

**CIRCULAR DATED 14 APRIL 2014**

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.**

If you are in any doubt as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold your ordinary shares in the capital of Nera Telecommunications Ltd, you should immediately forward this Circular and the Proxy Form attached to this Circular to the purchaser or to the stockbroker or other agent through whom the sale was effected for onward transmission to the purchaser.

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

**NERA**

**NERA TELECOMMUNICATIONS LTD**

(Incorporated in the Republic of Singapore)  
(Company Registration No. 197802690R)

**CIRCULAR TO SHAREHOLDERS**

**IN RELATION TO**

**The Proposed Adoption of the  
Nera Telecommunications Performance Share Plan 2014**

**IMPORTANT DATES AND TIMES**

Last date and time for lodgement of Proxy Form : 27 April 2014 at 11.00 am

Date and time of Extraordinary General Meeting : 29 April 2014 at 11.00 am (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 10.30 am on the same day and at the same place)

Place of Extraordinary General Meeting : 109 Defu Lane 10  
Singapore 539225

*This page has been intentionally left blank.*

---

## CONTENTS

---

|  | <b>Page</b> |
|--|-------------|
| 1. INTRODUCTION .....  | 4           |
| 2. THE NERA TELECOMMUNICATIONS PERFORMANCE SHARE PLAN 2014 ..... | 4           |
| 3. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS .....     | 13          |
| 4. DIRECTORS' RECOMMENDATIONS .....                              | 14          |
| 5. EXTRAORDINARY GENERAL MEETING .....                           | 14          |
| 6. ACTION TO BE TAKEN BY SHAREHOLDERS .....                      | 14          |
| 7. INSPECTION OF DOCUMENTS .....                                 | 15          |
| 8. DIRECTORS' RESPONSIBILITY STATEMENT .....                     | 15          |

---

## DEFINITIONS

---

In this Circular, the following definitions apply throughout unless otherwise stated:

|  |   |  |
|--|---|--|
| <b>“AGM”</b>                                   | : | The Annual General Meeting of the Company  |
| <b>“Associated Company”</b>                    | : | A company in which at least 20% but not more than 50% of its shares are held by the Company and/or its subsidiaries, or a subsidiary of such company, and whose management the Company has control over (as defined in the Listing Manual)                         |
| <b>“Associated Company Executive”</b>          | : | Has the meaning given to it in paragraph 2.2.1(ii) of this Circular  |
| <b>“Associated Company Executive Director”</b> | : | A director of an Associated Company who performs an executive function   |
| <b>“Award”</b>                                 | : | A contingent award of Shares granted under the terms of the Neratel PSP 2014   |
| <b>“Award Date”</b>                            | : | In relation to an Award, the date on which the Award is granted under the terms of the Neratel PSP 2014  |
| <b>“Board”</b>                                 | : | The Board of Directors for the time being of the Company   |
| <b>“Committee”</b>                             | : | Has the meaning given to it in paragraph 2.5 of this Circular  |
| <b>“Company” or “Neratel”</b>                  | : | Nera Telecommunications Ltd  |
| <b>“EGM”</b>                                   | : | The extraordinary general meeting of the Company to be held at 11.00 am on 29 April 2014 (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 10.30 am on the same day and at the same place) |
| <b>“Group”</b>                                 | : | The Company and its subsidiaries   |
| <b>“Group Executive”</b>                       | : | Has the meaning given to it in paragraph 2.2.1(i) of this Circular   |
| <b>“Group Executive Director”</b>              | : | A director of the Company and/or any of its subsidiaries, as the case may be, who performs an executive function   |
| <b>“Latest Practicable Date”</b>               | : | 18 March 2014  |
| <b>“Listing Manual”</b>                        | : | The listing manual of the SGX-ST, as amended, modified or supplemented from time to time   |
| <b>“Neratel PSP 2014” or “Plan”</b>            | : | The proposed Nera Telecommunications Performance Share Plan 2014   |

---

## DEFINITIONS

---

|                                |   |  |
|--------------------------------|---|--|
| <b>“Participant”</b>           | : | The holder of an Award (including, where applicable, the executor or personal representative of such holder)   |
| <b>“SGX-ST”</b>                | : | Singapore Exchange Securities Trading Limited  |
| <b>“Shareholders”</b>          | : | Registered holders of Shares, except that where the registered holder is The Central Depository (Pte) Limited, the term “Shareholders” shall, where the context admits, mean the Depositors whose securities accounts are credited with Shares |
| <b>“Shares”</b>                | : | Ordinary shares in the capital of the Company  |
| <b>“S\$”, “\$” and “cents”</b> | : | Singapore dollars and cents, respectively  |
| <b>“%” or “per cent.”</b>      | : | Per centum or percentage   |

The terms **“Depositor”**, **“Depository Agent”** and **“Depository Register”** shall have the meanings ascribed to them respectively in Section 130A of the Companies Act, Chapter 50 of Singapore (**“Companies Act”**).

The terms **“associate”** and **“controlling shareholder”** shall have the meanings ascribed to them respectively in the Listing Manual.

Words importing the singular shall, where applicable, include the plural and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders.

References to persons shall include corporations.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

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 under the Companies Act or any statutory modification thereof and not otherwise defined in this Circular shall have the same meaning assigned to it under the Companies Act or any statutory modification thereof, as the case may be.

Any reference to a time of day, in this Circular, is made by reference to Singapore time unless otherwise stated.

Any discrepancies in the tables in this Circular between the listed amounts and the totals thereof and/or the respective percentages are due to rounding.

---

## LETTER TO SHAREHOLDERS

---

### NERA TELECOMMUNICATIONS LTD

(Incorporated in the Republic of Singapore)

(Company Registration No. 197802690R)

#### Directors:

*Tan Lye Huat (Independent, Non-Executive Chairman)*  
*Ang Seong Kang Samuel (President & CEO)*  
*Lee Kwok Cheong (Independent, Non-Executive Director)*  
*Tan Choon Hong (Non-Executive Director)*  
*Ashish Jaiprakash Shastry (Non-Executive Director)*  
*Wong Su-Yen (Independent, Non-Executive Director)*

#### Registered Office:

50 Raffles Place #32-01  
Singapore Land Tower  
Singapore 048623

14 April 2014

To: The Shareholders of Nera Telecommunications Ltd

Dear Sir/Madam

#### 1. INTRODUCTION

**1.1 EGM.** The Directors are convening the EGM to be held on 29 April 2014 to seek Shareholders' approval for the proposed adoption of the Nera Telecommunications Performance Share Plan 2014.

**1.2 Circular.** The purpose of this Circular is to provide Shareholders with information relating to the proposal to be tabled at the EGM.

**1.3 Listing of New Shares.** The SGX-ST has granted in-principle approval for the listing and quotation of the new Shares to be issued pursuant to the Neratel PSP 2014. Admission of the new Shares to, and quotation of the new Shares on, the Main Board of the SGX-ST are not to be taken as an indication of the merits of the Neratel PSP 2014, the new Shares, the Company and/or its subsidiaries.

#### 2. THE NERA TELECOMMUNICATIONS PERFORMANCE SHARE PLAN 2014

**2.1 Rationale.** The Neratel PSP 2014 is a share incentive scheme proposed to increase the Company's overall effectiveness in its continuing efforts to reward, retain and motivate employees whose contributions are essential to the well-being and prosperity of the Group. The adoption of the Plan will enable the Group to promote an ownership mindset in the Participant and provide further incentives to continue to strive for long-term shareholder value. The Plan also serves as an additional motivational tool to recruit talented senior executives. The Plan will act as an enhancement to the Group's overall compensation packages, and will strengthen the Group's ability to attract and retain high performing talent.

---

## LETTER TO SHAREHOLDERS

---

**2.2 Summary of Rules.** The following are summaries of the principal rules of the Neratel PSP 2014.

**2.2.1 Eligibility.** The following persons, unless they are also controlling shareholders or associates of such controlling shareholders, shall be eligible to participate in the Plan at the absolute discretion of the Committee:

- (i) Any employee of the Group (including any Group Executive Director) (a “**Group Executive**”) who has attained the age of twenty-one (21) years, satisfies certain additional eligibility criteria as may be specified by the Committee from time to time, and is otherwise selected by the Committee; and
- (ii) Any employee of an Associated Company (including any Associated Company Executive Director) (an “**Associated Company Executive**”) who has attained the age of twenty-one (21) years, satisfies certain additional eligibility criteria as may be specified by the Committee from time to time, and is otherwise selected by the Committee.

For the avoidance of doubt, none of the employees of the Company’s parent company or the Company’s controlling shareholder or the controlling shareholder’s associates will be eligible to participate in the Plan.

**2.2.2 Awards.** Awards represent the right of a Participant to receive fully-paid Shares, (where applicable) their equivalent cash value and (where applicable) combinations thereof, free of charge, upon the satisfaction of certain prescribed performance condition(s) within each prescribed performance period, the expiry of the prescribed vesting period and any other applicable condition(s).

**2.2.3 Selection of Participants.** The selection of a Participant and the number of Shares which are the subject of each Award to be granted to a Participant in accordance with the Neratel PSP 2014 shall be determined at the absolute discretion of the Committee. The Committee shall take into account such criteria such as his rank, previous job performance, years of service and potential for future development, his contribution to the success and development of the Group, the difficulty with which the performance condition(s) may be achieved within each performance period, and compliance with the relevant rules under the Listing Manual.

**2.2.4 Details of Awards.** The Committee, in its absolute discretion, shall decide in relation to an Award:

- (i) the Participant;
- (ii) the Award Date;
- (iii) the number of Shares which are the subject of the Award;
- (iv) the performance condition(s);
- (v) the performance period(s);

---

## LETTER TO SHAREHOLDERS

---

- (vi) the extent to which Shares which are the subject of that Award shall vest on the performance condition(s) being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of each performance period;
- (vii) the vesting period(s);
- (viii) the vesting date(s);
- (ix) the vesting schedule, if any;
- (x) the retention period in relation to any or all of the Shares comprised in the Award, if any;
- (xi) the condition for the holding of a minimum number of Shares by a Participant, if any; and
- (xii) any other condition(s) which the Committee may determine in relation to that Award.

**2.2.5 Timing.** The Committee may grant Awards to the Participants as the Committee may select, in its absolute discretion, at any time during the period when the Neratel PSP 2014 is in force.

As soon as reasonably practicable after making an Award, the Committee shall send to each Participant a letter confirming the Award and specifying in relation to the Award:

- (i) the Award Date;
- (ii) the number of Shares which are the subject of the Award;
- (iii) the performance condition(s);
- (iv) the performance period(s);
- (v) the extent to which Shares which are the subject of that Award shall vest on the performance condition(s) being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of each performance period;
- (vi) the vesting period(s);
- (vii) the vesting date(s);
- (viii) the vesting schedule, if any;
- (ix) the retention period in relation to any or all of the Shares comprised in the Award, if any;
- (x) the condition for the holding of a minimum number of Shares by a Participant, if any; and



---

## LETTER TO SHAREHOLDERS

---

- (xi) any other condition(s) which the Committee may determine in relation to that Award.

**2.2.6 Special Events Prior to Vesting.** Special provisions for the vesting and lapsing of Awards apply in certain circumstances, including the following:

- (i) an order is made for the winding-up of the Company on the basis of, or by reason of, its insolvency;
- (ii) misconduct on the part of the Participant as determined by the Committee in its discretion;
- (iii) subject to paragraph 2.2.6(v), upon the Participant ceasing to be in the employment of the Group or the relevant Associated Company, as the case may be, for any reason whatsoever;
- (iv) the bankruptcy of the Participant or the happening of any other event which results in his being deprived of the legal or beneficial ownership of an Award;
- (v) where the Participant ceases at any time to be in the employment of the Group or the relevant Associated Company, as the case may be, by reason of:
  - (a) ill health, injury or disability (in each case, evidenced to the satisfaction of the Committee);
  - (b) redundancy;
  - (c) retirement at or after the legal retirement age;
  - (d) retirement before the legal retirement age with the consent of the Committee; or
  - (e) any other event approved by the Committee;
- (vi) the death of a Participant;
- (vii) any other event approved by the Committee; or
- (viii) a take-over, reconstruction or amalgamation of the Company or an order made or a resolution passed for the winding-up of the Company (other than as provided in paragraph 2.2.6(i)).

Upon the occurrence of any of the events specified in paragraphs 2.2.6(i) to 2.2.6(iii), an Award then held by a Participant will, to the extent not yet vested, immediately lapse without any claim whatsoever against the Company.

Upon the occurrence of any of the events specified in paragraphs 2.2.6(iv) to 2.2.6(vii), the Committee may, in its absolute discretion determine whether an Award then held by such Participant, to the extent the Shares which are the subject of the Award have not yet vested, shall lapse or that all or any part of such Award shall be preserved. If the Committee determines that an Award shall lapse, then such Award shall lapse without any claim whatsoever against the Company. If the Committee

---

## LETTER TO SHAREHOLDERS

---

determines that all or any part of an Award shall be preserved, the Committee shall decide as soon as reasonably practicable following such event either to vest some or all of the Shares which are the subject of the Award or to preserve all or part of any Award until the end of each vesting period and subject to the provisions of the Plan.

Upon the occurrence of any of the events specified in paragraphs 2.2.6(vii) and 2.2.6(viii), the Committee may consider, at its discretion, whether or not to accelerate the vesting of Shares which are the subject of any Award. If the Committee decides that the vesting of Shares which are the subject of any Award shall be accelerated, it shall determine, in its absolute discretion, the number of Shares to be vested and the manner in which such Shares shall vest. Where Shares which are the subject of Awards are to vest, the Committee will, as soon as practicable after the Shares have vested, procure the allotment and/or transfer to each Participant of the number of Shares so determined. If the Committee so determines, the vesting of Shares may be satisfied in cash.

### **2.2.7 Size and Duration of the Neratel PSP 2014**

- (i) The total number of Shares which may be delivered pursuant to Awards granted under the Plan on any date, when added to:
  - (a) the total number of new Shares allotted and issued and/or to be allotted and issued and issued Shares (including treasury shares) delivered and/or to be delivered, pursuant to Awards granted under the Plan; and
  - (b) the total number of new Shares allotted and issued and/or to be allotted and issued pursuant to awards granted under any other employee share option scheme or performance share plan (if any), shall not exceed 10% of the total number of issued Shares (excluding Shares held by the Company as treasury shares) on the date preceding the date of the relevant Award.
- (ii) Shares which are the subject of Awards which have lapsed for any reason whatsoever may be the subject of further Awards granted by the Committee under the Plan.

### **2.2.8 Operation of the Neratel PSP 2014**

Subject to the prevailing legislation and the rules of the Listing Manual, the Company will have the flexibility to deliver Shares to Participants upon vesting by way of:

- (i) An allotment and issue of new Shares; and/or
- (ii) The delivery of existing Shares (including, to the extent permitted by law, Shares held by the Company as treasury shares).

---

## LETTER TO SHAREHOLDERS

---

In determining whether to issue new Shares or to deliver existing Shares to Participants upon vesting of their Awards, the Company will take into account factors such as (but not limited to) the number of Shares to be delivered, the prevailing market price of the Shares and the cost to the Company of either issuing new Shares or delivering existing Shares (including treasury shares).

The financial effects of the above methods are discussed in paragraph 2.6 below.

The Company has the flexibility, and if circumstances require, to approve the vesting wholly or partly in the form of cash rather than Shares.

The new Shares to be allotted and issued and existing Shares procured by the Company for transfer, pursuant to the vesting of any Shares which are the subject of any Award 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 relevant vesting date, and shall in all other respects rank *pari passu* with other existing Shares then in issue.

### 2.3 Adjustments and Modifications

#### 2.3.1 Adjustment Events

If a variation in the 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 or if the Company shall make a capital distribution or a declaration of a special dividend (whether in cash or in specie), then the Committee may, in its sole discretion, determine whether:

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

shall be adjusted and if so, the manner in which such adjustments should be made.

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 upon the exercise of any options or conversion of any loan stock or any other securities convertible into Shares or subscription rights of any warrants, or 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.

Any adjustment (except in relation to a capitalisation issue) must be confirmed in writing by the auditors of the Company for the time being (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable. Such adjustment must be made in such a way that a Participant will not receive a benefit that a holder of the Shares does not receive.

---

## LETTER TO SHAREHOLDERS

---

### 2.3.2 Modifications

Any or all of the provisions of the Plan may be modified and/or altered at any time and from time to time by a resolution of the Committee subject to the prior approval of the SGX-ST and such other regulatory authorities as may be necessary, except that:

- (i) no modification or alteration shall adversely affect the rights attached to any Award granted prior to such modification or alteration except with the consent in writing of such number of Participants who have been granted Awards and who, if the Shares which are the subject of such Awards were to vest in favour of them upon the performance condition(s) for such Awards being satisfied in full on the applicable vesting dates relating to such Awards, would become entitled to not less than 90 per cent. of all the Shares which would fall to be vested upon the performance condition(s) for all such outstanding Awards being satisfied in full; and
- (ii) no modification or alteration shall be made to the rules of the Neratel PSP 2014 which relates to matters contained in Rules 844 to 849, and Rules 853 to 854 of the Listing Manual to the advantage of the Participants, except with the prior approval of Shareholders in general meetings.

### 2.4 Disclosures in Annual Reports

The Company will make such disclosures in its annual report for as long as the Plan continues in operation as from time to time required by the Listing Manual including the following (where applicable):

**2.4.1** the names of the members of the Committee administering the Plan;

**2.4.2** in respect of the following Participants of the Plan;

- (i) Directors of the Company;
- (ii) Participants who are controlling shareholders and their associates (as defined in the Listing Manual); and
- (iii) Participants (other than those in paragraphs (i) and (ii) above) who receive Shares pursuant to the Plan which, in aggregate, represent 5% or more of the total number of Shares available under the Plan,

the following information:

(aa) the name of the Participant; and

(bb) the following particulars relating to Shares delivered pursuant to the vesting of Shares which are the subject of Awards granted under the Plan:

- (1) the number of new Shares issued to such Participant during the financial year under review; and

---

## LETTER TO SHAREHOLDERS

---

- (2) the number of existing Shares transferred to such Participant during the financial year under review; and

### 2.4.3 in relation to the Plan:

- (i) the names of and number of Shares granted to each director or employee of the parent company and its subsidiaries who receives 5% or more of the total number of Shares available to all directors and employees of the parent company and its subsidiaries under the Plan, during the financial year under review;
- (ii) the aggregate number of Shares granted to the directors and employees of the parent company and its subsidiaries for the financial year under review, and since the commencement of the Plan to the end of the financial year under review;

### 2.4.4 in relation to the Plan, the following particulars:

- (i) the aggregate number of Shares comprised in Awards granted under the Plan since the commencement of the Plan to the end of the financial year under review;
- (ii) the aggregate number of Shares comprised in Awards which have vested under the Plan during the financial year under review and in respect thereof, the proportion of;
  - (a) new Shares issued; and
  - (b) existing Shares transferred and, where existing Shares were purchased for delivery, the range of prices at which such Shares have been purchased,

upon the vesting of Shares which are the subject of Awards granted under the Plan; and

- (iii) the aggregate number of Shares comprised in Awards granted under the Plan which have not vested, as at the end of the financial year under review.

## 2.5 Role and Composition of the Committee

The Neratel PSP 2014 shall be administered by a committee comprising directors of the Company duly authorised and appointed by the Board to administer the Plan, and may occasionally include a nominee of the Company's parent company from time to time, in its absolute discretion with such powers and duties as are conferred on it by the Board ("**Committee**"), provided that no member of the Committee shall participate in any deliberation or decision in respect of Awards granted or to be granted to him.

---

## LETTER TO SHAREHOLDERS

---

### 2.6 Financial Effects

Financial Reporting Standard 102, Share-based payment, is effective for the financial statements of the Company for the financial year beginning 1 January 2005. Participants may receive Shares or (where applicable) their equivalent cash value or (where applicable) a combination thereof. In the event that the Participants receive Shares, the Awards would be accounted for as equity-settled share-based transactions, as described in the following paragraphs.

The fair value of employee services received in exchange for the grant of the Awards would be recognized as a charge to the profit and loss account over the period between the grant date and the vesting date of an Award. The total amount of the charge over the vested period is determined by reference to the fair value of each Award granted at the grant date and the number of Shares vested at the vesting date, with a corresponding credit to reserve account. Before the end of the vesting period, at each balance sheet date, the estimate of the number of Awards that are expected to vest by the vesting date is revised, and the impact of the revised estimate is recognized in the profit and loss account with a corresponding adjustment to equity. After the vesting date, no adjustment to the charge to the profit and loss account is made.

The amount charged to the profit and loss account would be the same whether the Company settles the Awards using new Shares or existing Shares.

The following sets out the financial effects of the Neratel PSP 2014:

**2.6.1 Share Capital.** The Neratel PSP 2014 will result in an increase in the Company's issued ordinary share capital only if new Shares are issued to Participants. The number of new Shares arising will depend on, *inter alia*, the size of the Awards granted under the Neratel PSP 2014. In any case, the Neratel PSP 2014 provides that the number of new Shares to be issued under the Neratel PSP 2014 will be subject to the maximum limit of 10% of the Company's total number of issued Shares (excluding treasury shares). If, instead of issuing new Shares to Participants, existing Shares are purchased and used for delivery to Participants, the Neratel PSP 2014 will have no impact on the number of issued Shares.

**2.6.2 Net Tangible Assets ("NTA").** As described below in the paragraph on earnings per Share, the Neratel PSP 2014 is likely to result in a charge to the Company's profit and loss account over the period from the grant date to the vesting date of the Awards. The amount of the charge will be computed in accordance with the accounting method as stated in paragraph 2.6 above. If new Shares are issued or existing Shares are delivered to Participants under the Neratel PSP 2014, there would be no effect on the NTA. If instead of issuing new Shares to Participants, the Company pays the equivalent cash value, the NTA would be impacted by the cash payment.

**2.6.3 Earnings per Share ("EPS").** The Neratel PSP 2014 is likely to result in a charge to earnings over the period from the grant date to the vesting date of the Awards, computed in accordance with the accounting method as stated in paragraph 2.6 above, as well as an increase in the number of issued Shares if new Shares are issued under the Neratel PSP 2014.

---

## LETTER TO SHAREHOLDERS

---

**2.6.4 Dilutive Impact.** While the actual impact on the NTA per Share and EPS will be dependent on many other factors such as actual vesting period and the fair value of each Award granted at the grant date and the number of Shares vested at the vesting date, the Neratel PSP 2014 provides that the aggregate number of new Shares to be issued under the Neratel PSP 2014 will be subject to the maximum limit of 10% of the Company's total number of issued Shares (excluding treasury shares) for the entire ten-year duration of the Neratel PSP 2014. It is therefore expected that the dilutive impact of the Neratel PSP 2014 on the NTA per Share and EPS should not be significant.

### 2.7 Abstention from Voting

Shareholders who are eligible to participate in the Neratel PSP 2014 (that is, Group Executives and Associated Company Executives) will abstain from voting their Shares in respect of Resolution 1, being the ordinary resolution relating to the proposed adoption of the Neratel PSP 2014 to be proposed at the EGM. Group Executives and Associated Company Executives will also decline to accept appointment as proxy for any Shareholder to vote in respect of Resolution 1, unless the Shareholder concerned shall have given instructions in his Proxy Form as to the manner in which his votes are to be cast in respect of Resolution 1.

### 3. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

**3.1** Save for any interests held through Asia Systems Ltd, being the sole substantial shareholder of the Company, the interests of the Directors as at the Latest Practicable Date are set out below:

| Director                                 | Number of Shares |                 |                |                    |
|--|------------------|-----------------|----------------|--------------------|
|  | Direct Interest  | Deemed Interest | Total Interest | % of issued Shares |
| Ang Seong Kang Samuel <sup>(2)</sup>     | –                | 25,000          | 25,000         | 0.007              |
| Tan Choon Hong                           | –                | –               | –              | –                  |
| Ashish Jaiprakash Shastry <sup>(3)</sup> | –                | 193,173,439     | 193,173,439    | 53.38              |
| Tan Lye Huat                             | –                | –               | –              | –                  |
| Lee Kwok Cheong                          | –                | –               | –              | –                  |
| Wong Su-Yen                              | –                | –               | –              | –                  |

**Notes:**

- (1) The percentage of issued Shares is calculated based on the number of issued Shares as at the Latest Practicable Date (excluding any Shares held in treasury as at that date), being 361,897,000 Shares.
- (2) Ang Seong Kang Samuel has a deemed interest in 25,000 Shares held by his spouse.
- (3) Ashish Jaiprakash Shastry has a deemed interest in 193,173,439 Shares held by Asia Systems Ltd.

---

## LETTER TO SHAREHOLDERS

---

- 3.2 The interests of the substantial Shareholders as at the Latest Practicable Date are set out below:

| Substantial Shareholder | Number of Shares |                 |                | % of issued Shares |
|-------------------------|------------------|-----------------|----------------|--------------------|
|                         | Direct Interest  | Deemed Interest | Total Interest |                    |
| Asia Systems Ltd        | 193,173,439      | –               | 193,173,439    | 53.38              |

**Note:**

- (1) The percentage of issued Shares is calculated based on the number of issued Shares as at the Latest Practicable Date (excluding any Shares held in treasury as at that date), being 361,897,000 Shares.

### 4. DIRECTORS' RECOMMENDATIONS

- 4.1 **Abstention.** Mr. Ang Seong Kang Samuel, being the only executive Director of the Company, will be potentially eligible to participate in the Neratel PSP 2014. Accordingly, he will refrain from making any voting recommendation to Shareholders in respect of Resolution 1, being the Ordinary Resolution relating to the proposed adoption of the Neratel PSP 2014 to be proposed at the EGM. Save as disclosed, none of the Directors has any interest, direct or indirect, in the Neratel PSP 2014.

- 4.2 **Directors' Recommendation.** Save for Mr. Ang Seong Kang Samuel, the remaining Directors are of the opinion that the proposed adoption of the Neratel PSP 2014 is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of Resolution 1, being the Ordinary Resolution relating to the proposed adoption of the Neratel PSP 2014 to be proposed at the EGM.

### 5. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on page 16 of this Circular, will be held at 109 Defu Lane 10, Singapore 539225 on 29 April 2014 at 11.00 a.m. (or as soon thereafter following the conclusion or adjournment of the AGM to be held at 10.30 a.m. on the same day and at the same place) for the purpose of considering and, if thought fit, passing with or without any modifications, the Ordinary Resolution set out in the Notice of EGM.

### 6. ACTION TO BE TAKEN BY SHAREHOLDERS

- 6.1 **Proxies.** Shareholders who are unable to attend the EGM and wish to appoint a proxy or proxies to attend and vote at the EGM on their behalf will find attached to this Circular a Proxy Form which they are requested to complete, sign and return in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at 109 Defu Lane 10, Singapore 539225 not less than 48 hours before the time appointed for the EGM. The completion and return of a Proxy Form by a Shareholder does not preclude him from attending and voting in person at the EGM if he finds he is able to do so. In such event, the relevant Proxy Forms will be deemed to be revoked.

- 6.2 **Depositors.** A Depositor shall not be regarded as a Shareholder entitled to attend the EGM and to speak and vote thereat, unless his name appears on the Depository Register at least 48 hours before the time appointed for the EGM.



---

## LETTER TO SHAREHOLDERS

---

### 7. INSPECTION OF DOCUMENTS

The rules of the Neratel PSP 2014 are available for inspection at 109 Defu Lane 10, Singapore 539225 during normal business hours from the date of this Circular up to the date of the EGM.

### 8. 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 proposal to adopt the Neratel PSP 2014, the Company 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 this 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 this Circular in its proper form and context.

Yours faithfully

For and on behalf of

**The Board of Directors**

---

## NOTICE OF EXTRAORDINARY GENERAL MEETING

---

# NERA

**NERA TELECOMMUNICATIONS LTD**

(Incorporated in the Republic of Singapore)

(Company Registration No. 197802690R)

## NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of NERA TELECOMMUNICATIONS LTD (the “**Company**”) will be held at 109 Defu Lane 10, Singapore 539225 on 29 April 2014 at 11.00 am (or as soon thereafter following the conclusion or adjournment of the AGM of the Company to be held at 10.30 am on the same day and at the same place) for the purpose of considering and, if thought fit, passing with or without modifications, the following Ordinary Resolution:

### RESOLUTION 1: ORDINARY RESOLUTION

THAT:

- (a) a new share incentive plan known as the “Nera Telecommunications Performance Share Plan 2014” (the “**Neratel PSP 2014**”), the rules of which, for the purpose of identification, have been subscribed to by the Chairman of the Meeting, under which awards (“**Awards**”) of fully paid-up Shares, their equivalent cash value (where applicable) or combinations thereof (where applicable) will be granted, free of payment, to selected employees of the Company and its subsidiaries (including any executive director of the Company and/or its subsidiaries) and selected employees of an associated company (including any executive director of such associated company), details of which are set out in the Circular, be and is hereby approved and adopted;
- (b) a committee comprising directors of the Company and, occasionally a nominee of the Company’s parent company from time to time, be and are hereby authorised:
  - (i) to establish and administer the Neratel PSP 2014; and
  - (ii) to modify and/or alter the Neratel PSP 2014 at any time and from time to time, provided that such modifications and/or alterations are effected in accordance with the provisions of the Neratel PSP 2014, and to do all acts and to enter into all such transactions and arrangements as may be necessary or expedient in order to give full effect to the Neratel PSP 2014; and
- (c) the Directors of the Company be and are hereby authorised to grant Awards in accordance with the provisions of the Neratel PSP 2014 and to allot and issue from time to time such number of fully paid-up Shares as may be required to be delivered pursuant to the vesting of Awards under the Neratel PSP 2014, provided that the aggregate number of new Shares allotted and issued and/or to be allotted and issued and issued Shares (including treasury shares) delivered or to be delivered pursuant to Awards granted under the Neratel PSP 2014 shall not exceed 10% of the total number of issued Shares (excluding treasury shares) from time to time.

### BY ORDER OF THE BOARD

Tan Cher Liang  
Company Secretary

Singapore  
14 April 2014

# NERA TELECOMMUNICATIONS LTD

(Incorporated in the Republic of Singapore)

(Company Registration No: 197802690R)

## PROXY FORM

(Please see notes overleaf before completing this Form)

### IMPORTANT

1. For investors who have used their Central Provident Funds ("CPF") monies to buy shares in the capital of NERA TELECOMMUNICATIONS LTD, this Circular dated 14 April 2014 is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF Investors who wish to attend the Meeting as an observer must submit their requests through their CPF Approved Nominees within the time frame specified. If they also wish to vote, they must submit their voting instructions to the CPF Approved Nominees within the time frame specified to enable them to vote on their behalf.

\*I/We, \_\_\_\_\_

of \_\_\_\_\_

being a \*member/members of Nera Telecommunications Ltd (the "Company"), hereby appoint:

| Name    | NRIC/Passport No. | Proportion of Shareholdings |   |
|---------|-------------------|-----------------------------|---|
|         |                   | No. of Shares               | % |
| Address |                   |                             |   |

and/or (delete as appropriate)

| Name    | NRIC/Passport No. | Proportion of Shareholdings |   |
|---------|-------------------|-----------------------------|---|
|         |                   | No. of Shares               | % |
| Address |                   |                             |   |

or failing the person, or either or both of the persons, referred to above, the Chairman of the Meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the Extraordinary General Meeting (the "**Meeting**") of the Company to be held at 109 Defu Lane 10, Singapore 539225 on 29 April 2014 at 11.00 am (or as soon thereafter following the conclusion or adjournment of the AGM of the Company to be held at 10.30 am on the same day and at the same place) and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Ordinary Resolution proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the \*proxy/proxies will vote or abstain from voting at \*his/her discretion. The authority herein includes the right to demand or to join in demanding a poll and to vote on a poll.

| Ordinary Resolution                                      | To be used in a show of hands |          | To be used in the event of a poll |                        |
|--|-------------------------------|----------|-----------------------------------|------------------------|
|  | For*                          | Against* | No. of Votes For**                | No. of Votes Against** |
| To approve the proposed adoption of the Neratel PSP 2014 |                               |          |                                   |                        |

\* If you wish to exercise your vote "For" or "Against", please tick [✓] within the box provided.

\*\* If you wish to exercise all your votes "For" or "Against", please tick [✓] within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2014

| Total number of Shares in: | No. of Shares |
|----------------------------|---------------|
| (a) CDP Register           |               |
| (b) Register of Members    |               |

\_\_\_\_\_  
Signature of member(s)  
or, Common Seal of Corporate member

**IMPORTANT: PLEASE READ NOTES OVERLEAF**

**Notes:**

1. A member should insert the total number of shares held. If the member has ordinary shares in the capital of Nera Telecommunications (“**Shares**”) entered against his name in the Depository Register (as defined in Section 130A of the Companies Act, Cap. 50 of Singapore), he should insert that number of Shares. If the member has Shares registered in his name in the Register of Members of the Company, he should insert that number of Shares. If the member has Shares entered against his name in the Depository Register and Shares registered in his name in the Register of Members of the Company, he should insert the aggregate number of Shares. If no number is inserted, this form of proxy will be deemed to relate to all the Shares held by the member.
2. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint one or two proxies to attend and vote in his stead.
3. Where a member appoints two proxies, the appointments shall be invalid unless he specifies the proportion of his holding (expressed as a percentage of the whole) to be represented by each proxy.
4. A proxy need not be a member of the Company.
5. If the Chairman of the Meeting is appointed as proxy, this instrument appointing a proxy or proxies shall be deemed to confer on him the right to nominate a person to vote on his behalf on a show of hands.
6. The instrument appointing a proxy or proxies must be deposited at 109 Defu Lane 10, Singapore 539225 not less than 48 hours before the time appointed for the Meeting.
7. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.
8. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of any of its attorney or duly authorised officer.
9. Where the instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
10. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

**General:**

The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of Shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.