all outstanding Awards upon the expiry of all the Vesting Periods applicable to all such outstanding Awards;

- (b) the definitions of "Associate", "Associated Company", "Committee", "Controlling Shareholder", "Group", "Non-Executive Directors", "Vesting Period", and the provisions of Rules 4, 5, 6, 7.3, 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 listing or quotation of new Shares issued pursuant to any modification or alteration shall be made without the prior approval of SGX-ST or any such other regulatory authorities, as may be necessary.

12.2 Notwithstanding anything to the contrary contained in Rule 12.1, the Committee may at any time by resolution (and without other formality) amend or alter the Performance Scheme in any way to the extent necessary to cause the Performance Scheme to comply with any statutory provision or the provision or the regulations of any regulatory or other relevant authority or body (including the SGX-ST).

12.3 Written notice of any modification or alteration made in accordance with this Rule 12 shall be given to all Participants but accidental omission to give notice to any Participant(s) shall not invalidate any such modifications or alterations.

### **13. Terms of Employment unaffected**

Notwithstanding the provisions of any other Rule:

- (a) the Performance Scheme or any Award shall not form part of any contract of employment between the Company and/or any Subsidiary/associated company and/or any employee and the rights and obligations of any individual under the terms of the office or employment with any such company shall not be affected by his participation in the Performance Scheme or any right which he may have to participate in it or any Award which he may be granted and the Performance Scheme or any Award shall afford such an individual no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason whatsoever (whether lawful or not); and
- (b) the Performance Scheme shall not confer on any person any legal or equitable rights (other than those constituting the Awards themselves) against the Company and/or any Subsidiary/associated company directly or indirectly or give rise to any cause of action at law or in equity against any such company, its directors or employees.

### **14. Duration of the Performance Scheme**

14.1 The Performance Scheme shall continue to be in force at the discretion of the Committee for a maximum duration of five (5) years commencing on the Adoption Date, provided always that the Performance Scheme may, subject to applicable laws and regulations, continue beyond the above stipulated period with the approval of the Shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

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

14.3 The termination of the Performance Scheme shall not affect Awards which have been granted, whether such Awards have been Released (whether fully or partially) or not.

## 15. Annual Report Disclosure

The Company shall make the following disclosures in its annual report to Shareholders for the duration of the Performance Scheme:

- (a) the names of the members of the Committee;
- (b) information as required in the table below for the following Participants:
  - (i) Directors of the Company;
  - (ii) Participants, other than those in (b)(i) above, who receive Awards comprising Shares representing five per cent. (5.0%) or more of the aggregate of:
    - (1) total number of New Shares issued or issuable under the Performance Scheme; and
    - (2) the total number of existing Shares delivered or deliverable under the Performance Scheme.

Name of Participant	Shares comprised in Awards granted during the financial year under review (including terms)	Aggregate Shares comprised in Awards granted since commencement of the Performance Scheme to end of financial year under review	Aggregate number of Shares allotted and/or delivered pursuant to Release of Awards since commencement of the Performance Scheme to end of financial year under review	Aggregate number of shares comprised in Awards which have not been Released as at end of financial year under review

- (c) in relation to the Performance Scheme, the following particulars:
  - (i) the aggregate number of Shares comprised in Awards granted since the commencement of the Performance Scheme to the end of the financial year under review;
  - (ii) the aggregate number of Shares comprised in Awards which have Vested during the financial year under review and in respect of such Awards, the proportion of:
    - (1) New Shares issued; and
    - (2) where applicable, existing Shares purchased for delivery, including the range of prices at which such Shares have been purchased, upon the Vesting of Released Awards; and
  - (iii) the aggregate number of Shares comprised in Awards which have not been Released as at the end of the financial year under review;
- (d) disclosure in the annual report of information on the Awards granted to directors and employees of the parent company and its subsidiaries would not be necessary as such persons are not Participants and disclosure in the annual report of information on the number and proportion of Awards granted at a discount would not be necessary as there is no exercise price in respect of the Awards.

**16. Abstention from voting**

Participants who are Shareholders shall abstain from voting on any Shareholders' resolution relating to the Performance Scheme. Participants may act as proxies of Shareholders in respect of the votes of such Shareholders in relation to any such resolution provided that specific instructions have been given in the proxy forms on how the votes are to be cast in respect of the resolution.

**17. Taxes, Costs and Expenses of the Performance Scheme**

- 17.1 All taxes (including income tax) arising from the grant or Vesting of any Award under the Performance Scheme shall be borne by that Participant. The Company shall not be responsible for any failure by the Participant to obtain any such consent or for any tax or other liability to which the Participant may become subject as a result of his participation in the Performance Scheme.
- 17.2 Notwithstanding anything herein, each Participant shall be responsible for all fees of CDP relating to or in connection with the issue and allotment and/or delivery 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, or the Participant's securities sub-account with a Depository Agent or CPF investment account with a CPF agent bank.
- 17.3 The Participants shall be responsible for obtaining any governmental or other official consent that may be required by any country or jurisdiction in order to permit the grant or Vesting of the relevant Award.
- 17.4 Save for the taxes referred to in Rule 17.1 and such other costs and expenses expressly provided in the Performance Scheme to be payable by the Participants, all fees, costs and expenses incurred by the Company in relation to the Performance Scheme including but not limited to the fees, costs and expenses relating to the allotment and issue and/or delivery of Shares pursuant to the Release of an Award shall be borne by the Company.

**18. Disclaimer of Liability**

Notwithstanding any provisions herein contained, the Company, its directors and employees and the Committee shall not under any circumstances be held liable for any costs, losses, expenses liabilities or damages whatsoever and howsoever arising in respect of any matter under or in connection with the Performance Scheme, including but not limited to any delay or failure to issue, or procure the delivery of, the Shares or to apply for or procure the listing of New Shares on the SGX-ST in accordance with Rule 7.1(c) (and any other stock exchange on which the Shares are quoted or listed).

**19. Disputes**

Any disputes or differences of any nature arising hereunder (other than matters to be confirmed by the Auditors in accordance with the Performance Scheme) shall be referred to the Committee and its decision shall be final and binding in all respects (including any decisions pertaining to disputes as to interpretation of the Performance Scheme or any Rule, regulation, procedure thereunder or as to any rights under the Performance Scheme).

**20. Governing Law**

The Performance Scheme shall be governed by, and construed in accordance with, the laws of the Republic of Singapore. The Participants, by being granted Awards in accordance with the Performance Scheme, and the Company submit to the exclusive jurisdiction of the courts of the Republic of Singapore.

## GUIDELINES ON SHARES PURCHASES

### 1. Shareholders' Approval

- (a) Purchases of Shares by the Company must be approved in advance by the Shareholders at a general meeting of the Company, by way of a general mandate.
- (b) A general mandate authorising the purchase of Shares by the Company representing up to ten per cent. (10.0%) of the Company's issued ordinary share capital will expire on the earlier of:
  - (i) the conclusion of the next AGM of the Company;
  - (ii) the date by which the next AGM of the Company is required by law to be held; or
  - (iii) the time when such mandate is revoked or varied by an ordinary resolution of the Shareholders of the Company in general meeting.
- (c) The authority conferred on the Directors by the Share Purchase Mandate to purchase Shares shall be renewed at the next AGM of the Company.
- (d) When seeking Shareholders' approval for the renewal of the Share Purchase Mandate, the Company shall disclose details pertaining to the purchases of Shares made during the previous twelve (12) months, including the total number of Shares purchased, the purchase price per Share or the highest and lowest price for such purchases of Shares, where relevant, and the total consideration paid for such purchases.

### 2. Mode Of Purchase

Shares Purchases can be effected by the Company in either one of the following two ways or both:

- (a) by way of market purchases of Shares on the SGX-ST, which means a purchase transacted through the SGX-ST's ready market or through one or more duly licensed stock brokers appointed by the Company for the purpose; and/ or
- (b) by way of off-market acquisitions on an equal access scheme as defined in Section 76C of the Companies Act.

### 3. Funding Of Shares Purchases

- (a) In purchasing the Shares, the Company may only apply funds legally permitted for such purchase in accordance with its Bye-laws, and the relevant laws and regulations enacted or prescribed by the relevant competent authorities in Bermuda and Singapore.
- (b) Pursuant to the Bermuda Companies Act, any purchase by the Company may only be funded out of the capital paid up on the shares to be purchased, or out of the funds of the Company which would otherwise be available for dividend or distribution, or out of the proceeds of a fresh issue of Shares made for the purpose of the purchase, and the premium payable on the purchase (i.e. the amount paid in excess of the nominal value of the Shares to be purchased) must be provided for out of the funds of the Company which would otherwise be available for dividend or distribution, or out of the Company's share premium account before the Shares are purchased.
- (c) The Company may not purchase its Shares on the Official List of SGX-ST for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the SGX-ST.

#### 4. Trading Restrictions

The number of Shares which can be purchased pursuant to the Share Purchase Mandate is such number of Shares which represents up to a maximum of ten per cent. (10.0%) of the issued ordinary share capital of the Company as at the date of the last AGM of the Company or at the date of the SGM of the Company, whichever is the higher, during the Relevant Period, or within any one (1) financial year of the Company, whichever is earlier.

#### 5. Price Restrictions

Any Shares Purchase undertaken by the Company shall be at the price of up to but not exceeding the Maximum Price.

#### 6. Off-Market Purchases

- (a) For purchases of Shares made by way of an Off-Market Purchase, the Company shall issue an offer document to all Shareholders. The offer document shall contain, *inter alia*, the following information:
- (i) the terms and conditions of the offer;
  - (ii) the period and procedures for acceptances;
  - (iii) the reasons for the proposed Shares Purchase;
  - (iv) the consequences, if any, of Shares Purchase by the Company that will arise under the Singapore Code on Take-overs and Mergers or any other applicable take-over rules;
  - (v) whether the purchase of Shares, if made, would have any effect on the listing of the Company's securities on the Official List of SGX-ST; and
  - (vi) details of any purchase of Shares made by the Company in the previous twelve (12) months whether through Market Purchases or Off-Market Purchases, including the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for such purchases of Shares, where relevant, and the total consideration paid for such purchases.
- (b) Offer for the purchase of acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of Shares;
- (c) All Offeree Shareholders shall be given a reasonable opportunity to accept any offer made by the Company to purchase their Shares under the Share Purchase Mandate;
- (d) The Company may offer to purchase Shares from time to time under the Share Purchase Mandate subject to the requirement that the terms of any offer to purchase Shares by the Company shall be *pari passu* in respect of all Offeree Shareholders save under the following circumstances:
- (i) where there are differences in consideration attributable to the fact that an offer relates to Shares with different dividend entitlements;
  - (ii) where there are differences in consideration attributable to the fact that an offer relates to Shares with different amounts remaining unpaid; and
  - (iii) where there are differences in an offer introduced solely to ensure that every Shareholder is left with a whole number of Shares in board lots of 1,000 Shares after the Shares Purchases, in the event there are Offeree Shareholders holding odd numbers of Shares.

## **7. Status Of Purchased Shares**

A Share purchased or acquired by the Company is deemed cancelled immediately and the relative certificate for the Share shall be cancelled and destroyed on purchase or acquisition (and all rights and privileges attached to the Share will expire on such cancellation) unless such Share is held by the Company as a treasury share. Where Shares are cancelled but not held as treasury shares, the issued share capital of the Company shall be diminished by the nominal value of the Shares purchased or acquired by the Company. No reduction is made to the Company's authorised capital.

## **8. Notification To The SGX-ST**

- (a) The Company must notify the SGX-ST of any Shares Purchases as follows:
  - (i) in the case of a market acquisition, by 9.00 a.m. on the market day following the day on which it purchased Shares; or
  - (ii) in the case of an off-market acquisition under an equal access scheme, by 9.00 a.m. on the second market day after the close of acceptances of the offer.
- (b) Notification must be in the form of Appendix 8.3.1 of the Listing Manual (or 8.3.2 if the Company has a dual listing on another stock exchange). Such announcement must include details of the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for such Shares, as applicable.

## **9. Suspension Of Purchase**

- (a) The Company may not undertake any Shares Purchase prior to the announcement of any price-sensitive information by the Company, until such time as the price-sensitive information has been publicly announced or disseminated in accordance with the requirements of the Listing Manual.
- (b) The Company may not effect any repurchases of Shares on the SGX-ST during the period commencing two (2) weeks before the announcement of the Company's financial statements for each of the first three (3) quarters of its financial year and/or one (1) month before the announcement of the Company's half year or full year financial statements, as the case may be, and ending on the date of announcement of the relevant results.

**CDW HOLDING LIMITED**  
(Incorporated in Bermuda on 2 April 2004)  
(Bermuda Company Registration Number: 35127)

**NOTICE OF SPECIAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that a Special General Meeting of CDW Holding Limited (the “**Company**”) will be held at Sandalwood Room, Swissotel Merchant Court Singapore, 20 Merchant Road, Singapore 058281 on Monday, 29 April 2013 at 3.15 p.m. (or immediately following the conclusion of the 2013 Annual General Meeting to be held at 3.00 p.m. on the same day and at the same place) for the purpose of considering and, if thought fit, passing (with or without modification) the following resolutions:

**Resolution 1**

**Ordinary Resolution: Adoption of the proposed CDW Employees’ Share Option Scheme 2013**

THAT:

- (1) the share option scheme of the Company to be known as “CDW Employees’ Share Option Scheme 2013” (the “**ESOS 2013**”), rules of which are set out in Appendix 1 to the circular dated 12 April 2013 (the “**Circular**”), be and is hereby approved and adopted with effect from and take effect from the date this Resolution 1 is duly passed; and
- (2) the directors for the time being of the Company (the “**Directors**”) be and are hereby authorised:
  - (a) to establish and administer the ESOS 2013;
  - (b) to modify and/or amend the ESOS 2013 at any time and from time to time, provided that such modification and/or alteration is effected in accordance with the rules of the ESOS 2013, and to do all such acts and to enter into such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the ESOS 2013; and
  - (c) to offer and grant Options in accordance with the rules of the ESOS 2013, to allot and issue and/or deliver (including through the transfer of shares held in treasury by the Company) from time to time such number of fully paid-up Shares as may be required to be allotted, issued and/or delivered pursuant to the exercise of the Options granted under the ESOS 2013, provided that the total number of Shares over which an Option may be granted under the ESOS 2013 on any date, when added to the total number of Shares issued and issuable or delivered and deliverable in respect of (i) all Options granted under the ESOS 2013 and (ii) all awards, shares and options granted under any other share option, share incentive, performance share or restricted share plan implemented by the Company and for the time being in force, shall not exceed fifteen per cent. (15%) of the number of all issued Shares (excluding treasury shares) of the Company on the day preceding such date.

**Resolution 2**

**Ordinary Resolution: Adoption of the proposed CDW Share Performance Scheme 2013**

THAT:

- (1) a new share scheme to be known as “CDW Share Performance Scheme 2013” (the “**Performance Scheme**”), rules of which are set out in Appendix 2 to the Circular, be and is hereby approved and adopted with effect from and take effect from the date this Resolution 2 is duly passed; and
- (2) the Directors be and are hereby authorised:
  - (a) to establish and administer the Performance Scheme;

- (b) to modify and/or amend the Performance Scheme any time and from time to time, provided that such modification and/or alteration is effected in accordance with the rules of the Performance Scheme, and to do all such acts and to enter into such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the Performance Scheme; and
- (c) to offer and grant award(s) in accordance with the rules of the Performance Scheme to allot and issue and/or deliver (including through the transfer of shares held in treasury by the Company) from time to time such number of fully paid-up Shares as may be required to be allotted, issued and/or delivered pursuant to grant of awards(s) under the Performance Scheme, provided that the total number of Shares which may be granted under awards on any date, when added to the total number of Shares issued and issuable or delivered and deliverable in respect of (i) all Shares granted under the Performance Scheme and (ii) all awards, shares and options granted under any other share option, share incentive, performance share or restricted share plan implemented by the Company and for the time being in force, shall not exceed fifteen per cent. (15%) of the number of all issued Shares (excluding treasury shares) of the Company on the day preceding such date.

### **Resolution 3:**

#### **Ordinary Resolution: Offer and Grant of Options at a discount**

THAT subject to and contingent upon the passing of Ordinary Resolution 1, the Directors of the Company be and are hereby authorised to offer and grant option(s) in accordance with the rules of the ESOS 2013 with the exercise prices set at a maximum discount of twenty per cent. (20%) to the Market Price (as defined below), provided that such discount does not exceed the relevant limits set by the Singapore Exchange Securities Trading Limited ("SGX-ST").

In this resolution, "**Market Price**" means the price equal to the average of the last dealt prices for a Share on the SGX-ST over the five (5) consecutive Market Days immediately preceding the date of grant of that Option, as determined by the Committee by reference to the daily official list or any other publication published by the SGX-ST, rounded up to the nearest whole cent in the event of fractional prices.

### **Resolution 4**

#### **Ordinary Resolution: Proposed Renewal of the Share Purchase Mandate**

THAT:

- (1) for the purposes of the Companies Act 1981 of Bermuda, bye-law 7(B) of the Company's bye-laws and the Listing Manual of the SGX-ST, the Directors of the Company be and are hereby authorised to make purchases of or otherwise acquire ordinary shares in the issued share capital of the Company ("Shares") from time to time (whether by way of Market Purchases or Off-Market Purchases on an equal excess scheme) of up to ten per cent. (10.0%) of the issued ordinary share capital (excluding treasury shares) of the Company (ascertained as at the date of the last annual general meeting ("AGM") of the Company or at the date of the special general meeting of the Company, whichever is the higher) during the Relevant Period, or within any one (1) financial year of the Company, whichever is earlier, at such price or prices as may be determined by the Directors of the Company from time to time up to the Maximum Price, in accordance with all other laws, regulations and rules of the SGX-ST, and this mandate ("Share Purchase Mandate") shall, unless revoked or varied by the Company in general meeting, continue in force until the date that the next AGM of the Company is held or is required by law to be held, whichever is earlier.
- (2) in this Resolution:

"Relevant Period" means the period commencing from the date of the passing of this Resolution and expiring on the earlier of (a) the date the next AGM of the Company is held or is required by law to be held, or (b) the date the said mandate is revoked or varied by the Company in general meeting;



“Market Day” means a day on which the SGX-ST is open for trading in securities;

“Market Purchases” means on-market acquisitions of Shares on the SGX-ST through the Central Limit Order Book trading system during the Relevant Period. For the purposes of this definition, a market acquisition means an on-market purchase transacted on SGX-ST through the Central Limit Order Book trading system;

“Maximum Price” means the maximum price at which the Shares can be purchased pursuant to the Share Purchase Mandate, which shall:

- (a) in the case of a Market Purchase not exceed the sum constituting five per cent. (5.0%) above the average closing price of the Shares over the period of five (5) Market Days in which transactions in the Shares on the SGX-ST were recorded before the day on which such purchase is made and deemed to be adjusted for any corporate actions occurring after the relevant 5-day period; and
- (b) in the case of an Off-Market Purchase not exceed the sum constituting five per cent. (5.0%) above the average closing price of the Shares over the period of five (5) Market Days in which transactions in the Shares on the SGX-ST were recorded immediately preceding the date of offer by the Company and deemed to be adjusted for any corporate actions occurring after the relevant 5-day period;

“Off-Market Purchases” means off-market acquisitions of Shares undertaken by the Company during the Relevant Period on an equal access scheme as defined in Section 76C of the Companies Act, and an “Off-Market Purchase” shall be construed accordingly; and

“SGX-ST” means the Singapore Exchange Securities Trading Limited; and

- (3) the Directors of the Company be and are hereby authorised to complete and to do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated by this Resolution.

By Order of the Board

Tan San-Ju  
Company Secretary

12 April 2013

**Notes:**

1. A shareholder entitled to attend and vote at the SGM is entitled to appoint another person as his proxy to attend and vote on his behalf. A shareholder who is the holder of two or more shares may appoint not more than two proxies to attend on the same occasion. The Depository may appoint more than two proxies or a corporate representative. A proxy need not be a shareholder of the Company.
2. If a Shareholder wishes to appoint a proxy/proxies to attend and vote at the SGM in his stead, the Shareholder should complete and submit the form of proxy despatched to Shareholders (the “Shareholder Proxy Form”).
3. Pursuant to the bye-laws of the Company, in respect of the Shares held by the Depository, unless the Depository specifies otherwise by written notice to the Company, the Depository shall be deemed to have appointed as the Depository’s proxies to vote on behalf of the Depository at the SGM of the Company each of the Depositors who are individuals and whose names are shown in the records of the Depository (as at a time not earlier than 48 hours prior to the time of the SGM) supplied by the Depository to the Company and such appointment of proxy shall not require an instrument of proxy or the lodgement of any instrument of proxy. Accordingly, a Depositor who is an individual and who wishes to attend and vote in person at the SGM may do so without having to submit the form of proxy despatched to Depositors (the “Depositor Proxy Form”). A Depositor which is a corporation and wishes to attend the SGM must submit the Depositor Proxy Form for the nomination of person(s) to attend and vote at the SGM on behalf of The Central Depository (Pte) Limited (“CDP”).

4. If a Depositor wishes to nominate person(s) to attend and vote at the SGM in his stead on behalf of CDP, the Depositor should complete and submit the Depositor Proxy Form.
5. To be valid, the Shareholder Proxy Form must be signed and together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority, deposited at the office of the Company's Singapore Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place #32-01 Singapore Land Tower, Singapore 048623, not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof.
6. To be valid, the Depositor Proxy Form must be signed and together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority, deposited at the office of the Company's Singapore Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place #32-01 Singapore Land Tower, Singapore 048623, not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof.
7. Where a form of proxy (whether the Shareholder Proxy Form or Depositor Proxy Form or the form of proxy issued by CDP) appoints more than one proxy, please specify the proportion of the shareholdings concerned to be represented by each proxy in the form of proxy.