

IDA's reference: INTC.05.0012

(Please quote this in all correspondences on this matter)

8 December 2009

Nucleus Connect Pte Ltd
3 Tai Seng Drive # 04-00
Da Vinci Building
Singapore 535216

Attention: Mr David Storrie
Chief Executive Officer

Dear Sirs

**DIRECTION OF THE INFO-COMMUNICATIONS DEVELOPMENT AUTHORITY
OF SINGAPORE: IDA'S CONSULTATION ON PROPOSED INTERCONNECTION
OFFER FOR THE PROVISION OF SERVICES ON THE NEXT GENERATION
NATIONWIDE BROADBAND NETWORK – OPERATING COMPANY**

1. The Info-communications Development Authority of Singapore ("**IDA**"), pursuant to the Info-communications Development Authority of Singapore Act (Chapter 137A), Section 27(1) of the Telecommunications Act (Chapter 323) and Condition 32.1 of Nucleus Connect's Licence to Provide Facilities-Based Operations issued on 30 October 2009 ("**Nucleus Connect's Licence**"), hereby issues this Direction to Nucleus Connect Pte Ltd ("**Nucleus Connect**").
2. Pursuant to the requirements under the NGNBN OpCo Request for Proposal (the "**RFP**"), and in compliance with the Code of Practice for Next Generation National Broadband Network OpCo Interconnection ("**Code**") issued on 18 August 2009, Nucleus Connect submitted to IDA for approval, its proposed Interconnection Offer ("**ICO**") for the provision of services on the NGNBN.
3. Having carefully reviewed Nucleus Connect's ICO, and taking into consideration the comments received via a consultation process conducted by IDA, IDA has concluded that the terms and conditions of Nucleus Connect's ICO require modification to ensure that they are relevant to the industry's needs and comply with the requirements of the Code. For the avoidance of doubt, as IDA is reviewing the Service Schedule – IOT Services following the further consultation on the schedule, IDA will separately direct, if necessary, modifications in relation to the Service Schedule – IOT Services.
4. Accordingly, IDA hereby directs Nucleus Connect as follows:
 - (a) Within thirty (30) calendar days from the date of this Direction, Nucleus Connect must submit to IDA for review and approval, Nucleus Connect's proposed modifications to the following components of its

ICO to give effect to IDA's required modifications as specified in the following attachments to this Direction (see attached):

- (i) Attachment 1 - Required modifications to the Master ICO Agreement;
- (ii) Attachment 2 - Required modifications to General Service Terms and Conditions;
- (iii) Attachment 3 - Required modifications to Service Schedule - Aggregation Ethernet Virtual Connection (AG-EVC);
- (iv) Attachment 4 - Required modifications to Service Schedule - IP Multicast Connection;
- (v) Attachment 5 - Required modifications to Service Schedule - E-LAN Service;
- (vi) Attachment 6 - Required modifications to Service Schedule - L2 VPN Service;
- (vii) Attachment 7 - Required modifications to Service Schedule - Layer 3 Virtual Routing Domain Setup Service;
- (viii) Attachment 8 - Required modifications to Service Schedule - L3 VPN Service;
- (ix) Attachment 9 - Required modifications to Service Schedule - Provider Backbone Ethernet Virtual Connection (PB-EVC);
- (x) Attachment 10 - Required modifications to Service Schedule - QP-EVPL Service Port;
- (xi) Attachment 11 - Required modifications to Service Schedule - Residential Per-End-User Connection;
- (xii) Attachment 12 - Required modifications to Service Schedule - Non-Residential Per-End-User Connection;
- (xiii) Attachment 13 - Required modifications to Service Schedule - NBAP Per-End-User Connection;
- (xiv) Attachment 14 - Required modifications to Service Schedule - Patching Service; and
- (xv) Attachment 15 - Required modifications to Service Schedule - Co-location Service.

IDA also directs Nucleus Connect to make such editorial changes as are necessary to ensure, for instance, that all references used in the ICO and Schedules of the ICO are applicable, correct and relevant.

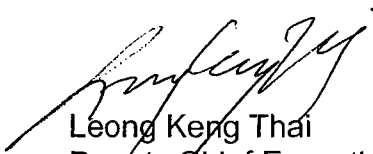
(Unless the context requires otherwise, all capitalised terms used in the attachments to this Direction shall have the same meaning as in Nucleus Connect's ICO.)

- (b) To the extent that any ancillary or consequential modification to any provision in Nucleus Connect's ICO is necessary in order to give effect to this Direction and/or the modifications required hereunder, IDA requires Nucleus Connect to propose such modification for IDA's approval.
 - (c) In proposing modifications to Nucleus Connect's ICO to give effect to this Direction, IDA reminds Nucleus Connect that:
 - (i) to the extent that any of Nucleus Connect's proposed modifications fail to effectively implement IDA's required modifications or, in IDA's view, are not acceptable, IDA will direct Nucleus Connect to adopt specific drafting language; and
 - (ii) IDA may reject any proposed modification by Nucleus Connect that is not for the purpose of giving effect to IDA's required modifications as set out in this Direction.
5. For the purposes of Condition 16 of Nucleus Connect's Licence¹ and sub-section 1.5.2 of the Telecom Competition Code 2005, IDA further directs Nucleus Connect, upon the request by any Qualifying Person ("**OpCo QP**"), to provide such OpCo QP access to Nucleus Connect's Central Offices ("**COs**") to deploy telecommunication cables to interconnect with Nucleus Connect's Network and access the services provided by Nucleus Connect. For the purposes of implementing these requirements, Nucleus Connect must comply with the following process:
- (a) Upon receiving a request from an OpCo QP, Nucleus Connect will negotiate in good faith with such OpCo QP, a commercial agreement relating to such access to Nucleus Connect's COs.
 - (b) If Nucleus Connect and the OpCo QP fail to voluntarily reach an agreement regarding the commercial agreement within 90 days of the commencement of negotiations, either party may request IDA to resolve the dispute, in accordance with the procedure set out in Appendix A attached hereto, as may be amended by IDA from time to time, and subject to any such changes as IDA may specify on a case-to-case basis.

¹ Nucleus Connect's FBO Licence issued on 30 October 2009

- (c) Pursuant to Condition 33.2 in Nucleus Connect's Licence, IDA reserves the right to levy a fee for work undertaken in respect of a request under paragraph 5(b) above.
6. Nothing in the foregoing shall prejudice IDA's right to subsequently require Nucleus Connect to include the relevant service offering under its ICO.
 7. The reasons for this Direction are set out in the accompanying Explanatory Memorandum to this Direction as well as the directed modifications stated in the Attachments.
 8. Nucleus Connect must submit one hardcopy and one softcopy, in marked-up version, of its ICO incorporating Nucleus Connect's proposed modifications to effect IDA's required modifications. The marked-up version must clearly identify the proposed modifications made by Nucleus Connect to its ICO. The softcopy submission must be in Microsoft Word format and emailed to Lim_Hsueh_Wei@ida.gov.sg, at the same time that Nucleus Connect submits to IDA the hardcopy of the proposed modifications.
 9. Any clarification required on this Direction must be made in writing, attention to our Mr Andrew J. Haire (Deputy Director-General (Telecoms & Post)), and emailed to IDA_ILO@ida.gov.sg. Please note that any query directed by Nucleus Connect to IDA for clarification shall not affect Nucleus Connect's obligation to comply fully with this Direction.

Yours faithfully



Leong Keng Thai
Deputy Chief Executive Officer and Director-General (Telecoms & Post)

APPENDIX A

1. The following procedures apply to a dispute resolution under paragraph 5 of this Direction:
 - (a) A Party ("**Requesting Party**"), that wants to petition IDA to resolve a dispute pursuant to paragraph 5 of this Direction, must submit to IDA a written request for intervention ("**Request for Intervention**") and provide a copy of the Request for Intervention to the other Party ("**Other Party**") at the same time. IDA will not consider any Request for Intervention unless the Requesting Party complies with this notification requirement.
 - (b) In its Request for Intervention, the Requesting Party must provide evidence that it has attempted, in good faith, to resolve the dispute with the Other Party. Such evidence may include a summary of events or circumstances that led to the dispute, correspondences, dispute notices and minutes of meetings. The Requesting Party must provide a copy of the Request for Intervention to the Other Party on the same day that the Request for Intervention is submitted to IDA.
 - (c) The Other Party will have 5 days from the day on which the Request for Intervention is submitted to IDA to provide its comments, if any, on why IDA should not intervene to resolve the dispute ("**Comments**"). The Other Party must provide a copy of the Comments to the Requesting Party on the same day that the Comments are submitted to IDA.
2. IDA will consider whether it should intervene to resolve the dispute. IDA will generally notify both parties of its decision within 30 days of the Requesting Party's Request for Intervention as to whether IDA will intervene or declines to resolve the dispute, as the case may be. Where IDA decides to intervene to resolve the dispute, the Requesting Party must submit to IDA its written petition for dispute resolution in accordance with paragraph 3 below, and IDA will apply the procedures set out in paragraphs 3 to 14 of this Appendix to resolve the dispute.
3. Within 30 days of the date of IDA's decision to intervene, the Requesting Party must submit to IDA a written petition for dispute resolution ("**Petition for Dispute Resolution**"). For the avoidance of doubt, the Petition for Dispute Resolution is a separate document from the Request for Intervention mentioned under paragraph 1(a) above. (The Party submitting the Petition for Dispute Resolution shall be referred to as the "Petitioning Party" and the other Party shall be referred to as the "Responding Party".) A copy of the Petition for Dispute Resolution must also be provided to the Responding Party on the same day that the Petition for Dispute Resolution is submitted to IDA. The Petition for Dispute Resolution must describe, in detail, each issue on which the parties have reached agreement and each issue on which the parties have not reached agreement. The Petitioning Party's position on each of the issues in dispute should be described in a separate paragraph.

4. The Responding Party will have 15 days from the day on which the Petition for Dispute Resolution is submitted to IDA to submit a written response to the Petition for Dispute Resolution ("**Response**"). A copy of the Response must also be provided to the Petitioning Party on the same day that the Response is submitted to IDA. For each point in the Petition for Dispute Resolution on which the Petitioning Party claims that the parties are in agreement, the Response must indicate whether the Responding Party agrees or disagrees. If the Responding Party disagrees, it must provide a statement of its position. For each point in the Petition for Dispute Resolution on which the Petitioning Party claims that the parties disagree, the Responding Party must provide a clear statement of the way in which its position differs from that of the Petitioning Party.
5. In appropriate cases, IDA may provide the Petitioning Party an opportunity to reply in writing to the Response. In such cases, IDA will allow the Responding Party a similar opportunity to submit a final written reply to IDA. Each party will be given 15 days to submit its further reply.
6. Where a party demonstrates good cause, IDA may grant a further extension of time of up to 7 days for making its submissions. Any request for an extension of time must be made in writing to IDA at least 3 days before the expiration of the specified period for which the party must submit its response. IDA will seek to inform both the Petitioning Party and the Responding Party of its decision within 2 days of the date of receipt of the request for extension.
7. IDA will apply the following standards to resolve the dispute:
 - (a) Provided that they are consistent with the provisions of the Telecommunications Act (Cap 323) ("**Act**"), the Telecoms Competition Code ("**Telecom Code**"), the OpCo Interconnection Code, and the conditions of the Parties' licences, IDA will not re-open any issue on which the Parties have reached agreement. Rather, the dispute resolution will be limited to those issues on which the Parties are unable to reach agreement.
 - (b) IDA retains full discretion to impose any solution that it deems appropriate (including solutions not advocated by the Parties). IDA is not obliged to confine its considerations to the specific arguments submitted by each party to IDA.
8. Where appropriate, IDA may impose an interim solution on the Parties pending conclusion of the dispute resolution proceeding. Where feasible, IDA will give the parties reasonable advance notice of the proposed interim solution. Any interim solution will be no more extensive than is necessary to avoid serious harm to either of the Parties or to the public interest. The interim solution will only be in effect up to and until the conclusion of the dispute resolution proceeding.

9. IDA will generally complete the dispute resolution proceeding and issue a decision resolving each of the unresolved issues and specifying any further actions that the Parties must take, within 60 days of receiving all necessary information. Where appropriate, IDA may, by written notice to the Parties before the expiration of the 60-day period, extend the time by which IDA will issue its decision.

Submission of Information to IDA

10. IDA may request either or both Parties to submit additional information at any time during the course of a dispute resolution proceeding initiated under paragraphs 1 to 9 above.
11. Where a Party wishes to submit confidential information to IDA in connection with a dispute resolution proceeding, that Party may request IDA for confidential treatment of such information and IDA will apply the procedure set out in Sub-section 11.7 of the Telecom Code in considering such request.
12. Unless a Party requests confidential treatment of information pursuant to Sub-section 11.7 of the Telecom Code, any submission by a Party must be made available to the other Party at the time it is submitted to IDA.

Binding Effect Of Initial Submissions

13. Any Party that submits a Petition for Dispute Resolution or Response, must in its initial submission to IDA, raise all relevant issues in dispute and submit all relevant information to substantiate that party's position taken on the issues in dispute.
14. In addition, IDA will reject the relevant portion of any subsequent submission made by the Party in the course of the relevant proceeding that:
 - (a) raises any new issue in dispute not previously disclosed in its initial submission of the Petition for Dispute Resolution or Response;
 - (b) contains information that could have been submitted in its initial submission of the Petition for Dispute Resolution or Response; or
 - (c) takes any position that is inconsistent with its initial submission of the Petition for Dispute Resolution or Response.