

AUCTION OF PUBLIC CELLULAR MOBILE TELECOMMUNICATION SERVICES SPECTRUM RIGHTS

AUCTION RULES

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INFO-COMMUNICATIONS DEVELOPMENT
AUTHORITY

REPUBLIC OF SINGAPORE

AUCTION RULES

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AUCTION RULES

PART 1 – PRE-AUCTION

SECTION 1 – PCMTS SPECTRUM LOTS AND PCMTS SPECTRUM RIGHTS

1.1 These Auction Rules set out the procedures by which IDA may grant PCMTS Spectrum Right(s) in respect of all or any of eighteen PCMTS Spectrum Lot(s) (comprising one PCMTS Spectrum Lot in the Extended GSM (“EGSM”) band, five PCMTS Spectrum Lots in the 900 MHz band and twelve PCMTS Spectrum Lots in the 1800 MHz band), as specified in Annex 1.

1.2 No Bidder may bid for or be granted a PCMTS Spectrum Right in respect of more than six PCMTS Spectrum Lots. In addition, no Bidder may bid for or be granted a PCMTS Spectrum Right in respect of more than three 900 MHz lots and EGSM lots in this Auction, i.e., the total combination of the number of 900 MHz and EGSM lots must be three or less.

1.3 No more than one member of a Group may bid for or be granted a PCMTS Spectrum Right.

1.4 A PCMTS Spectrum Right will be granted only to:

- (a) a company incorporated under the Companies Act (Cap. 50); or
- (b) such other person as IDA considers fit and appropriate.

SECTION 2 – APPLICATION AND FIRST INITIAL OFFER PROCESS

Applications

2.1 A person wishing to be registered as a Bidder in order to participate in the Auction must submit a duly completed Application Form (accompanied by the documents specified in the Application Form), a First Initial Offer Document and a Bank Guarantee for the Initial Guaranteed Amount in accordance with the requirements of these Auction Rules, delivered by hand to:

Info-communications Development Authority of Singapore
8 Temasek Boulevard
#14-00 Suntec Tower 3
Singapore 038988

For the attention of: Mr Andrew J. Haire

no later than 5.00 pm on the Application Date. IDA will not accept any Application Form, First Initial Offer Document and Bank Guarantee received after 5.00 pm on the Application Date.

Registration of Bidders

2.2.1 IDA will review each Application Form, First Initial Offer Document and Bank Guarantee, together with any other accompanying documents, submitted in accordance with Section 2.1: (a) for compliance with these Auction Rules; and (b) to determine whether any person which submitted such documents should be registered as a Bidder entitled to participate in the Auction.

2.2.2 In determining whether a person which submitted the documents referred to in Section 2.1 should be registered as a Bidder entitled to participate in the Auction, IDA may consider, among other things:

- (a) whether, in the opinion of IDA, such person has demonstrated that it has the financial and technical capability to acquire a PCMTS Spectrum Right to operate a public cellular mobile telecommunication system for the purpose of providing PCMTS in relation to that PCMTS Spectrum Right;
- (b) whether, in the opinion of IDA, such person is an Associated Bidder in relation to any other person(s) which submitted an Application Form;
- (c) whether it would be in the public interest for such person to be granted a PCMTS Spectrum Right; and
- (d) all or any facts, circumstances or matters which IDA considers to be relevant including, but not limited to, the financial or personal probity and standing of the applicant or any company in the same corporate Group as the applicant or any director or shareholder of the applicant or of any such company.

2.2.3 IDA may request at any time such clarification or additional information or documents, from any person which has submitted the documents referred to in Section 2.1, as may reasonably be required for the purpose of making its determination pursuant to Section 2.2.1. If that person fails to submit such clarification, information or documents to IDA by such time as has been specified by IDA, that person's Application Form and First Initial Offer Document may be declared invalid by IDA by notice in writing to that person and if so, IDA will promptly return that person's Bank Guarantee to it.

2.2.4 If any change occurs to the ownership and/or control structure of the person which submitted an Application Form as described in paragraph 1.5 of that person's Application Form, such person must promptly inform IDA in accordance with Section 20.3.

2.2.5 Subject to Section 13.8, if a person wishing to participate in the Auction is a holder of an existing FBO Licence, that person's Application Form and First Initial Offer Document will be invalid unless such person agrees to the

modification of its existing FBO Licence, in such manner as IDA requires, if such person is provisionally awarded a PCMTS Spectrum Right.

2.2.6 Subject to Section 13.8, if a person wishing to participate in the Auction is not a holder of an existing FBO Licence, that person's Application Form and First Initial Offer Document will be invalid unless such person agrees to apply for a FBO Licence to operate a PCMTS telecommunication system for the purpose of providing PCMTS telecommunication services, within thirty Business Days of being provisionally awarded a PCMTS Spectrum Right. That person will be subject to the specific terms and conditions contained in the FBO Licence, including the Schedule in relation to the provision of PCMTS. Such terms and conditions include a requirement to provide coverage for the whole island of Singapore (including Mass Rapid Transit underground stations/lines and road tunnels), the offshore islands and the territorial waters up to 15 km from the coast line of Singapore.

2.2.7 If IDA determines: (a) that the documents submitted by a person in accordance with Section 2.1 comply with the requirements of these Auction Rules, and (b) at IDA's discretion, that such person may be registered as a Bidder, IDA will notify that person, within ten Business Days of the Application Date (or such later date as is determined by IDA), that it is registered as a Bidder entitled to participate in the Auction and of the identities of all other registered Bidders entitled to participate in the Auction.

2.2.8 If IDA determines: (a) that the documents submitted by a person in accordance with Section 2.1 do not comply with the requirements of these Auction Rules, or (b) at IDA's discretion, that such person should not be registered as a Bidder, IDA will notify that person, within ten Business Days of the Application Date (or such later date as is determined by IDA), that it is not registered as a Bidder and is not entitled to participate in the Auction. IDA has no obligation to give any reason for its decision in this respect.

2.2.9 If IDA notifies any person which submitted the documents referred to in Section 2.1 that it is not registered as a Bidder for any reason, IDA will promptly return that person's Bank Guarantee to it.

Associated Bidders

2.3.1 If IDA determines that two or more Bidders are Associated Bidders in relation to each other, IDA will notify each of them that it is considered to be an Associated Bidder and will identify the person or persons which IDA considers to be members of the same Associated Bidder Group.

2.3.2 Following receipt of a notice under Section 2.3.1, the members of each Associated Bidder Group will either:

- (a) determine which one of them will participate in the Auction; or

- (b) elect to reorganise themselves so that they cease to be an Associated Bidder Group by such date as has been specified by IDA in the relevant notice.

In either case the members of each Associated Bidder Group will submit a joint notification of their decision, signed by each of them, to IDA within two Business Days after receipt of the notice given pursuant to Section 2.3.1. If IDA is notified of the decision that one of the Associated Bidders in an Associated Bidder Group will participate in the Auction, no other Associated Bidders in the relevant Associated Bidder Group will be registered as a Bidder and permitted to participate in the Auction. If IDA is notified of the decision that the Associated Bidders in the Associated Bidder Group will reorganise themselves so that they cease to be Associated Bidders by the date specified by IDA, IDA will, upon receipt of such notification, reconsider in accordance with Section 2.2.1 whether each such person is eligible to be registered as a Bidder without taking into account that each such person is an Associated Bidder. IDA will notify each such person whether or not it is eligible to be registered as a Bidder within two Business Days of receipt of such notification.

2.3.3 If IDA does not receive a joint notification from the Associated Bidders in an Associated Bidder Group as required by Section 2.3.2, none of the Associated Bidders in such Associated Bidder Group will be permitted to participate in the Auction.

2.3.4 If at any time during the Auction, IDA determines that two or more Bidders are, or have become, an Associated Bidder Group in relation to each other as a result of merger and acquisition activity or otherwise, IDA will notify each of them that it is considered to be an Associated Bidder and will identify the person or persons which IDA considers to be members of such Associated Bidder Group. IDA may:

- (a) in the event that the Auction has not closed:
 - (i) permit the Associated Bidders in such Associated Bidder Group either:
 - (aa) to determine that one of them will continue to participate in the Auction; or
 - (bb) to elect to reorganise themselves so that they cease to be an Associated Bidder Group by such date as is specified by IDA in the relevant notice.

In either case, the members of the Associated Bidder Group will submit a joint notification of their decision, signed by each of them, to IDA within two Business Days after receipt of the notice referred to above. If IDA is notified of the decision that one of the Associated Bidders in an Associated Bidder Group will continue to participate in the Auction, no other Associated Bidder in the relevant Associated Bidder Group will be permitted

to participate in the Auction. If IDA is notified of the decision that the Associated Bidders in an Associated Bidder Group will reorganise themselves so that they cease to be Associated Bidders by the date specified by IDA, each such Bidder will be permitted to continue to participate in the Auction;

- (ii) exclude any of the Associated Bidders in an Associated Bidder Group from the Auction and may restart the Auction or any Round of the Auction in accordance with Section 8; and/or
- (iii) suspend the Auction in accordance with Section 8 or 17;

(b) in the event that the Auction has closed and any one or more Associated Bidder(s) is to be or has been provisionally awarded a PCMTS Spectrum Right, IDA may require the members of the relevant Associated Bidder Group to reorganise themselves so that each of their members ceases to be an Associated Bidder in relation to the other(s) by such date as is specified by IDA. The relevant PCMTS Spectrum Right(s) will be granted to such Bidder(s) in accordance with, and subject to, Sections 12 and 13, provided that each of them undertakes in writing that such a reorganisation will be completed by the relevant date. No PCMTS Spectrum Right will be granted to any Bidder which fails to give, or comply with, such an undertaking.

2.3.5 If by the date specified in the relevant notice given by IDA pursuant to Section 2.3.1 or Section 2.3.4, the members of the relevant Associated Bidder Group have failed to reorganise themselves so that they cease to be Associated Bidder(s) in relation to each other:

- (a) if the Auction has not started, IDA may notify each such Associated Bidder that it is not eligible to be registered as a Bidder and will not be permitted to participate in the Auction;
- (b) if the Auction has started, IDA may exclude any of the relevant Associated Bidders from the Auction; or
- (c) if the Auction has closed and any one or more of the relevant Associated Bidders has been, or is entitled to be, provisionally awarded or granted a PCMTS Spectrum Right, IDA may by notice to the relevant Bidder(s) refuse to make, or may revoke, such provisional award(s) or grant(s).

2.3.6 An Application Form and a First Initial Offer Document submitted by a member of an Associated Bidder Group which is not permitted to participate, or to participate further, in the Auction pursuant to Sections 2.2.8, 2.3.2, 2.3.3 or 2.3.4 or submitted by a member of an Associated Bidder Group which has failed to reorganise itself so that it ceased to be an Associated Bidder Group by the date specified by IDA pursuant to Sections 2.3.2 or 2.3.4, will be deemed not to have been submitted for the purposes of these Auction Rules.

2.3.7 IDA shall determine whether any Bidder which submits an Application Form and a First Initial Offer Document is an Associated Bidder in relation to any other Bidder or Bidders which have submitted Application Forms and First Initial Offer Documents. Two or more Bidders will not be determined to be Associated Bidders in relation to each other solely as a result of the fact that:

- (a) a member of one of such Bidder's Group (whether directly or indirectly):
 - (i) holds or is beneficially entitled or has a right to acquire or subscribe for 20 per cent or less of the share capital of any member of such other relevant Bidder's Group;
 - (ii) has a right to acquire or subscribe for shares which, when aggregated together with such shares which it holds or to which it is beneficially entitled, represent or would represent 20 per cent or less of the share capital of any member of such other relevant Bidder's Group; or
 - (iii) possesses voting power in respect of 20 per cent or less of the share capital of any member of such other Bidder's Group;
- (b) a director of a member of one of such Bidder's Group is also a director of a member of any other relevant Bidder's Group; and/or
- (c) the Bidders' ultimate holding company has a passive ownership interest in the Bidders.

2.3.8 For the purpose of these Sections 2.3.1 – 2.3.8, **Bidder** shall include a person which has submitted an Application Form, First Initial Offer Document and/or a Bank Guarantee in accordance with Section 2.1.

First Initial Offers

2.4.1 A First Initial Offer Document will confirm a Bidder's agreement and commitment to participate in the Auction and will specify:

- (a) the PCMTS Spectrum Lot(s), subject to the maximum limits specified in Section 1.2, for which the relevant Bidder submits a First Initial Offer at the Reserve Price; and
- (b) the names of at least one and a maximum of five Authorised Representatives of the Bidder together with specimen signatures and documentary evidence satisfactory to IDA of the appointment of each of such Authorised Representatives as a person having authority to act alone on behalf of, and bind, the Bidder in the Auction.

2.4.2 A First Initial Offer Document which does not comply with Section 2.4.1 shall be deemed not to be a duly submitted First Initial Offer Document and IDA will promptly return that Bidder's Bank Guarantee to that Bidder.

2.4.3 A First Initial Offer submitted by a Bidder in its First Initial Offer Document, which complies with Section 2.4.1, cannot be withdrawn and will remain a legally binding offer on that Bidder in respect of the PCMTS Spectrum Lots specified by that Bidder in its First Initial Offer Document, until such time as IDA:

- (a) notifies that such Bidder is not registered and is not entitled to participate in the Auction in accordance with Section 2.2.8; or
- (b) issues a Provisional Award Notice of PCMTS Spectrum Rights in respect of any of the relevant PCMTS Spectrum Lots to one or more other Bidders.

2.4.4 For the purpose of Sections 2.4.1 – 2.4.4, **Bidder** shall include a person which has submitted an Application Form, a First Initial Offer Document and/or a Bank Guarantee in accordance with Section 2.1.

Bank Guarantee

2.5.1 An Application Form and a First Initial Offer Document must be submitted with a Bank Guarantee for the Initial Guaranteed Amount.

2.5.2. The Initial Guaranteed Amount is S\$3,000,000.00.

2.5.3 Bank Guarantees will be returned to the relevant Bidders in accordance with Sections 2.2.3, 2.2.9, 2.4.2, 2.6.4, 2.7.3, 8.6, 9.8, 9.10 and 13.

Determination as to whether Auction is to proceed

2.6.1 If IDA receives:

- (a) more than one First Initial Offer in respect of any of the eighteen PCMTS Spectrum Lots, the Auction will proceed, pursuant to Section 2.6.2;
- (b) only up to one First Initial Offer for each of the eighteen PCMTS Spectrum Lots, the Auction will not proceed.

2.6.2 In the event that:

- (a) there is excess demand in any category (ie. the EGSM, 900 MHz or 1800 MHz bands) of PCMTS Spectrum Lots, the Auction would proceed with the Clock Auction of all three categories of PCMTS Spectrum Lots simultaneously.
- (b) there is more than one First Initial Offer received for any of the eighteen PCMTS Spectrum Lots but there is no excess demand in any category of PCMTS Spectrum Lots (ie. the total number of EGSM lots specified by all Bidders does not exceed one, the total number of 900MHz lots specified by all Bidders does not exceed five, and the

total number of 1800MHz lots specified by all Bidders does not exceed twelve), the Auction would proceed with the Assignment Stage without conducting the Clock Auction.

2.6.3 Notwithstanding any other provision of these Auction Rules, IDA may at any time prior to the Auction Start Date determine that the Auction will not proceed. In such event, IDA may elect not to grant a PCMTS Spectrum Right(s) in respect of all or any of the PCMTS Spectrum Lots and/or may grant a PCMTS Spectrum Right(s) in respect of all or any of the PCMTS Spectrum Lots by any manner which it considers fit and appropriate.

2.6.4 If IDA determines that the Auction will not proceed, IDA will notify each Bidder. In addition, if IDA elects not to grant PCMTS Spectrum Right(s) in respect of all of the PCMTS Spectrum Lots, IDA will promptly return each Bank Guarantee to the relevant Bidder which submitted that Bank Guarantee.

2.6.5 If IDA determines that the Auction will proceed, IDA will notify each Bidder within fifteen Business Days of the Application Date that the Auction will proceed. For the avoidance of doubt, in the event that the Auction proceeds, IDA will auction all of the eighteen PCMTS Spectrum Lots.

Provisional Awards where Auction does not proceed

2.7.1 If the Auction does not proceed in accordance with Section 2.6.1(b), IDA may provisionally award PCMTS Spectrum Right(s) in respect of all or any of the PCMTS Spectrum Lots to the relevant Bidder(s) pursuant to their First Initial Offer(s) or in such manner as allocated by IDA, as the case may be. The Base Year Charge for each PCMTS Spectrum Lot allocated under this Section 2.7.1 shall be equal to the Reserve Price. The Annual Charge for each PCMTS Spectrum Lot allocated under this Section 2.7.1 shall be determined in accordance with Section 12.3. Such provisional awards will be made by issuing to each relevant Bidder a Provisional Award Notice notifying that Bidder of:

- (a) the specific PCMTS Spectrum Lot(s) included in the PCMTS Spectrum Right which that Bidder is provisionally awarded;
- (b) the sum of the Base Year Charges in respect of the PCMTS Spectrum Lot(s) included in the relevant PCMTS Spectrum Right;
- (c) the sum of the Annual Charges in respect of the PCMTS Spectrum Lot(s) included in the relevant PCMTS Spectrum Right;
- (d) the Application and Processing Fee in respect of the PCMTS Spectrum Lot(s) included in the relevant PCMTS Spectrum Right; and
- (e) details of the IDA Bank Account.

Any PCMTS Spectrum Lot for which a PCMTS Spectrum Right has not been provisionally awarded in accordance with this Section 2.7.1 may be offered by

IDA in another auction or allocated in such other manner as IDA deems fit and appropriate.

2.7.2 In the event that IDA has provisionally awarded under Section 2.7.1 the PCMTS Spectrum Right in respect of one or more PCMTS Spectrum Lots, IDA will issue Provisional Award Notices to the relevant Bidder(s) within fifteen Business Days of the Application Date.

2.7.3 A Bidder which has been issued a Provisional Award Notice will, prior to the date which is seven Business Days after the date of issue of the Provisional Award Notice ("Payment Date"), transfer to the IDA Bank Account the PCMTS Spectrum Right Initial Payment. If the PCMTS Spectrum Right Initial Payment is received in the IDA Bank Account prior to or on the Payment Date, IDA will: (a) grant that Bidder the PCMTS Spectrum Right provisionally awarded to that Bidder in respect of the PCMTS Spectrum Lot(s) and (b) return that Bidder's Bank Guarantee within seven Business Days of the Payment Date (provided that the Bidder is not subject to Forfeiture). If the PCMTS Spectrum Right Initial Payment is not received prior to or on the Payment Date, that Bidder will not be granted a PCMTS Spectrum Right. IDA may determine that that Bidder is subject to a Forfeiture in accordance with Section 11.2.2 and IDA may draw down upon that Bidder's Bank Guarantee for an amount up to the Guaranteed Amount.

2.7.4 A PCMTS Spectrum Right granted in accordance with Section 2.7.3 shall be effective as of the Effective Date in accordance with the terms and conditions of such PCMTS Spectrum Right. If the procedure for award of the PCMTS Spectrum Right has not been completed by that date, the PCMTS Spectrum Right shall become effective on such later date as IDA may determine. Payment of a PCMTS Spectrum Right Initial Payment shall constitute settlement of the Base Year Charge, the Application and Processing Fee and Annual Charge for the first year in respect of each PCMTS Spectrum Lot included in that PCMTS Spectrum Right.

SECTION 3 – AUTHORISED REPRESENTATIVES, INFORMATION SESSION AND TRIAL AUCTION

- 3.1 If IDA has determined that the Auction will proceed, IDA will hold
- (a) an Information Session at least five Business Days before the Auction Start Date; and
 - (b) a Trial Auction if the Clock Auction or the Sealed-Bid Combinatorial Auction proceeds.
- 3.2 IDA will notify all Bidders of the date, time and location of the Information Session and the date, time and location of the Trial Auction at least one Business Day in advance.
- 3.3 The purpose of the Information Session and Trial Auction is to provide the Bidders with an opportunity to clarify any matter relating to these Auction

Rules, the Auction framework and the bidding procedures in the Auction, and to familiarise themselves with the Auction framework and the bidding procedures in the Auction.

3.4 Each of a Bidder's Authorised Representatives must be named in the Disclosure List submitted by that Bidder in its Application Form. A Bidder must have at least one and may have no more than five Authorised Representatives at any time. A Bidder may replace any of its Authorised Representatives at any time prior to the commencement of the Information Session upon written notification to IDA submitted in accordance with Section 19.1, provided that:

- (a) the particulars and documentation referred to in Section 2.4.1(b) in respect of the new Authorised Representative(s) are submitted to IDA at such time; and
- (b) each new Authorised Representative must be named in the Disclosure List submitted by that Bidder in its Application Form.

3.5 Each Authorised Representative of each Bidder is required to attend the Information Session and to take part in the Trial Auction and immediately thereafter will submit a written declaration to IDA (in the form stipulated by IDA) stating that such Authorised Representative understands the Auction Rules and Auction framework and the bidding procedures in the Auction Rules and "Instructions to Bidders" and undertakes to observe the Auction Rules and Auction framework and bidding procedures in the Auction Rules and "Instructions to Bidders". Failure to do so will invalidate the relevant Authorised Representative's appointment.

3.6 If an Authorised Representative of a Bidder does not attend the Information Session and/or does not take part in the Trial Auction and/or does not submit the written declaration required by Section 3.5, that Authorised Representative will not be permitted to represent the Bidder in the Auction.

3.7 The Information Session will consist of two parts. The first part of the Information Session will address general issues relating to the Auction framework. The second part of the Information Session will deal with the detailed procedural aspects of the bidding procedures in the Auction.

3.8 Representatives of each Bidder in addition to the Bidder's Authorised Representatives will be permitted to attend the first part of the Information Session, provided that no more than twelve natural persons (including the Authorised Representatives) may attend on behalf of any Bidder. Only the Authorised Representatives may attend the second part of the Information Session. Each Bidder must submit to IDA as a separate annex to its First Initial Offer Document, a list of its representatives (other than Authorised Representatives) whom it proposes to attend the first part of the Information Session on behalf of that Bidder, by listing their respective names and identity card/passport numbers. Any person (other than Authorised Representatives) not included in such a list will not be permitted to attend the first part of the

Information Session. A Bidder may replace any of the representatives identified in such list at any time prior to the commencement of the Information Session upon written notification to IDA submitted in accordance with Section 19.1. Such notification must identify the representatives (by their respective names and identity card/passport numbers) whom the Bidder wants to replace, and provide the names and identity card/passport numbers of the representatives to be appointed in replacement thereof.

PART II - AUCTION FRAMEWORK

SECTION 4 – PARTICIPATION IN AUCTION

4.1 Only Bidders which have been notified that they are registered Bidders in accordance with Sections 2.2.7 and/or 2.3.2 will be permitted to participate in the Auction. Bidders which have been excluded from the Auction by notice from IDA pursuant to these Auction Rules will not be permitted to participate, or participate further, in the Auction or any restart of the Auction. IDA may exclude a Bidder from the Auction at any time by giving notice to such Bidder pursuant to Sections 2.3.4, 2.3.5, 9.8, 11.1, 14.2 and/or 20.3. Any Valid Entire Bid or Valid Combinatorial Bid submitted by a Bidder which is excluded from participation in the Auction pursuant to these Auction Rules shall immediately lapse and cease to have any effect.

4.2 Subject to Section 4.1, by agreeing to participate in the Auction, each Bidder agrees to be bound by the outcome of the Auction, including the allocation of the specific PCMTS Spectrum Lot(s) that may be allocated to each Bidder as a result of the Auction.

SECTION 5 – COMMENCEMENT OF AUCTION

5.1 If the Clock Auction proceeds pursuant to Section 2.6.2(a), IDA will, on the Notification Date, notify all Bidders of:

- (a) the Start-of-Round Price for the first Round which shall be S\$300,000.00; and
- (b) the Clock Auction schedule, specifying:
 - (i) the time at which the Clock Auction will start on the first day of the Clock Auction;
 - (ii) the time at which the first Round will start and finish, and an indicative schedule of subsequent Rounds for the first day;
 - (iii) the minimum time period for each Round (which will be no less than ten minutes); and

- (iv) the minimum time period between the end of a Round and the start of the following Round (which will be no less than fifteen minutes).

5.2 If the Assignment Stage proceeds without the Clock Auction, pursuant to Section 2.6.2(b), IDA will, on the Notification Date, notify each Bidder of:

- (a) the Reserve Price which shall be S\$300,000.00; and
- (b) the Bidder's own number of Eligibility Points that it is awarded in each category of PCMTS Spectrum Lots; The number of Eligibility Points will be equal to the number of PCMTS Spectrum Lots specified in each category of PCMTS Spectrum Lots in the First Initial Offer Document.
- (c) the Assignment Stage schedule.

5.3 The Auction will commence simultaneously in respect of all PCMTS Spectrum Lots. The Auction will commence on the Auction Start Date at the time specified in the notification given under Section 5.1 where the Clock Auction proceeds or Section 5.2 where the Assignment Stage proceeds without the Clock Auction, unless Bidders are notified otherwise. The Auction will continue until it is considered closed in accordance with Section 9, unless cancelled, suspended or restarted by IDA pursuant to these Auction Rules.

SECTION 6 – CLOCK AUCTION BIDDING PROCEDURE

6.1 If the Clock Auction proceeds pursuant to Section 2.6.2(a), Bidders will participate in the Clock Auction using an online software application (the "Auction Software System"), provided by the IDA's software contractor for this purpose. The Auction Software System will be the primary means by which Bidders will submit their bids. The Auction Software System will be password-protected, communications with it will be encrypted, and access will be limited to Authorised Representatives of Bidders. Each Authorised Representative of each Bidder will be notified of his or her username and password for the Auction Software System and of the appropriate web address prior to the Auction.

6.2 At or before the Information Session, IDA will make available to each Bidder a document entitled "Instructions to Bidders". This document will provide detailed instructions to Bidders on the conduct of the Auction, in particular, in relation to the use of the Auction Software System and to communication between each Bidder and IDA during the Auction.

6.3 All communications between each Bidder and IDA during the Auction must be made in accordance with the protocols set out in the "Instructions to Bidders" (including protocols pertaining to message content, message format and means of communication). IDA, at its sole discretion, may permit or mandate the submission of bids by facsimile (fax) in accordance with the "Instructions to Bidders".

SECTION 7 – CONDUCT OF CLOCK AUCTION

Rounds

7.1.1 The Clock Auction will be conducted in a series of Rounds.

7.1.2 Bidders will be given notice of a preliminary schedule of Starting Times and Ending Times for each Round at least one calendar day prior to the Auction Start Date. IDA may adjust the Clock Auction schedule for any reason, including extending the Ending Time of the current Round. IDA will post the Clock Auction schedule, including any adjustments thereof, on the Auction Software System.

7.1.3 Before every Round of the Auction, IDA will announce on the Auction Software System the following information:

- (a) the Start-of-Round Prices for each of the three categories of PCMTS Spectrum Lots;
- (b) the End-of-Round Prices for each of the three categories of PCMTS Spectrum Lots; and
- (c) the Starting Time and Ending Time of the Round.

7.1.4 For the first Round, the Start-of-Round Price for each category of PCMTS Spectrum Lots will equal the Reserve Price. For each and every Round except the first Round, IDA will set the Start-of-Round Price for each category of PCMTS Spectrum Lots as follows:

- (a) If, at the End-of-Round Prices in the immediately preceding Round, the demand in all categories was more than or equal to the number of PCMTS Spectrum Lots available, the Start-of-Round Price for each category of PCMTS Spectrum Lots will be equal to the End-of-Round Price for the same category of PCMTS Spectrum Lots in the immediately preceding Round;
- (b) If, at the End-of-Round Prices in the immediately preceding Round, the demand for any category of PCMTS Spectrum Lots was less than the number of PCMTS Spectrum Lots available in that category, the Start-of-Round Price of each category will be no higher than the End-of-Round Price for the same category of PCMTS Spectrum Lots in the immediately preceding Round and no lower than the Start-of-Round Price for the same category of PCMTS Spectrum Lots in the immediately preceding Round.

7.1.5 For each and every Round, IDA will set, at its sole discretion, the End-of-Round Price for each category of PCMTS Spectrum Lots. In no event will the End-of-Round Price for any category of PCMTS Spectrum Lots be less than the Start-of-Round Price for the same category of PCMTS Spectrum Lots. In no event will the End-of-Round Price for any category of PCMTS Spectrum Lots exceed 125% of the Start-of-Round Price for the same category of PCMTS Spectrum Lots.

Price Points

7.2.1 A Price Point, π , is a value specified by a Bidder, which identifies prices for each of the three categories of PCMTS Spectrum Lots by indicating a percentage of the distance from the Start-of-Round Prices to the End-of-Round Prices, 0% corresponding to the Start-of-Round Prices, 100% corresponding to the End-of-Round Prices, and 50% corresponding to the mid-point between the Start-of-Round and End-of-Round Prices for each category of PCMTS Spectrum Lots. More precisely, the Price Point, π , takes the meaning of identifying the following price, p_k , for each category k ($k = \text{EGSM, 900 MHz, 1800 MHz}$) of PCMTS Spectrum Lots:

$$p_k = \pi \times (\text{End-of-Round Price})_k + (1-\pi) \times (\text{Start-of-Round Price})_k,$$

7.2.2 In order for a Price Point, π , to be considered valid, it must satisfy both of the following conditions:

- (a) The Price Point π must be a percentage expressed to an accuracy of at most 2 (two) decimal places; and
- (b) in each and every Round of the Auction, π must satisfy: $0.01\% \leq \pi \leq 100.00\%$.

Bids and Entire Bids

7.3.1 A Bid i from Bidder B comprises: a Price Point, π^{iB} ; and quantities, $(q_1^{iB}, q_2^{iB}, q_3^{iB})$, of the three respective categories of PCMTS Spectrum Lots at the prices corresponding to π^{iB} . The Price Point, π^{iB} , is required to satisfy the conditions of Sections 7.2.2(a)–(b). The quantities, $(q_1^{iB}, q_2^{iB}, q_3^{iB})$, are required to satisfy both of the following conditions:

- (a) Each of the quantities $(q_1^{iB}, q_2^{iB}, q_3^{iB})$ is required to be a non-negative integer; and
- (b) the quantity of EGSM lots must not exceed 1 (one), the total quantity of 900 MHz and EGSM lots together must not exceed 3 (three) and the total quantity of lots demanded (summed over all three categories of PCMTS Spectrum Lots) must not exceed 6 (six).

7.3.2 An Entire Bid from Bidder B comprises at least one Bid and not more than five Bids in a given Round. No two Bids within an Entire Bid may include the same Price Point. This is to avoid having multiple Bids within an Entire Bid containing different sets of quantities at the same Price Point.

7.3.3 The quantities of each of the three categories of PCMTS Spectrum Lots contained in the Bidder's First Initial Offer in its First Initial Offer Document are treated as if they constitute a Bid at the 0.00% Price Point in Round 1 of the Auction.

7.3.4 An Entire Bid from Bidder B identifies the demands of Bidder B at all possible Price Points π within the Round, according to the convention set forth in Section 7.3.5 below. Suppose that the Entire Bid from Bidder B consists of the following m Bids ($1 \leq m \leq 5$):

$$\begin{aligned} &(\pi^{1B}, q_1^{1B}, q_2^{1B}, q_3^{1B}) \\ &(\pi^{2B}, q_1^{2B}, q_2^{2B}, q_3^{2B}) \\ &(\pi^{3B}, q_1^{3B}, q_2^{3B}, q_3^{3B}) \\ &\dots \\ &(\pi^{mB}, q_1^{mB}, q_2^{mB}, q_3^{mB}), \end{aligned}$$

where $\pi^{1B} < \pi^{2B} < \pi^{3B} < \dots < \pi^{mB}$, so that the above Bids are listed in ascending order of their Price Points.

7.3.5 In each and every Round $t \geq 2$ of the Auction, let $\bar{q}_k^{t-1,B}$ be the demand of Bidder B, in the previous Round $t-1$, for category k of PCMTS Spectrum Lots at the price equivalent to the Start-of-Round Price in Round t . In Round 1 of the Auction, let $\bar{q}_k^{0,B}$ be the demand of Bidder B for category k of PCMTS Spectrum Lots contained in the Bidder's First Initial Offer in its First Initial Offer Document. Then the demand of Bidder B for category k of PCMTS Spectrum Lots at Price Point π , denoted by $q_k^B(\pi)$, is taken to be:

$$q_k^B(\pi) = \begin{cases} \bar{q}_k^{t-1,B}, & \text{if } 0 \leq \pi < \pi^{1B} \\ q_k^{1B}, & \text{if } \pi^{1B} \leq \pi < \pi^{2B} \\ q_k^{2B}, & \text{if } \pi^{2B} \leq \pi < \pi^{3B} \\ \dots & \dots \\ q_k^{mB}, & \text{if } \pi^{mB} \leq \pi \leq 1. \end{cases}$$

Validity of an Entire Bid

7.4.1 In order for an Entire Bid from Bidder B to be considered valid, it must satisfy Section 7.3.2 and each of the following additional conditions:

- (a) The Price Point in each Bid within the Entire Bid must satisfy the conditions of Sections 7.2.2(a)–(b);
- (b) The quantities in each Bid within the Entire Bid must satisfy the conditions of Sections 7.3.1(a)–(b);
- (c) The total quantity of lots demanded (summed over all three categories of PCMTS Spectrum Lots) by any Bidder in any Bid at any Price Point must be less than or equal to the total quantity of lots demanded by the Bidder at any lower Price Point in the same Round;

- (d) In each and every Round $t \geq 2$ of the Auction, the total quantity of lots demanded (summed over all three categories of PCMTS Spectrum Lots) by any Bidder in any Bid at any Price Point must be less than or equal to the total quantity of lots demanded by the Bidder in the immediately preceding Round at the prices equivalent to the Start-of-Round Prices in the respective categories in the current Round t ; and
- (e) In Round 1 of the Auction, the total quantity of lots demanded (summed over all three categories of PCMTS Spectrum Lots) by any Bidder in any Bid at any Price Point must be less than or equal to the total quantity of lots contained in the Bidder's First Initial Offer in its First Initial Offer Document.

7.4.2 Each Bidder is required to submit a Valid Entire Bid for each Round of the Auction, except that a Bidder is not permitted to submit any Bid in the current Round if the Bidder's Entire Bid in any prior Round included a Bid containing only zero quantities for all of the three categories. If a Bidder does not submit a Valid Entire Bid in a given Round, the Bidder will be deemed to have submitted an Entire Bid comprising one Bid containing only zero quantities for all of the three categories at the 0.01% Price Point.

7.4.3 The Entire Bid of a Bidder for a given Round of the Auction must be received between the Starting and Ending Times of the given Round, in accordance with the following three provisions:

- (a) In the normal course of events, a Bidder will submit its Entire Bid for a given Round using the Auction Software System provided for this purpose. The Auction Software System will start accepting the submission of Entire Bids for a given Round at the Starting Time of the given Round, and the Auction Software System will stop accepting the submission of Entire Bids for a given Round at the Ending Time of the given Round;
- (b) If, in accordance with Section 6.3, IDA has accepted a request by a given Bidder to submit its Entire Bid for a given Round by fax, then such fax must be received between the Starting and Ending Times of the given Round; and
- (c) If, in accordance with Section 6.3, IDA has required a confirmation by fax of the Entire Bid from a given Bidder for a given Round, then such confirmation must be received within the timeframe defined by IDA and the Entire Bid confirmed in this manner must be identical to the most recent Entire Bid submitted by the given Bidder for the given Round by another acceptable means of communication.

7.4.4 If more than one Entire Bid has been received from a Bidder during a Round of the Auction, IDA will seek to validate only the last Entire Bid received during the Round, in accordance with the following three provisions:

- (a) If a given Bidder is submitting its Entire Bid via the Auction Software System and the given Bidder is not required to confirm its Entire Bid for the given Round by fax, then the given Bidder may change its Bids or enter new Bids in the Auction Software System as often as it likes during the given Round. The Entire Bid for this Bidder that will be validated is the last Valid Entire Bid from the given Bidder recognized by the Auction Software System before the Ending Time of the given Round;
- (b) If IDA has accepted a request by a given Bidder to submit its Entire Bid for a given Round by fax, then the Entire Bid for the given Bidder that will be validated is the last Valid Entire Bid from the given Bidder that is received on the IDA's designated fax machine before the Ending Time of the given Round; and
- (c) If IDA has required a confirmation by fax of the Entire Bid from a given Bidder for a given Round, then the Entire Bid for the given Bidder that will be validated is the last Valid Entire Bid from the given Bidder that is received on the IDA's designated fax machine before the Ending Time of the given Round and that is identical to the most recent Entire Bid submitted by the given Bidder for the given Round by another acceptable means of communication.

7.4.5 IDA will endeavour to notify any Bidder that has submitted an invalid Entire Bid that its Entire Bid for the Round has been rejected, stating the reason(s). Provided that the Bidder can demonstrate to IDA's satisfaction that the invalid Entire Bid was invalid due to technical or communications problems, IDA has the discretion — but not the obligation — to permit the Bidder to re-submit its Entire Bid after the Ending Time of the Round. Each Bidder should be cognizant that, when bidding through the Auction Software System, the Bidder is requested to generate a Bid Confirmation immediately upon the completion of submitting its Entire Bid. The Bid Confirmation will display the current Entire Bid present on the Auction Software System and, in the event that this Entire Bid is invalid, the Bid Confirmation itself will provide notification that the Entire Bid has been rejected and state a reason why it is invalid.

Recess

7.5.1 Each Bidder is entitled to request two Recesses during the Auction. The duration of each Recess is 90 minutes.

7.5.2 A Recess may only be requested by a Bidder after the close of a Round and at least five minutes before the start of the next Round. Recesses may be requested only by notifying IDA in accordance with Section 6.3.

7.5.3 If IDA receives a Recess request notification, IDA will, before the scheduled start of the next Round, notify all Bidders through the Auction Software System that the Clock Auction is in Recess, and the revised time at which the next Round will commence.

7.5.4 If more than one Bidder notifies IDA that it requests a Recess in accordance with Section 7.5.2 before the same Round, the first Bidder to submit the request will be deemed to have requested the Recess.

7.5.5 IDA may at any time notify Bidders that the current or any subsequent Business Day or any part thereof will be a Recess during which no Rounds will take place.

Notification by IDA after each Round

7.6.1 After each Round, IDA will notify all Bidders through the Auction Software System of the aggregate quantity of lots (summed over all Bidders) demanded of each category of PCMTS Spectrum Lots at the End-of-Round Prices.

7.6.2 After each Round, IDA will, through the Auction Software System, notify separately each Bidder of that Bidder's quantity of lots demanded of each category of PCMTS Spectrum Lots at the End-of-Round Prices.

Continuation of the Clock Auction

7.7.1 The Clock Auction will continue until it is closed in accordance with Section 9.

7.7.2 If IDA determines to restart the Clock Auction in accordance with Section 8.3(ii), IDA will notify all Bidders that the Clock Auction will be restarted and of the information referred to in Sections 7.1.3. IDA will, through the Auction Software System, notify separately each Bidder of that Bidder's maximum number of lots that it may bid for in the Round immediately following the restart.

7.7.3 If IDA determines to restart the Clock Auction in accordance with Section 8.3(iii), IDA will notify each Bidder of the Round at which the Clock Auction will be restarted and of the information referred to in Sections 7.1.3. IDA will, through the Auction Software System, notify separately each Bidder of that Bidder's maximum number of lots that it may bid for in the Round immediately following the restart.

7.7.4 If IDA determines to suspend the Clock Auction in accordance with Section 8.3(iv), IDA will notify each Bidder that the Clock Auction is suspended and, if determined at such time, the time and date at which the Clock Auction will be restarted.

SECTION 8 – RESTARTING THE CLOCK AUCTION

8.1 If at any time before or during a Round in the Clock Auction, IDA considers it necessary to cancel, suspend or abandon that Round due to any circumstance, IDA will notify all Bidders:

- (a) that such Round will not proceed or will be suspended or abandoned (as the case may be); and
- (b) of the time at which such Round will be restarted.

8.2 When IDA has notified Bidders that a Round will be abandoned after its commencement, it will be restarted as if that Round had not taken place.

8.3 In the event that:

- (a) one or more Bidders are excluded from the Auction and IDA considers that the conduct of the excluded Bidder(s) or the fact of their exclusion may have a material effect on the identity of the Bidder(s) which would be granted a PCMTS Spectrum Right and/or the amount payable for the PCMTS Spectrum Right Initial Payment; or
- (b) IDA becomes aware that an error has occurred in registering the value of a bid submitted by a Bidder in a previous Round and IDA considers that the error is such that, if the Clock Auction proceeds, the error may have a material effect on the identity of the Bidder(s) which would be granted a PCMTS Spectrum Right and/or the amount of the PCMTS Spectrum Right Initial Payment,

IDA may, having consulted all Bidders (other than, in the event of Section 8.3(a), the excluded Bidder(s)),

- (i) continue the Clock Auction;
- (ii) restart the Clock Auction with the first Round;
- (iii) restart the Clock Auction commencing with the start of the Round in which the error referred to in Section 8.3(b) occurred or, in the event of an exclusion due to grounds set out in Section 8.3(a), commencing with the start of the Round in which the results of the Clock Auction were or may have been materially affected by the conduct of the excluded Bidder(s); or
- (iv) suspend the Clock Auction until such time and date as IDA may determine.

8.4 In the event that IDA determines to restart the Auction:

- (a) any excluded Bidder(s) will not be entitled to participate in the Auction or any restart of the Auction;
- (b) each Bidder's number of Recesses which may be requested by each Bidder shall be re-calculated to equate with such number as applied to the relevant Bidder at the original start of the Round at which the Auction is restarted; and

- (c) the original Round at which the Auction is restarted and any Round(s) subsequent to that original Round shall, subject to Section 8.5, be deemed not to have taken place.

8.5 Any restart of a Round or the Auction will not affect any Forfeiture determined by IDA pursuant to Section 11.2.1 – 11.2.3.

8.6 If IDA returns Bank Guarantees to Bidders during a suspension of the Auction, equivalent Bank Guarantees must be submitted to IDA prior to any restart of the Auction.

SECTION 9 – CLOSE OF THE CLOCK AUCTION

9.1 The Clock Auction will close simultaneously in relation to each of the three categories of PCMTS Spectrum Lots.

9.2 The Clock Auction will close in the first Round in which at some Price Point the following three conditions are met, and will do so at the lowest Price Point within that Round in which these conditions are met:

- (a) the aggregate quantity (summed over all Bidders) demanded of EGSM lots is no greater than 1 (one);
- (b) the aggregate quantity (summed over all Bidders) demanded of 900 MHz lots is no greater than 5 (five); and
- (c) the aggregate quantity (summed over all Bidders) demanded of 1800 MHz lots is no greater than 12 (twelve).

9.3 Upon closing of the Clock Auction, the Closing Clock Prices of the three categories of PCMTS Spectrum Lots will be deemed to be those prices corresponding to the lowest Price Point satisfying all of Sections 9.2(a)–(c).

9.4 IDA will notify each Bidder of the close of the Clock Auction.

9.5 After the close of the Clock Auction, IDA will notify each Bidder of:

- (a) the Closing Clock Prices of each category of PCMTS Spectrum Lots;
- (b) the number of Eligibility Points that the Bidder is awarded in each category of PCMTS Spectrum Lots (corresponding to the quantity that the Bidder demanded of each category at the Closing Clock Prices); and
- (c) the schedule for the Assignment Stage.

9.6 If at the close of the Clock Auction, the aggregate value of the quantity of lots demanded by a Bidder at the Closing Clock Prices is equal to or exceeds the Initial Guaranteed Amount, the Bidder must submit an Additional Bank Guarantee for an amount equal to 120% of the difference between the aggregate value of the quantity of lots demanded by the Bidder at the Closing

Clock Prices and the Initial Guaranteed Amount, rounded up to the nearest hundred dollars.

9.7 A Bidder must submit to IDA an Additional Bank Guarantee by not later than 9.00 am on the second Business Day after the day on which IDA notifies the Bidders of the closure of the Clock Auction. IDA may, if requested in writing submitted in accordance with Section 19.1, allow a Bidder one further Business Day within which an Additional Bank Guarantee may be submitted. If IDA agrees to such a request, such Additional Bank Guarantee must be submitted by not later than 9.00 am on the third Business Day after the day on which IDA notifies the Bidders of the closure of the Clock Auction.

9.8 Any Bidder which fails to submit an Additional Bank Guarantee in accordance with Sections 9.6 and 9.7 will be deemed excluded from the Auction and may not be re-admitted to take part in the Auction or any restart of the Auction. IDA may determine that such a Bidder is subject to a Forfeiture in accordance with Section 11.2.2 and IDA may draw upon that Bidder's Bank Guarantee for an amount up to the Guaranteed Amount. Subject to that Bidder's payment of any Forfeiture Amount, IDA will promptly return that Bidder's Bank Guarantee to that Bidder.

9.9 Any Additional Bank Guarantee shall be in addition to and shall not replace any Bank Guarantee previously submitted pursuant to these Auction Rules.

9.10 Additional Bank Guarantees will be returned to the relevant Bidders in accordance with Section 13.

SECTION 10 – CONDUCT OF ASSIGNMENT STAGE

10.1 The Assignment Stage consists of three phases.

- i) The exercise of First Rights of Refusal ("FROR")
- ii) The Second Initial Offer
- iii) The Sealed-Bid Combinatorial Auction

Exercise of First Rights of Refusal

10.2.1 Each Bidder which has existing 2G Spectrum Rights may exercise FROR for each PCMTS Spectrum Lot where the Bidder holds more than 80% of the frequency of the PCMTS Spectrum Lot under its existing 2G Spectrum Right. The FROR that 2G Operators may exercise are specified in Annex 1. The Bidder may only exercise such rights to the extent that it has Eligibility Points in the relevant category at the start of the Assignment Stage.

10.2.2 Each Bidder who wishes to exercise its FROR must submit a duly completed FROR Exercise Document, specifying the specific PCMTS

Spectrum Lots in respect of which it wishes to exercise its FROR, delivered by hand to

Info-communications Development Authority of Singapore
8 Temasek Boulevard
#14-00 Suntec Tower 3
Singapore 038988

For the attention of: Mr Andrew J. Haire

no later than 5.00 pm on the FROR Exercise Date specified in the schedule for the Assignment stage. Bidders may only specify PCMTS Spectrum Lots for which it may exercise FROR in accordance with Section 10.2.1. The number of PCMTS Spectrum Lots that Bidders may specify in each category of PCMTS Spectrum Lots cannot exceed the number of Eligibility Points that they were granted in the category.

10.2.3 A FROR Exercise Document which does not comply with Section 10.2.2 shall be deemed not to be a duly submitted FROR Exercise Document and the Bidder cannot exercise its FROR.

10.2.4 Each Bidder which submits a FROR Exercise Document which complies with Section 10.2.2 will be allocated the PCMTS Spectrum Lots specified in its FROR Exercise Document at Closing Clock Prices, or at the Reserve Price if the Clock Auction did not proceed.

10.2.5 If a Bidder exercises one or more FROR in a category of PCMTS Spectrum Lots, that Bidder's number of Eligibility Points in that category will be reduced by the number of FROR for which the Bidder exercised in that category, for the purpose of determining that Bidder's number of Eligibility Points following the exercise of the FROR.

10.2.6 Following the exercise of the FROR, if there is any category of PCMTS Spectrum Lots where there is only one Bidder with Eligibility Points and where the number of Eligibility Points equals the number of PCMTS Spectrum Lots remaining for which no FROR was exercised, the Bidder will be allocated the remaining PCMTS Spectrum Lots in that category at the Closing Clock Price of that category, or at the Reserve Price if the Clock Auction did not proceed. The Bidder's Eligibility Points will be reduced to zero for that category of PCMTS Spectrum Lots.

10.2.7 For avoidance of doubt, the sole Bidder with an Eligibility Point for the EGSM lot will be allocated the EGSM lot at Closing Clock Price, or at the Reserve Price if the Clock Auction did not proceed.

10.2.8 Following the process in 10.2.6,

- (a) if there are no Bidders with Eligibility Points remaining, the Auction closes without proceeding with the Second Initial Offer or the Sealed-Bid Combinatorial Auction;

- (b) if there remain Bidders with Eligibility Points, the Second Initial Offer phase will proceed.

Second Initial Offer

10.3.1 At the start of the Second Initial Offer phase, IDA will inform each Bidder separately of:

- (a) the PCMTS Spectrum Lots which the Bidder may make a Second Initial Offer for; and
- (b) the number of Eligibility Points that the Bidder has remaining.

10.3.2 Each Assignment Stage Bidder must submit a duly completed Second Initial Offer Document, delivered by hand to

Info-communications Development Authority of Singapore
8 Temasek Boulevard
#14-00 Suntec Tower 3
Singapore 038988

For the attention of: Mr Andrew J. Haire

no later than 5.00 pm on the Second Initial Offer Date specified in the schedule for the Assignment Stage. Bidders who fail to submit a duly completed Second Initial Offer form may be allocated any PCMTS Spectrum Lots at IDA's sole discretion, if the Auction closes subject to Section 10.3.4(b).

10.3.3 Each Assignment Stage Bidder must specify in its Second Initial Offer Document the specific PCMTS Spectrum Lots, for which it submits a Second Initial Offer, based on the Closing Clock Prices, or at the Reserve Price if the Clock Auction did not proceed. The number of PCMTS Spectrum Lots that Bidders may specify in each category of PCMTS Spectrum Lots must equal the number of Eligibility Points they have in this phase.

10.3.4 If IDA receives:

- (a) More than one Second Initial Offer for any PCMTS Spectrum Lot, the Sealed-Bid Combinatorial Auction phase will proceed.
- (b) No more than one Second Initial Offer for each PCMTS Spectrum Lot, the Auction closes without proceeding with the Sealed-Bid Combinatorial Auction phase and the Bidders would be allocated their specified lots at Closing Clock Prices, or at the Reserve Price if the Clock Auction did not proceed.

Sealed-Bid Combinatorial Auction

10.4.1 At the start of the Sealed-Bid Combinatorial Auction, IDA will inform each Assignment Stage Bidder of:

- (a) every combination of PCMTS Spectrum Lots which the Bidder may bid for (the “Allowable Combinations” for said Assignment Stage Bidder) , if the number of such Allowable Combinations does not exceed thirty. A ‘combination’ will comprise one subset of the remaining PCMTS Spectrum Lots that have not been allocated through exercise of FROR, subject to the number of lots in each category of the combination available to a Bidder being equal to the number of Eligibility Points the Bidder still has in that category.
- (b) the Base Price they have to pay for each combination; and
- (c) the date on which and the time on that date within which, Bidders may make their Assignment Stage bids.

10.4.2 The Base Price for a combination is equal to the sum of the following:

- (a) the Bidder’s number of eligibility points in the category of 900 MHz lots multiplied by the Closing Clock Price for 900 MHz lots, or at the Reserve Price if the Clock Auction did not proceed; and
- (b) the Bidder’s number of eligibility points in the category of 1800 MHz lots multiplied by the Closing Clock Price for 1800 MHz lots or at the Reserve Price if the Clock Auction did not proceed.

10.4.3 A Valid Combinatorial Bid, comprises a clear indication, on an Combinatorial Bid Form as prescribed by IDA, of an Allowable Combination together with a non-negative integer price, such price representing the number of dollars that the Bidder is willing to pay over and above the Base Price for that Allowable Combination. Each Bidder must make all its Combinatorial Bids on a single Combinatorial Bid Form. In respect of any Allowable Combination where the Bidder does not specify any price, the Bidder shall be deemed to have made a Valid Combinatorial bid of zero dollars for that Allowable Combination, for the purpose of determining the winning combination of bids.

10.4.4 Assignment Stage Bidders must submit their Combinatorial Bid Form, delivered by hand to

Info-communications Development Authority of Singapore
8 Temasek Boulevard
#14-00 Suntec Tower 3
Singapore 038988

For the attention of: Mr Andrew J. Haire

during the period on the Combinatorial Auction Day specified by IDA. IDA expects that the period for delivery of Combinatorial Bid Forms will be between 1.00pm and 5.00pm on the Combinatorial Auction Day.

10.4.5 Assignment Stage Bidders which fail to submit a duly completed Combinatorial Bid Form during the period on the Combinatorial Auction Day specified by IDA will be deemed to have made Valid Combinatorial Bids of zero dollars for all Allowable Combinations, for the purpose of determining the winning combination of bids.

10.4.6 Unless Section 10.4.8 applies, the winning combination of Valid Combinatorial Bids shall be the feasible selection of Combinatorial Bids which has the highest total value of amounts bid.

10.4.7 A feasible selection of Combinatorial Bids is any combination of Valid Combinatorial Bids within which:

- (a) There is one Valid Combinatorial Bid from each Assignment Stage Bidder;
- (b) No PCMTS Spectrum Lots appears in more than one of the selection of Valid Combinatorial Bids.

10.4.8 Where the highest total value of amounts bid can be achieved through more than one feasible selection of Valid Combinatorial Bids, IDA shall employ a method of random selection from amongst those selections of Valid Combinatorial Bids to determine the winning combination of Valid Combinatorial Bids.

10.4.9 The Assignment Stage Bidders will be allocated PCMTS Spectrum Lots based on the Allowable Combination in their Valid Combinatorial Bid which is part of the winning combination of Valid Combinatorial Bids.

10.4.10 After the Sealed-Bid Combinatorial Auction is concluded, the provisional award of PCMTS Spectrum Rights will proceed according to Section 12.

SECTION 11 – EXCLUSION/FORFEITURE OF GUARANTEED AMOUNT

Exclusion

11.1 If at any time IDA determines that a Bidder has failed to comply with one or more of the Auction Rules or the procedures relating to the Auction (including without limitation any of the bidding procedures under the Auction Rules and “Instructions to Bidders”) or otherwise acted in a manner which IDA considers to be prejudicial to the Auction, IDA may upon notification to that Bidder at any time exclude that Bidder from the Auction and that Bidder may not participate, or participate further, in the Auction or any restart of the Auction.

Forfeiture of Guaranteed Amount

11.2.1 IDA may determine that a Bidder shall forfeit all or part of that Bidder’s Guaranteed Amount in any of the circumstances specified in Section 11.2.2

by serving a Forfeiture Notice on that Bidder. A Forfeiture Notice will be given, and deemed received, in accordance with Section 19.2. Forfeitures will be settled in accordance with Section 13.

11.2.2 IDA may serve a Forfeiture Notice on a Bidder in each of the following circumstances:

- (a) if that Bidder acts in a manner that disrupts the Pre-Auction or Auction;
- (b) if that Bidder is excluded from the Auction pursuant to Section 11.1;
- (c) if that Bidder engages in any of the prohibited activities referred to in Sections 14, 15 or 16;
- (d) if that Bidder does not comply with any of its obligations under Section 20;
- (e) if that Bidder fails to make any payment due to IDA under Sections 2.7.3 or 13 within the relevant time period specified in the relevant Section;
- (f) if that Bidder fails to comply with Sections 9.6 and 9.7; or
- (g) if that Bidder does not participate in the Auction having submitted a First Initial Offer Document.

11.2.3 The amount which shall be forfeited by a Bidder in any of the circumstances specified in Section 11.2.2 shall be determined by IDA, provided that the aggregate of the amounts forfeited by a Bidder shall not exceed the relevant Bidder's Guaranteed Amount at the time the Forfeiture is determined.

SECTION 12 – PROVISIONAL AWARDS OF PCMTS SPECTRUM RIGHTS

12.1 In the case where the Auction proceeds, the PCMTS Spectrum Rights will be provisionally awarded within two Business Days following the close of the Auction (or such longer period as IDA determines, which will not exceed four Business Days). Subject to Section 1.2, the PCMTS Spectrum Right will be provisionally awarded to each Bidder in respect of the PCMTS Spectrum Lots allocated to that Bidder in accordance with

- (a) Section 10.2.4;
- (b) Section 10.2.6, and:
 - (i) Section 10.3.4(b) where the Sealed-Bid Combinatorial Auction does not proceed; or

- (ii) Sections 10.4.9 where the Sealed-Bid Combinatorial Auction proceeds.

Any PCMTS Spectrum Lot(s) for which a PCMTS Spectrum Right has not been provisionally awarded in accordance with this Section 12.1 may be offered by IDA in another auction or allocated in such other manner as IDA deems fit and appropriate.

12.2 The Base Year Charges for PCMTS Spectrum Lots allocated through the Auction shall be determined as follows:

- (a) The Base Year Charge for each PCMTS Spectrum Lot allocated pursuant to Section 10.2.4, 10.2.6 or Section 10.3.4.(b) shall be equal to the Closing Clock Price for that category of PCMTS Spectrum Lots, or at the Reserve Price if the Clock Auction did not proceed.
- (b) The Base Year Charge for each PCMTS Spectrum Lot allocated as part of a combination of PCMTS Spectrum Lots where the Sealed-Bid Combinatorial Auction proceeds shall be equal to the sum of:
 - (i) the Closing Clock Price for that category of PCMTS Spectrum Lots, or at the Reserve Price if the Clock Auction did not proceed; and
 - (ii) the additional dollar amount of the winning Combinatorial Bid made by the Bidder averaged over the number of PCMTS Spectrum Lots in the combination.

12.3 The Annual Charge for a PCMTS Spectrum Lot, which shall be payable from the first year for the duration of a PCMTS Spectrum Right, is S\$140,000.00 for each PCMTS Spectrum Lot respectively, excluding the applicable GST.

12.4 Within two Business Days of the close of the Auction (or such longer period as IDA determines, which will not exceed four Business Days), IDA will issue to each Bidder entitled to the provisional award of a PCMTS Spectrum Right in accordance with Section 12.1, a Provisional Award Notice notifying that Bidder of:

- (a) the specific PCMTS Spectrum Lot(s) included in the PCMTS Spectrum Right which that Bidder is provisionally awarded;
- (b) the sum of the Base Year Charges in respect of the PCMTS Spectrum Lots included in the relevant PCMTS Spectrum Right;
- (c) the sum of the Annual Charges in respect of the PCMTS Spectrum Lots included in the relevant PCMTS Spectrum Right;
- (d) the Application and Processing Fee in respect of each PCMTS Spectrum Right;

- (e) the aggregate of any Forfeitures to be settled by that Bidder (**Forfeiture Amount**); and
- (f) details of the IDA Bank Account.

12.5 Within two Business Days of the close of the Auction (or such longer period as IDA determines, which will not exceed four Business Days), IDA will publicly announce:

- (a) the identity of each Bidder entitled to a provisional award of a PCMTS Spectrum Right in accordance with Section 12.1; and
- (b) the Base Year Charge and the Annual Charge payable in respect of each PCMTS Spectrum Lot.

PART III - GRANT OF PCMTS SPECTRUM RIGHTS

SECTION 13 – SETTLEMENT OF PCMTS SPECTRUM RIGHT INITIAL PAYMENT AND FORFEITURES (IF ANY) AND GRANT OF PCMTS SPECTRUM RIGHTS

13.1 If at the close of the Auction, a Bidder is not entitled to a provisional award of a PCMTS Spectrum Right and is not subject to any Forfeitures, that Bidder's Bank Guarantee will be returned to that Bidder within ten Business Days of the close of the Auction.

13.2 If upon the close of the Auction, a Bidder is not entitled to a provisional award of a PCMTS Spectrum Right but is subject to one or more Forfeitures, the Forfeiture Amounts payable by that Bidder will be transferred by that Bidder within seven Business Days of the close of the Auction to the IDA Bank Account. If the aggregate Forfeiture Amounts are received in the IDA Bank Account within seven Business Days of the close of the Auction, that Bidder's Bank Guarantee will be returned to that Bidder within twenty Business Days of the close of the Auction. If the Forfeiture Amounts are not received in the IDA Bank Account within seven Business Days of the close of the Auction, IDA may draw upon that Bidder's Bank Guarantee for the amount of the Forfeitures.

13.3 If upon the close of the Auction, a Bidder is entitled to a provisional award of a PCMTS Spectrum Right in respect of one or more PCMTS Spectrum Lots, within seven Business Days of the close of the Auction that Bidder will transfer to the IDA Bank Account the PCMTS Spectrum Right Initial Payment and, if that Bidder is subject to one or more Forfeitures, the amount of the Forfeitures payable by that Bidder. If the PCMTS Spectrum Right Initial Payment, and any Forfeiture Amounts payable, are received in the IDA Bank Account on or prior to the date which is seven Business Days after the date of the close of the Auction ("Payment Date"), IDA will: (a) grant that Bidder the PCMTS Spectrum Right provisionally awarded to that Bidder in respect of the PCMTS Spectrum Lot(s), and (b) return that Bidder's Bank Guarantee to that Bidder within seven Business Days of the Payment Date. If the PCMTS Spectrum Right Initial Payment or any Forfeiture Amounts

payable by that Bidder are not received in the IDA Bank Account on or prior to the Payment Date, that Bidder will not be granted a PCMTS Spectrum Right and IDA may determine that that Bidder is subject to a further Forfeiture in accordance with Section 11.2.2 and IDA may draw upon that Bidder's Bank Guarantee for the aggregate amount of the Forfeitures and the amount of any further Forfeitures payable pursuant to this Section 13.3.

13.4 A PCMTS Spectrum Right granted in accordance with Section 13.3 shall be effective as of the Effective Date in accordance with the terms and conditions of such PCMTS Spectrum Right. If the procedure for award of the PCMTS Spectrum Right has not been completed by the Effective Date, the PCMTS Spectrum Right shall become effective on such later date as IDA may determine. Payment of a PCMTS Spectrum Right Initial Payment shall constitute settlement of the Base Year Charge and Annual Charge for the first year for a PCMTS Spectrum Right.

13.5 In the event that the PCMTS Spectrum Right Initial Payment and/or Forfeiture Amounts are not received by IDA in accordance with Section 13.3 from a Bidder which has been provisionally awarded a PCMTS Spectrum Right ("Defaulting Bidder"), IDA will revoke such provisional award and no PCMTS Spectrum Right will be granted to the Defaulting Bidder. IDA may allocate the PCMTS Spectrum Lot(s) for which the Defaulting Bidder had been provisionally awarded the PCMTS Spectrum Right in another auction which may be subject to rules which are different from these Auction Rules or by any other allocation method which IDA considers fit and appropriate.

13.6 The Annual Charge payable for the second year onwards of the duration of a PCMTS Spectrum Right in respect of each PCMTS Spectrum Lot included in a PCMTS Spectrum Right shall be payable in accordance with the terms and conditions of such PCMTS Spectrum Right.

13.7 Any GST payable on any sum payable to IDA pursuant to these Auction Rules or a PCMTS Spectrum Right, including a Base Year Charge, Annual Charge(s) or an Application and Processing Fee shall be payable by the relevant Bidder.

13.8 A Bidder which is provisionally awarded a PCMTS Spectrum Right and which has paid the PCMTS Spectrum Right Initial Payment and any Forfeiture Amount payable by that Bidder prior to the Payment Date in accordance with Section 13.3 may, by notice in writing delivered to IDA prior to the Payment Date, request that:

- (a) the relevant PCMTS Spectrum Right be granted to an entity which complies with Section 1.4 and which is owned and controlled by the Bidder (whether wholly or together with other persons) in accordance with the information provided in that Bidder's Application Form and First Initial Offer Document and any clarification or additional information and documents submitted by that Bidder; and

- (b) the time period set out in Section 13.3 for grant of the relevant PCMTS Spectrum Right be extended by up to fourteen Business Days (for a total of twenty one Business Days) from the Payment Date in order that the entity referred to in Section 13.8(a) can be established,

provided that:

- (i) such Bidder has indicated in its Application Form and First Initial Offer Document that it may wish to serve such a notice under this Section 13.8; and
- (ii) that entity must submit to IDA, prior to the grant of the relevant PCMTS Spectrum Right, its application for an FBO Licence to operate PCMTS telecommunication systems for the purposes of providing PCMTS telecommunication services in relation to that PCMTS Spectrum Right.

No PCMTS Spectrum Right will be granted to an entity which does not comply with Section 1.4 and is not owned and controlled by the relevant Bidder (whether wholly or together with other persons), if any, in accordance with the information provided in that Bidder's Application Form and First Initial Offer Document and any clarification or additional information and documents submitted by that Bidder

PART IV - PROHIBITED ACTIVITIES

SECTION 14 – COLLUSION, DISCLOSURE OF INFORMATION, MISLEADING OR FALSE INFORMATION, AND CONNECTED PERSONS

14.1 Before and during the Auction, no Bidder may:

- (a) disclose any Confidential Information, whether directly or indirectly, to any person other than IDA or the persons named in the Disclosure List submitted by that Bidder, provided that no Confidential Information may be disclosed by a Bidder to a person named in such Disclosure List if IDA has notified that Bidder that disclosure is not permitted to such person because that person is also named in the Disclosure List submitted by any other Bidder or otherwise; or
- (b) collude or attempt to collude with any other Bidder(s) in an attempt to influence the proceedings or results of the Auction or any allocation of the PCMTS Spectrum Lots.

Each Bidder will remain bound by the provisions of this Section 14.1 until the earlier of the grant of the PCMTS Spectrum Rights or the close of the Auction, notwithstanding that any such Bidder may be excluded from the Auction in accordance with the provisions of these Auction Rules.

14.2 If IDA determines that any Bidder has disclosed any Confidential Information in breach of the obligation pursuant to Section 14.1 or has colluded, attempted to collude, or is colluding with any other Bidder(s), such

Bidder will upon notification be excluded from the Auction and may not participate, or participate further, in the Auction or any restart of the Auction.

14.3 If IDA does not become aware of any breach of Section 14.1 until after the grant of the PCMTS Spectrum Rights or the close of the Auction, and any Bidder considered by IDA to have been involved in such breach was provisionally awarded or granted a PCMTS Spectrum Right, then if IDA in its sole discretion determines fit and appropriate, the provisional award or grant of the PCMTS Spectrum Right (as the case may be) will be revoked.

14.4 No Bidder will submit an Application Form or First Initial Offer Document or any document attached thereto, or any document submitted in response to a request for clarification from IDA or any information to IDA, which contains any information which the Bidder knows to be, or has reason to believe may be, false or misleading.

14.5 Any person who is an employee of a Bidder or a member of a Bidder's Group and who is also an employee of one or more other Bidders or other Bidders' Group(s) (for the purpose of this Section 14, a "Connected Person") will be excluded from participating, directly or indirectly, in the Auction. Each Bidder is obliged to ensure that:

- (a) any Connected Person is not in any way involved in the Bidder's preparation for, or participation in, the Auction;
- (b) no Confidential Information is disclosed to or otherwise enters the possession of any Connected Person; and
- (c) no Connected Person is an Authorised Representative.

14.6 For the purpose of this Section 14, **Bidder** shall include a person which has submitted an Application Form, First Initial Offer Document and/or a Bank Guarantee in accordance with Section 2.1.

SECTION 15 – ANTI-COMPETITIVE ACTIVITY

15.1 No Bidder will enter into, or permit to subsist, any arrangement whatsoever, (whether oral or in writing, formal or informal) with any equipment provider or software supplier or other person which places or may place any restriction on the quantities of equipment or software or other goods or services which the provider, supplier or other person supplies or offers to supply to another Bidder or on the price or any other term or condition upon which such equipment or software or other goods or services is supplied or offered to be supplied to any other Bidder in connection with planning, building or operating a network to be operated in relation to a PCMTS Spectrum Lot.

15.2 For the purpose of this Section 15, **Bidder** shall include any person which has submitted an Application Form, First Initial Offer Document and/or a Bank Guarantee in accordance with Section 2.1.

SECTION 16 – ADVISERS AND OBSERVERS

16. No Bidder will seek or obtain advice regarding the Auction from the legal advisers to IDA, Drew & Napier LLC, and the economic consultants to IDA, Frontier Economics Ltd.

PART V – GENERAL

SECTION 17 – IDA’S DISCRETIONARY POWERS AND DISCLAIMERS

17.1 Notwithstanding any other provision in these Auction Rules, IDA may at any time:

- (a) change any of the times or dates and/or shorten or extend any of the time periods referred to in or determined pursuant to these Auction Rules (including the date on which a PCMTS Spectrum Right is to become effective), provided that IDA will give all Bidders at least twenty-four hours notice of any such change, save in emergency situations where such changes may be made without notice;
- (b) change the address of the Auction Website, provided that IDA will publicly announce the new address on its website;
- (c) delay, cancel or suspend a Round, a Session and/or the Auction if in the opinion of IDA this is in the public interest; and/or
- (d) amend, supplement and/or vary these Auction Rules, provided that any such amendment, supplement and variation are made at least two Business Days prior to the Application Date, and are publicly announced on its website.

17.2 IDA will have sole discretion in making any determination pursuant to these Auction Rules and may take into account all or any facts, circumstances or matters which it considers to be relevant.

17.3 For avoidance of doubt, IDA is not bound by any determination made pursuant to these Auction Rules to make a similar determination in future reallocation exercise over these PCMTS Spectrum Lots. All determinations by IDA will be based on its policy objectives and on the facts at that point in time.

PART VI – MISCELLANEOUS

SECTION 18 – QUERIES RELATING TO AUCTION RULES

18.1 Any person participating in the Auction must take all necessary steps to carefully examine and acquaint itself with these Auction Rules. The

submission of an Application Form, First Initial Offer Document and/or Bank Guarantee in accordance with Section 2.1 shall be deemed to constitute such person's acknowledgement of, and agreement to abide by, these Auction Rules.

18.2 Any person considering participating in the Auction may submit to IDA written queries relating to these Auction Rules or the Auction, provided that any such queries are received by IDA on or before 1 February 2008.

18.3 IDA has no obligation to respond to any such query. If IDA responds to any such query, IDA will notify its response to the person which submitted the query and any other interested persons.

SECTION 19 – COMMUNICATIONS AND NOTIFICATIONS

19.1 Subject to Section 19.3, any notification or other communication (other than the submission of the Application Form, the First Initial Offer Document, the FROR Exercise Document, the Second Initial Offer Document and the Combinatorial Bid Form) to be given to IDA by a Bidder must be in writing and signed by or on behalf of the person giving it and must be delivered by hand or sent by fax to:

Info-communications Development Authority of Singapore
8 Temasek Boulevard
#14-00 Suntec Tower 3
Singapore 038988

Facsimile No.: (65) 6211-2116

For the attention of: Mr Andrew J. Haire

Any such notification or other communication:

- (a) if delivered by hand, will be deemed received by IDA when delivered; and/or
- (b) if sent by fax, will be deemed received by IDA at the time of transmission (provided instantaneous confirmation of transmission is received by the sender),

provided that where delivery occurs after 6.00 pm on a Business Day or on a day which is not a Business Day, receipt will be deemed to occur at 9.00 am on the following Business Day.

19.2 Unless specified otherwise, any notification or other communication to be given by IDA to a Bidder must be in writing and delivered by hand or sent by fax to the address or fax number given for such purposes in the Application Form.

Any notification or other communication:

- (a) if delivered by hand, will be deemed received when delivered; and/or
- (b) if sent by fax, will be deemed received at the time of transmission (provided instantaneous confirmation of transmission is received by the sender),

provided that where delivery occurs after 6.00 pm on a Business Day or on a day which is not a Business Day, receipt will be deemed to occur at 9.00 am on the following Business Day.

19.3 During the Clock Auction, all notifications and other communications made pursuant to Part II of these Auction Rules between IDA and any Bidder must be sent using the Clock Auction Bidding Procedure, provided that IDA may at any time send any notification or other communication by fax in accordance with Section 19.2.

SECTION 20 – DUTY TO INFORM IDA

20.1 If at any time during the Auction, a Bidder knows or ought reasonably to have known that IDA has made an error with regard to a bid or other information communicated to one or more Bidders, the Bidder will inform IDA in accordance with Section 19.3 of the error at the earliest opportunity.

20.2 If a Bidder ought reasonably to have known that IDA would be likely to determine it to be an Associated Bidder in relation to one or more of the other Bidders in the Auction if IDA were aware of all relevant information, such Bidder will notify IDA of all relevant information at the earliest opportunity.

20.3 If a Bidder becomes aware of any change in the ownership and/or control structure of the Bidder (direct or indirect) or of any shareholder of the Bidder, or any other material information submitted in the Application Form and First Initial Offer Document or any documents attached thereto, or any document submitted in response to a request for clarification from IDA, the Bidder will notify IDA of such change in writing in accordance with Sections 19.1 or 19.3 at the earliest opportunity. If IDA determines that such Bidder is no longer eligible to be granted a PCMTS Spectrum Right as a result of such change in ownership and/or control structure:

- (a) IDA may upon notification to that Bidder exclude that Bidder from the Auction and that Bidder may not participate, or participate further, in the Auction or any restart of the Auction, or
- (b) if the close of the Auction has taken place and the relevant Bidder is entitled to a provisional award of a PCMTS Spectrum Right, IDA may upon notification to that Bidder determine that the PCMTS Spectrum Lot(s) included in the PCMTS Spectrum Right provisionally awarded to that Bidder will not be allocated to that Bidder and that no PCMTS Spectrum Right will be granted to that Bidder.

20.4 Any change in ownership and/or control as referred to in Section 20.3 shall be deemed to take place on the earlier of the date on which the relevant transaction documentation is signed (whether conditional or unconditional) and the date on which the relevant transaction is completed.

SECTION 21 – GOVERNING LAW AND JURISDICTION

21.1 These Auction Rules and the relationship between IDA and each of the Bidders shall be governed by, and interpreted in accordance with, Singapore law.

21.2 The courts of Singapore are to have exclusive jurisdiction to settle any disputes which may arise in connection with the creation, validity, effect, interpretation or performance of, or the legal relationships established by, these Auction Rules or otherwise arising in connection with these Auction Rules. The submission of an Application Form and the First Initial Offer Document shall be deemed to constitute each of such Bidder's irrevocable submission to the jurisdiction of the courts of Singapore.

PART VII- DEFINITIONS

2G Operator means an FBO licensee which has existing 2G Spectrum Rights.

Additional Bank Guarantee means a Bank Guarantee submitted pursuant to Sections 9.6 and 9.7;

Allowable Combination(s) has the meaning ascribed to it in Section 10.4.1(a);

Annual Charge(s) means the annual spectrum management fee of S\$140,000.00, payable from the first year onwards for the duration of a PCMTS Spectrum Right in respect of each PCMTS Spectrum Lot allocated in accordance with Sections 2.7.1 – 2.7.4, 10.2.4, 10.2.6, 10.3.4(b) or 10.4.9, excluding the applicable GST;

Application and Processing Fee means the application and processing fee for use of radio frequencies of S\$22,500.00 for each PCMTS Spectrum Lot included in a PCMTS Spectrum Right, excluding the applicable GST;

Application Date means 22 February 2008, or such later date as IDA may otherwise notify the Bidders, provided that the Application Date will be no less than ten Business Days before the Auction Start Date;

Application Form means the application form to be submitted by an interested person, the form of which is attached as Appendix 1 to these Auction Rules;

Assignment Stage means the procedure specified in Section 10;

Assignment Stage Bidder means a Bidder which has Eligibility Points remaining at the start of the Second Initial Offer phase;

Associated Bidder means any person which has submitted an Application Form which is determined by IDA to be associated with any other person which has submitted an Application Form. For purposes of this definition, where an Application Form submitted indicates that a notice may be served under Section 13.8, **any person** shall include any person or company which will be a shareholder or proprietor of, or partner in, or otherwise an owner of, the entity to be established which complies with Section 1.4;

Associated Bidder Group means two or more persons which IDA has determined are Associated Bidders in relation to each other;

Auction means the Clock Auction and Assignment Stage procedures specified in these Auction Rules for allocating PCMTS Spectrum Lots and granting PCMTS Spectrum Right(s) in respect of all or any of eighteen PCMTS Spectrum Lot(s) (comprising one PCMTS Spectrum Lot in the Extended GSM band, five PCMTS Spectrum Lots in the 900 MHz band and twelve PCMTS Spectrum Lots in the 1800 MHz band), as specified in Annex 1;

Auction Rules means these rules published by IDA relating to the procedures by which IDA may allocate the PCMTS Spectrum Lots and/or grant PCMTS Spectrum Rights in respect of the PCMTS Spectrum Lots, as amended or varied by IDA from time to time in accordance with these rules;

Auction Software System means the software provided by the IDA's software contractor for this Auction referred to in Section 6.1 of the Auction Rules;

Auction Start Date means the date on which the Clock Auction will start if a Clock Auction proceeds, or the FROR Exercise Date if the Assignment Stage proceeds without the Clock Auction;

Auction Website means IDA's Internet Website at www.ida.gov.sg;

Authorised Representative means a person whom a Bidder has authorised to act in the Auction on its behalf, the particulars of whom have been submitted to IDA in accordance with Section 2.4.1(b) or Section 3.4, as the case may be;

Bank Guarantee means an irrevocable, standby bank guarantee issued by a financial institution, licensed by the Monetary Authority of Singapore to provide the full scope of services falling within the definition of banking business in the Banking Act (Cap. 19) substantially in the form attached as Appendix 3 to this Auction Rules or with such amendments as may be approved in writing by IDA, and where appropriate **Bank Guarantee** includes an Additional Bank Guarantee (provided that the form of the Additional Bank Guarantee shall be provided to Bidders at the Trial Auction and shall be substantially in the form attached as Appendix 3 to this Auction Rules);

Base Price means the minimum price of an Allowable Combination and is calculated based on Section 10.4.2;

Base Year Charge means the charge payable, in addition to the Annual Charge and Application and Processing Fee, for the first year of the duration of each PCMTS Spectrum Right, in respect of each PCMTS Spectrum Lot allocated pursuant to the Auction, as determined in accordance with Section 2.7.1, or Sections 12.2(a) or (b), excluding the applicable GST;

Bid has the meaning as described in Section 7.3.1 of the Auction Rules;

Bid Confirmation means the procedure to confirm an Entire Bid as described in Section 7.4.5;

Bidder, unless otherwise specified, means any person which: (a) is an entity which complies with Section 1.4; (b) has submitted an Application Form, First Initial Offer Document and Bank Guarantee in accordance with Section 2.1; (c) is notified that it is a registered Bidder pursuant to Section 2.2.7 and/or 2.3.2.; and (d) has not been notified of its exclusion from the Auction by IDA;

Business Day means a day excluding Saturdays, Sundays and public holidays in Singapore;

Clock Auction means the procedure specified in Sections 5,6,7,8 and 9 for granting Eligibility Points in respect of all or any of three categories of PCMTS Spectrum Lots;

Clock Auction Bidding Procedure means the procedure as set out in Section 6;

Closing Clock Price means, in respect of a PCMTS Spectrum Lot category, the final price associated with that category at the closure of the Clock Auction;

Combinatorial Auction Day means the day specified by IDA for the submission of Combinatorial Bid Forms;

Combinatorial Bid Form means the form prescribed by IDA for the submission of Combinatorial Bids;

Combinatorial Bid means the indication, on a Combinatorial Bid Form, of an Allowable Combination together with a non-negative integer price, such price representing the number of dollars that the Bidder is willing to pay over and above the Base Price for that Allowable Combination;

Confidential Information means any information whatsoever directly or indirectly relating to any proposed action or omission by a Bidder relating to the Auction, any information pertaining to the results or the proceedings of the Auction or any information, whether oral or in writing, which has not been made public by IDA, which if made public or disclosed would be likely to have an effect on the amount which any Bidder proposes to bid, including without

limitation information relating to a Bidder's business case, auction strategy and any amount a Bidder is willing to bid, but excluding any information which enters the public domain other than as a result of a breach by any Bidder of these Auction Rules. For the purposes of this definition, a reference to a Bidder will be deemed to include any Bidder excluded from the Auction by IDA;

Connected Person has the meaning given in Section 14.5;

Defaulting Bidder has the meaning given in Section 13.5;

Disclosure List means a list of all persons to whom Confidential Information has been disclosed or to whom it is proposed that Confidential Information be disclosed by any Bidder which has submitted a First Initial Offer Document. This list is provided to IDA by that Bidder in accordance with paragraph 1.8 of the Application Form;

Effective Date means the date on which a PCMTS Spectrum Right takes effect, being 1 January 2009, or such other date as IDA may determine in accordance with these Auction Rules;

Eligibility Points means the points which represent the number of PCMTS Spectrum Lots which a Bidder may be allocated in the Assignment Stage;

End-of-Round Prices means, in respect of a PCMTS Spectrum Lot category, the highest possible price for a Lot in that category in the given Auction Round in accordance with Section 7.1.3;

Ending Time means the time at which a Round in the Clock Auction ends;

Entire Bid has the meaning set out in Section 7.3.2;

FBO Licence means a licence to provide facilities-based operations issued by IDA under Section 5 of the Telecommunications Act (Cap. 323);

First Initial Offer means, in relation to a PCMTS Spectrum Lot, a legally binding offer made by a Bidder in its First Initial Offer Document to acquire that PCMTS Spectrum Lot as described in Section 2.4.3;

First Initial Offer Document means an initial offer document submitted by a Bidder in accordance with Section 2.1, the form of which is attached as Appendix 2 to this Auction Rules;

First Right of Refusal ("FROR") means the right which is given to a Bidder under, and to be exercised in accordance with, Section 10.2.1-10.2.5;

Forfeiture means the forfeiture of all or part of a Bidder's Guaranteed Amount as may be determined by IDA in accordance with Section 11.2.1 – 11.2.3;

Forfeiture Amount has the meaning given in Section 12.4(e);

Forfeiture Notice means a notice in writing of the imposition of a Forfeiture pursuant to Section 11.2.1;

FROR Exercise Date means the date specified by IDA for the submission of the duly completed FROR Exercise Document;

FROR Exercise Document means a First Right of Refusal Exercise document submitted by a Bidder in accordance with Section 10.2.2, the form of which is attached as Appendix 4 to this Auction Rules;

Group means, in relation to a Bidder:

- (a) any holding company of the Bidder;
- (b) any subsidiary of the Bidder;
- (c) any subsidiary of any holding company of the Bidder; and
- (d) any other company in which two or more of the shareholders or directors (directly or indirectly) own more than 50 per cent of or control more than 50 per cent of the voting rights attaching to, shares of the Bidder.

For the purpose of this definition, the terms **holding company** and **subsidiary** will have the meanings given in the Companies Act (Cap. 50);

GST means goods and services tax payable in accordance with the Goods and Services Tax Act (Cap. 117A);

Guaranteed Amount means, in relation to a Bidder, the aggregate of that Bidder's Initial Guaranteed Amount and, where applicable, the face amount for which any Additional Bank Guarantee has been submitted in accordance with Sections 9.6 and 9.7;

IDA means the Info-communications Development Authority of Singapore;

IDA Bank Account means the bank account to which payments are to be made as notified by IDA;

Information Memorandum means the information memorandum issued by IDA dated 18 January 2008 relating to the grant of PCMTS Spectrum Rights in respect of all or any of the PCMTS Spectrum Lots;

Information Session means the information session held in accordance with Section 3;

Initial Guaranteed Amount means the face amount for which a Bank Guarantee is submitted with a First Initial Offer Document, which amount is specified in Section 2.5.2;

Notification Date means the date on which IDA notifies Bidders such information as is specified in Section 5.1 if the Clock Auction proceeds, or Section 5.2 if the Assignment Stage proceeds without the Clock Auction, which date will be no later than two Business Days before the Auction Start Date;

Payment Date for the purpose of Section 2.7.3 has the meaning given in Section 2.7.3 and, for the purpose of Section 13.3 has the meaning given in Section 13.3;

PCMTS means public cellular mobile telecommunication services;

PCMTS Spectrum Lot means the specific frequency bandwidth which may be used for provision of PCMTS, as referred to in Section 1.1 and Annex 1, subject to the grant of a PCMTS Spectrum Right in respect of the PCMTS Spectrum Lot;

PCMTS Spectrum Right means the right to use the frequencies specified in that PCMTS Spectrum Right for the operation of public cellular mobile telecommunication systems for the purposes of providing PCMTS in accordance with the relevant terms and conditions;

PCMTS Spectrum Right Initial Payment means, in relation to a PCMTS Spectrum Right, the sum total of the Base Year Charge, the Annual Charge for the first year, and the Application and Processing Fee in respect of each PCMTS Spectrum Lot included in that PCMTS Spectrum Right;

Person means any natural person, or company incorporated under the Companies Act (Cap. 50);

Pre-Auction means the procedures specified in Part 1 of these Auction Rules;

Provisional Award Notice means a provisional award notice issued to a Bidder pursuant to Section 2.7.1 or Section 12.4;

Price Point has the meaning ascribed to it in Sections 7.2.1 – 7.2.2;

Recess means a period of two hours during which there are no further Rounds as determined in accordance with Sections 7.5.1 – 7.5.5;

Related Person means, in relation to a person which submits an Application Form:

- (a) any member of that person's Group; and
- (b) where it is proposed that a Singapore Entity (as defined in the Application Form) be established to which a PCMTS Spectrum Right is to be granted if the person which submits an Application Form is successful:
 - (i) any Proposed Investor (as defined in the Application Form);

- (ii) any member of any Proposed Investor's Group; and
- (iii) any entity which any two or more Proposed Investors control (as defined in the Application Form);

Reserve Price means the price below which the PCMTS Spectrum Lot will not be awarded, being S\$300,000.00 for each PCMTS Spectrum Lot;

Round means any single period in the Clock Auction in which Valid Entire Bids may be submitted;

Sealed Bid Combinatorial Auction means the procedure specified in Section 10.4.1 – 10.4.10;

Second Initial Offer means, in relation to a PCMTS Spectrum Lot, a legally binding offer made by a Bidder in its Second Initial Offer Document to acquire that PCMTS Spectrum Lot;

Second Initial Offer Date means the date specified by IDA in the schedule for the Assignment Stage, for the submission of the duly completed Second Initial Offer Document;

Second Initial Offer Document means an initial offer document submitted by a Bidder in accordance with Sections 10.3.1 – 10.3.4, the form of which is as prescribed by IDA;

Start-of-Round Prices means, in respect of a PCMTS Spectrum Lot category, the lowest possible price for a lot in that category in the given Auction Round in accordance with Section 7.1.3;

Starting Time means the time at which a Round in the Clock Auction starts;

Trial Auction means the trial auction held in accordance with Section 3;

Valid Combinatorial Bid has the meaning ascribed to it in Section 10. 4.3;

Valid Entire Bid has the meaning ascribed to it in Section 7.4.1.

ANNEX 1

PCMTS Spectrum Lots and FROR

PCMTS Spectrum Lot Number	Paired		FROR*
	Lower band (MHz)	Upper Band (MHz)	
EGSM Lot			
1	885 – 890	930 – 935	
900 MHz Lots			
2	890 – 895	935 – 940	M1
3	895 – 900	940 – 945	M1
4	900 – 905	945 – 950	
5	905 – 910	950 – 955	STM
6	910 – 915	955 - 960	STM
1800 MHz Lots			
7	1710 – 1715	1805 - 1810	STM
8	1715 – 1720	1810 – 1815	
9	1720 – 1725	1815 – 1820	STM
10	1725 – 1730	1820 – 1825	STM
11	1740 – 1745	1835 – 1840	SHM
12	1745 – 1750	1840 – 1845	SHM
13	1750 – 1755	1845 – 1850	SHM
14	1755 – 1760	1850 – 1855	SHM
15	1760 – 1765	1855 – 1860	M1
16	1765 – 1770	1860 – 1865	M1
17	1770 – 1775	1865 – 1870	M1
18	1775 – 1780	1870 – 1875	M1

* This column indicates the 2G Operators which may exercise FROR with respect to the corresponding PCMTS Spectrum Lot, in accordance with Section 10.2.1 – 10.2.5 of the Auction Rules, where M1 means MobileOne Ltd, STM means SingTel Mobile Pte Ltd and SHM means StarHub Mobile Pte Ltd.