
ANNEXURE A: BY-LAWS FOR THE ESOS

**KEYFIELD INTERNATIONAL BERHAD
EMPLOYEES' SHARE OPTION SCHEME ("ESOS")**

1. NAME OF SCHEME

This ESOS shall be called the "Keyfield International Berhad's ESOS".

2. RATIONALE FOR THE SCHEME

The implementation of the ESOS primarily serves to align the interests of the Eligible Persons (herein defined) to the corporate goals of Keyfield Group. The ESOS will provide the Eligible Persons with an opportunity to have equity participation in the Company and help achieve the positive objectives as set out below:

- (a) To recognise the contribution of the Eligible Persons whose services are valued and considered vital to the operations and continued growth of Keyfield Group;
- (b) To motivate the Eligible Persons towards improved performance through greater productivity and loyalty;
- (c) To inculcate a greater sense of belonging and dedication as the Eligible Persons are given the opportunity to participate directly in the equity of the Company; and
- (d) To reward the Eligible Persons by allowing them to participate in the Group's profitability and eventually realise any potential capital gains arising from possible appreciation in the value of Keyfield Shares, upon exercising of the ESOS Options.

In addition, Keyfield will be able to utilise the proceeds from the exercise of the ESOS Options for its working capital purposes, which is expected to finance the Group's day-to-day operations, amongst others, repayment to trade creditors as well as general expenses such as traveling, staff training, rental of offices and utilities.

3. DEFINITIONS AND INTERPRETATIONS

3.1 In these ESOS By-laws, the following terms shall, unless the context otherwise requires, have the following meanings:

- "Act" : The Companies Act, 2016 and any amendments made thereto from time to time.
- "Adviser" : Adviser in relation to a listed issuer, means a person who is permitted to carry on the regulated activity of advising corporate finance under the Capital Markets and Services Act 2007, which includes a Principal Adviser as defined in the Securities Commission's Principal Adviser's Guidelines and any amendments made thereto from time to time.

ANNEXURE A: BY-LAWS FOR THE ESOS (Cont'd)

"Auditors"	:	The external auditors for the time being of the Company or such other external auditors as may be nominated by the Board.
"Board"	:	Board of Directors of Keyfield, as may be constituted from time to time.
"Bursa Securities"	:	Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W)).
"By-laws"	:	The rules, terms and conditions of the scheme as set out herein, and shall include any amendments or variations made thereto from time to time.
"Calendar Days"	:	Means days according to the Gregorian calendar and not working days.
"CDS"	:	Central Depository System.
"CDS Account"	:	An account established by Bursa Depository for a depositor for the recording of securities and for dealing in such securities by the depositor.
"Central Depositories Act"	:	The Securities Industry (Central Depositories) Act 1991 and any amendments made thereto from time to time.
"Constitution"	:	Constitution of the Company, as amended from time to time.
"Date of Acceptance"	:	The date where the ESOS Committee receives written notice from an Eligible Person accepting an Offer.
"Date of Offer"	:	The date on which an Offer is made to an Eligible Person by the ESOS Committee from time to time during the Option Period to participate in the ESOS in accordance with the By-laws.
"Depository Rules"	:	The Rules of Bursa Depository and any appendices thereto.
"Bursa Depository" or "Depository"	:	Bursa Malaysia Depository Sdn Bhd (Registration No. 198701006854 (165570-W)).
"Director(s)"	:	All directors of Keyfield and its Subsidiaries, which are not dormant, and shall have the meaning given in Section 2(1) of the Act and Section 2(1) of the Capital Markets and Services Act, 2007 including non-executive directors.
"Effective Date"	:	The date on which the ESOS is implemented in accordance with the ESOS By-laws as provided in ESOS By-law 4.1 and By-law 21.
"Eligible Person(s)"	:	A natural person who is a Director or an employee of the Group (which are not dormant companies) and who meets the criteria of eligibility for participation in the ESOS as stipulated under ESOS By-law 5 and subject to ESOS By-law 5.3.

ANNEXURE A: BY-LAWS FOR THE ESOS (Cont'd)

- "ESOS" : The employee share option scheme for the grant of Options to Eligible Persons to subscribe for new Keyfield Shares upon the terms as set out herein, such scheme to be known as the "Keyfield International Berhad Employees' Share Option Scheme".
- "ESOS Committee" : The committee comprising Directors and Key Management appointed by the Board to administer the ESOS of the Company and governed by the By-laws. For the avoidance of doubt, no Director and/or senior management shall participate in the deliberation or discussion on their own ESOS allocation.
- "ESOS Option(s)" or "Option(s)" : The right of a Grantee to subscribe for one (1) Keyfield Share at the Subscription Price pursuant to an Offer duly accepted by the Grantee in the manner indicated under ESOS By-law 8.
- "Grantee(s)" : Any Eligible Person who has accepted the Offer in the manner as stipulated under the ESOS By-law 8.
- "Keyfield" or "Company" : Keyfield International Berhad (Registration No. 202001038989 (1395310-M)).
- "Keyfield Group" or "Group" : Keyfield and its Subsidiaries and associated company, collectively.
- "Keyfield Share(s)" or "Share(s)" : Ordinary shares in Keyfield.
- "Listing Requirements" : Main Market Listing Requirements of Bursa Securities including any amendments made thereto from time to time.
- "Market Day(s)" : Any day(s) between Monday to Friday (both days inclusive) which is not a public holiday and on which Bursa Securities is open for official trading of securities.
- "Maximum Allowable Allotment" : The maximum number of new Keyfield Shares that may be offered and allotted to an Eligible Person in accordance with the provisions of ESOS By-law 6.
- "Maximum ESOS Limit" : Shall have the meaning ascribed to it under By-law 4.1 hereof.
- "Offer" : A written offer, made by the ESOS Committee from time to time to the Eligible Persons to participate in the ESOS in the manner indicated under ESOS By-law 7.
- "Option Period" : The period commencing from the Date of Offer until the expiry date and/or termination of the ESOS or such other date as may be specifically stated in such Offer for an Eligible Person to exercise the Options provided that no Option Period shall extend beyond the duration of ESOS referred to under ESOS By-law 21 hereof or in the event of a termination of the ESOS, the date of termination of the ESOS.
- "Person(s) Connected" : Person connected as defined in Paragraph 1.01 of the Listing Requirements.

ANNEXURE A: BY-LAWS FOR THE ESOS (Cont'd)

"RM" and "sen"	:	Ringgit Malaysia and sen respectively.
"Subscription Price"	:	The price at which the Grantee shall be entitled to subscribe for each new Keyfield Share as calculated in the manner indicated under ESOS By-law 9.
"Subsidiary"	:	Any company which is a subsidiary of Keyfield within the meaning of Section 4 of the Act (which for the avoidance of doubt shall exclude the Company's associate company(ies)), which are not dormant and shall include any Subsidiary existing as at the Effective Date and any Subsidiary incorporated or acquired at any time during the tenure of the ESOS but excludes subsidiaries which are dormant or have been divested in the manner provided in ESOS By-law 24, and "Subsidiaries" shall be construed accordingly.
VWAMP	:	Volume weighted average market price.

In these ESOS By-laws:

- 3.2 Any reference to any statute or any statutory provision shall include any regulations and other subordinate legislation made from time to time under that statute or statutory provision and any Listing Requirements, policies and/or guidelines of the relevant authorities (in each case, whether or not having the force of law but, if not having the force of law, the compliance with which is in accordance with the reasonable commercial practice of persons to whom such requirements, policies and/or guidelines are addressed to by Bursa Securities and/or the relevant authorities);
- 3.3 Any reference to any statute or any statutory provision shall include that statute or statutory provision as from time to time modified or re-enacted whether before or after the date of these ESOS By-laws so far as such modification or re-enactment applies or is capable of applying to any Options offered and accepted within the duration of the ESOS and shall also include any past statutory provision (as from time to time modified or re-enacted) which such provision has directly or indirectly replaced;
- 3.4 Words importing the singular meaning, where the context so admits, include the plural meaning and vice versa;
- 3.5 Words denoting the masculine gender include the feminine and neuter gender and all such words shall be construed interchangeably in that manner;
- 3.6 Any liberty or power which may be exercised or any determination which may be made hereunder by the ESOS Committee may be exercised in the ESOS Committee's discretion;
- 3.7 The term 'month' means a Gregorian calendar month;
- 3.8 The headings in these ESOS By-laws are inserted for convenience of reference only and shall be ignored in the interpretation and construction of the provisions herein contained; and
- 3.9 If an event is to occur on a stipulated day which is not a Market Day, then the stipulated day will be taken to be the first Market Day after that day.

ANNEXURE A: BY-LAWS FOR THE ESOS (Cont'd)

4. MAXIMUM NUMBER OF NEW KEYFIELD SHARES AVAILABLE UNDER THE SCHEME

- 4.1 The maximum number of new Keyfield Shares to be allotted and issued pursuant to the exercise of the Options which may be granted under the ESOS shall not exceed in aggregate fifteen percent (15%) of the total number of issued shares of the Company (excluding treasury shares) at any point of time throughout the duration of the ESOS as provided in ESOS By-law 21 ("**Maximum ESOS Limit**").
- 4.2 Notwithstanding ESOS By-law 4.1 or any other provision herein contained, in the event the maximum number of new Keyfield Shares comprised in the Options granted under the ESOS exceeds the aggregate of fifteen per cent (15%) of the total number of issued shares of the Company (excluding treasury shares, if any) as a result of the Company purchasing its own shares pursuant to Section 127 of the Act or the Company undertakes any other corporate proposal and thereby resulting in the total number of Shares to be issued under the ESOS exceeding fifteen per cent (15%) of the total number of issued shares of the Company, then,
- (a) such Options granted prior to the adjustment of the total number of issued shares of the Company (excluding treasury shares) shall remain valid and exercisable in accordance with the provisions of this ESOS By-laws; and
 - (b) no further Options shall be offered until the total number of new Keyfield Shares comprised in the Options granted or to be granted under the ESOS falls below fifteen per cent (15%) of the total number of issued shares of the Company (excluding treasury shares).
- 4.3 The Company will within the duration of the ESOS keep available sufficient unissued Keyfield Shares in the capital of the Company to satisfy all outstanding ESOS Options, which may be exercised in accordance with this ESOS By-laws.
- 4.4 Each ESOS Option shall be exercisable into one new Keyfield Share(s), in accordance with the provisions of this ESOS By-laws.

5. DETERMINATION OF ELIGIBILITY

- 5.1 Any Director or employee including crew members of any company comprised in the Group which is not dormant shall be eligible to be considered for the offer of Options under the ESOS provided that:
- (a) the Director or employee shall have attained the age of eighteen (18) years on the Date of Offer and are neither an undischarged bankrupt nor subject to any bankruptcy proceedings;
 - (b) the Director or employee must fulfill such other eligibility criteria as may be determined by the ESOS Committee from time to time;
 - (c) the Director or employee must have been confirmed in service; and
 - (d) in respect of crew members who are serving short term employment contract, he must have served at least 100 days in a calendar year and been with our Group for at least 3 years.
- 5.2 The ESOS Committee may from time to time at its absolute discretion select and identify suitable Eligible Persons to be offered Options, and the decision of the ESOS Committee is final and binding.

ANNEXURE A: BY-LAWS FOR THE ESOS (Cont'd)

- 5.3 In addition to the foregoing, where the Directors are eligible to participate in the ESOS, such entitlement under the ESOS must have been approved by the shareholders of the Company in general meeting.
- 5.4 No Eligible Person shall at any one point in time participate or be eligible to participate in more than one (1) share option scheme or share grant scheme (in any form or manner, and local or foreign) implemented by any corporation within the Keyfield Group.
- 5.5 In determining the eligibility and allocation of an Eligible Person to participate in the ESOS, the ESOS Committee will take into account amongst others, the position, ranking, performance, contribution, seniority, length of service, fulfilment of the eligibility criteria as referred to in the By-laws or such other factors that the ESOS Committee deems relevant. Selection for participation in the ESOS shall be at the sole and absolute discretion of the ESOS Committee.
- 5.6 Eligibility under the ESOS shall not confer on an Eligible Person a claim or right to participate in or any rights whatsoever under the ESOS and an Eligible Person does not have any rights to acquire or have any rights over or in connection with the Options or the new Keyfield Shares comprised therein unless an Offer has been made in writing by the ESOS Committee to the Eligible Person under ESOS By-law 7 and the Eligible Person has accepted the Offer in accordance with the terms of the Offer and the ESOS.
- 5.7 A set of criteria on eligibility and allocation as determined by the ESOS Committee from time to time shall be made available to the Eligible Persons.
- 5.8 An employee who during the duration of the Scheme becomes an Eligible Person may be eligible for Options (to be decided by the ESOS Committee) subject to the Maximum Allowable Allotment for the category to which he has been admitted.
- 5.9 The allotment of Options under By-law 5.8 shall be from the balance of the Options available under the Scheme subject to the provisions of By-law 4.1.

6. BASIS OF ALLOCATION AND MAXIMUM ALLOWABLE ALLOTMENT

- 6.1 Subject to any adjustment which may be made under ESOS By-law 17, the aggregate number of new Keyfield Shares that may be offered under the Options and allotted and issued to an Eligible Person shall be at the sole and absolute discretion of the ESOS Committee after taking into consideration, amongst other factors, the position, ranking, performance, contribution, seniority, length of service, fulfilment of the eligibility criteria as referred to in the By-laws or such other factors that the ESOS Committee may deem relevant subject to the following:
- (a) the aggregate number of new Shares to be issued pursuant to the exercise of the ESOS Options granted under the ESOS shall not exceed the Maximum ESOS Limit and the ESOS Committee shall not be obliged in any way to offer an eligible Director or employee the ESOS Options for all the specified maximum number of Shares the eligible Director or employee is entitled to under the ESOS;
 - (b) any offer, allocation of ESOS Options under the ESOS and the related allotment of Shares to any eligible Directors, major shareholders who are employees of the Group or the chief executive officer of our Company and any person connected with them who is an employee of our Group shall require prior approval of the shareholders of the Company in a general meeting, and they shall not vote on the resolution approving their respective offer, allocation and allotment;

ANNEXURE A: BY-LAWS FOR THE ESOS (Cont'd)

- (c) that the Directors and key senior management do not participate in the deliberation or discussion of their own allocation and/or allocation of ESOS Options to Person Connected with them under the ESOS;
- (d) the allocation to the Eligible Person who, either singly or collectively through Person Connected with the Eligible Person, holds twenty per cent (20%) or more of the total number of issued shares (excluding treasury shares) of the Company, does not exceed ten per cent (10%) of the total number of the new Keyfield Shares to be issued under the ESOS;
- (e) any performance target to be achieved before the ESOS Options can be granted and/or exercised by an eligible Director or employee shall be determined by the ESOS Committee; and
- (f) Not more than fifty per cent (50%) of the total number of new Keyfield Shares available under the ESOS shall be allocated in aggregate to the Directors and senior management of Keyfield and its subsidiaries, which are not dormant, on the basis that they are crucial to the performance of Keyfield Group as determined by the ESOS Committee at their sole and absolute discretion,

provided always that it is in accordance with any prevailing requirements issued by Bursa Securities, the Listing Requirements or any other relevant authorities as amended from time to time.

For the avoidance of doubt, the ESOS Committee shall have sole and absolute discretion in determining whether:

- (a) the granting of the Options to the Eligible Persons will be based on staggered granting over the duration of the ESOS or in one (1) single grant; and
- (b) the ESOS Options are subject to any vesting period and if so, the vesting conditions and whether such vesting is subject to achievement of performance targets.

- 6.2 The number and allocation of Options so offered pursuant to the ESOS and the new Shares arising from the exercise of the Options shall be verified by the ESOS Committee.
- 6.3 At the time the Offer is made in accordance with ESOS By-law 7, the ESOS Committee shall set out the basis of allotment, identifying the category or grade of the Eligible Person and the Maximum Allowable Allotment for the Eligible Person in the differing categories or grades.
- 6.4 Any Eligible Person who holds more than one (1) position within the Keyfield Group and by holding such positions, the Eligible Person is in more than one category, shall only be entitled to the Maximum Allowable Allotment of any one of those categories. The ESOS Committee shall be entitled at its discretion to determine the applicable category.
- 6.5 In the event that an Eligible Person is promoted, the ESOS Committee shall have the sole and absolute discretion in determining the Maximum Allowable Allotment applicable to such Eligible Person, subject always to the availability of the Options and the maximum number of Keyfield Shares available under the ESOS as stipulated under ESOS By-law 4.1 and the Maximum Allowable Allotment as set out in ESOS By-law 6.1.

ANNEXURE A: BY-LAWS FOR THE ESOS (Cont'd)

- 6.6 An Eligible Person who is demoted to a lower grade for any reason whatsoever shall only be entitled to such Maximum Allowable Allotment corresponding to such demoted category unless the Offer has been made and accepted by him before such demotion, subject always to the maximum number of Keyfield Shares available under the ESOS as stipulated under ESOS By-law 4.1 and the Maximum Allowable Allotment as set out in ESOS By-law 6.1 and where the demoted Eligible Person has accepted the Offer which exceeds the Maximum Allowable Allotment under the category of Employees to which such Eligible Person has been demoted, such Eligible Person shall not be entitled to further allocation under such category.
- 6.7 The ESOS Committee or the Board may in its discretion introduce additional category or grades of Employees as it deems necessary during the duration of the ESOS.

7. OFFER OF OPTIONS

- 7.1 (a) The ESOS Committee shall, within the duration of the ESOS as specified in ESOS By-law 21 hereof, make Offers to any Eligible Person whom the ESOS Committee may in its sole and absolute discretion determine in accordance with the terms of the ESOS.
- (b) Notwithstanding subsection (a) above, where it involves an Offer to an Eligible Person who is a member of the ESOS Committee, such grant of Options shall be decided by the Board but carried out by the ESOS Committee. However, if a Board member is made an Offer under this By-laws, the said Board member shall abstain from any decision or discussion pertaining to his allotment of Options.
- 7.2 The actual number of new Keyfield Shares which may be offered to an Eligible Person shall be at the discretion of the ESOS Committee and, subject to any adjustment that may be made under ESOS By-law 17, shall be in multiples of and not be less than one hundred (100) Keyfield Shares, but subject to the Maximum Allowable Allotment as set out in ESOS By-law 6.1.
- 7.3 Subject to ESOS By-law 4, nothing herein shall prevent the ESOS Committee from making more than one (1) Offer to an Eligible Person at any point of time after the first Offer provided always that the total aggregate number of new Keyfield Shares to be offered to the Eligible Person (inclusive of Keyfield Shares already offered under previous Offers, if any) shall not exceed the Maximum Allowable Allotment as set out in ESOS By-law 6.1.
- 7.4 No Options will be granted to any Director or a chief executive or a major shareholder of Keyfield and/ or a Person Connected with a Director or a chief executive or a major shareholder of the Company, who is an Eligible Person, unless the grant of Options to them shall have been previously approved by the shareholders of the Company in general meeting of which they shall not vote on the resolution approving their respective offer, allocation and allotment.
- 7.5 Any Offer made by the ESOS Committee shall be made in writing. Such Offer is personal to the Eligible Person to whom the Offer is made, and is non-assignable, non-transferable, non-chargeable and non-disposable in any manner whatsoever.
- 7.6 Unless otherwise approved in writing by the ESOS Committee in its absolute discretion, any Offer shall automatically lapse and be null and void in the event of the death of the Eligible Person or the Eligible Person ceasing to be employed by the Keyfield Group for any reason whatsoever prior to the acceptance of the Offer by the Eligible Person in the manner set out in ESOS By-law 8 hereof.

ANNEXURE A: BY-LAWS FOR THE ESOS (Cont'd)

- 7.7 The ESOS Committee shall in its letter of offer ("**Offer Letter**") to an Eligible Person set out (amongst others) the number of new Keyfield Shares that may be subscribed for under the Offer, the Maximum Allowable Allotment, the Subscription Price, Option Period, the closing date for acceptance of the Offer, the manner of exercise of the Options and vesting period or vesting conditions of the ESOS Options offered, if any.
- 7.8 The Company shall keep and maintain at its expense a register of Grantees and shall enter in that register the names and addresses of the Grantees, the Maximum Allowable Allotment, the number of Options offered and accepted, the number of Options exercised, the Date of Offer and the Subscription Price.
- 7.9 Without prejudice to ESOS By-law 18, in the event the Offer Letter contains an error on the part of the Company in stating any of the particulars in ESOS By-law 7.7 above, the Company shall issue a revised Offer Letter, stating the correct particulars of the Offer within one (1) month of discovering such error and the revised particulars of the Offer shall take effect on the date of the revised Offer Letter except for Options which have already been exercised as at the date of the revised Offer Letter.

8. ACCEPTANCE OF OFFER

- 8.1 The Offer to participate in the ESOS shall be valid for acceptance for a period of thirty (30) days from the Date of Offer or such longer period as may be determined by the ESOS Committee in on a case-to-case basis at its discretion ("**Prescribed Period**").
- 8.2 If an Eligible Person wishes to accept the Offer made to it under ESOS By-law 8.1, he shall do so within the Prescribed Period by a written notice to the ESOS Committee in the form prescribed by the ESOS Committee and accompanied by a payment to the Company of a nominal non-refundable cash consideration of Ringgit Malaysia One (RM1.00) only for the grant of the Options pursuant to the Offer. The day of receipt of such written notice shall constitute the Date of Acceptance.
- 8.3 If the Offer is not accepted in the manner aforesaid, such Offer shall upon the expiry of the Prescribed Period be deemed rejected by the Eligible Person and shall automatically lapse and shall be null and void and be of no further effect, and the Options may, at the discretion of the ESOS Committee, be re-offered to other Eligible Persons.

9. SUBSCRIPTION PRICE

Subject to any adjustments in accordance with ESOS By-law 17, the Subscription Price shall be determined by the Board upon recommendation of the ESOS Committee and shall be fixed based on the 5-day VWAMP of Keyfield Shares, as quoted on Bursa Securities, immediately preceding the Date of Offer with a discount of not more than ten per cent (10%) to the said price, if deemed appropriate, or such other percentage of discount as may be permitted by any prevailing guidelines issued by Bursa Securities or any other relevant authorities as amended from time to time during the Option Period.

The Subscription Price as determined by the Board upon recommendation of the ESOS Committee which shall be conclusive and binding on the Grantee.

ANNEXURE A: BY-LAWS FOR THE ESOS (Cont'd)

10. EXERCISE OF OPTIONS

10.1 Subject to ESOS By-law 8, the Options granted to an Eligible Person pursuant to an Offer under the ESOS is exercisable by the Eligible Person in full or by such lesser number as the Eligible Person may be entitled under the Options at any time during the Option Period.

If the Options in an Offer are exercisable in such lesser number by the Eligible Person during the Option Period, the remaining number can be exercised by him from time to time during his lifetime whilst the Grantee is in the employment of the Keyfield Group within the Option Period.

10.2 Subject to any adjustments in accordance with ESOS By-law 17, the ESOS Committee may, at any time and from time to time after the Options are granted pursuant to ESOS By-law 7, within the Option Period and impose any other terms and/or conditions deemed appropriate by the ESOS Committee at its sole and absolute discretion including amending/varying any terms and conditions imposed earlier subject always to the provisions of ESOS By-law 17.

10.3 The Grantee shall notify the ESOS Committee in writing in the prescribed form of the Grantee's intention to exercise the Options. If the Options are exercised in respect of such lesser number as the Grantee may so decide to exercise provided that the number shall be in multiples of and not less than one hundred (100) Keyfield Shares. Such partial exercise of the Options shall not preclude the Grantee from exercising the Options as to the balance thereof at any time in the future but within the Option Period. In the event the balance of Keyfield Shares exercisable by a Grantee in accordance with these ESOS By-laws shall be less than one hundred (100) Keyfield Shares, the said balance shall, if exercised, must be exercised in a single tranche.

10.4 Every such notice to exercise the Options shall be accompanied by a remittance for the full amount of the Subscription Price monies in relation to the number of Keyfield Shares in respect of which the written notice is given. The Company shall endeavour to allot and issue such new Keyfield Shares to the Grantee in accordance with the provisions of the Constitution, the Central Depositories Act and the Depository Rules, despatch the notice of allotment to the Grantee and make an application for the listing and quotation for the new Keyfield Shares within eight (8) Market Days from the receipt by the Company of the aforesaid notice and remittance from the Grantee or such other period as may be prescribed by Bursa Securities.

10.5 Any failure to comply with the foregoing provisions and/or to provide all information as required in the notice of exercise referred to in ESOS By-law 10.3 or inaccuracy in the information provided shall result in the notice of exercise being rejected. The ESOS Committee shall inform the Grantee of the rejection of the said notice within fourteen (14) Calendar Days from the date of the rejection and the Grantee shall be deemed not to have exercised his Options.

10.6 The Grantee who exercises his Options shall provide the ESOS Committee with his CDS Account number in the notice referred to in ESOS By-law 10.3. The new Keyfield Shares to be issued pursuant to the exercise of the Options will be credited directly into the CDS Account of the Grantee and a notice of allotment and issuance stating the number of new Keyfield Shares credited into the CDS Account will be issued to the Grantee and no physical share certificate will be issued.

10.7 All Options to the extent unexercised on the expiry of the Option Period applicable thereto shall lapse and have no further effect.

10.8 An eligible Director who is a non-executive Director in the Company shall not sell, transfer or assign the Keyfield Shares obtained through the exercise of Options offered to him within one (1) year from the Date of Offer pursuant to the Listing Requirements as amended from time to time or other prevailing applicable guidelines.

ANNEXURE A: BY-LAWS FOR THE ESOS (Cont'd)

- 10.9 Each Grantee shall at its own cost and expense open a CDS Account and a trading account with a nominee company or a broker approved by the ESOS Committee.
- 10.10 The Company, the Board (including Directors of Keyfield who have resigned but were on the Board during the Option Period) and the ESOS Committee shall not under any circumstances be held liable to any person for any costs, losses, expenses, damages or liabilities, gains or profits foregone howsoever arising in the event of:
- (a) any delay on the part of the Company in procuring Bursa Securities to list and quote the new Keyfield Shares allotted and issued to a Grantee pursuant to the exercise of the Options by the Grantee; and/or
 - (b) any delay in crediting the said new Keyfield Shares into the CDS Account of the Grantee with the Nominee; and/or
 - (c) any other matter or dealing which is outside the control of the Company.
- 10.11 Every Option shall be subject to the condition that no new Keyfield Shares shall be issued to the Grantee pursuant to the exercise of an Option if such an issue would be contrary to any law, enactment, rules and/or regulations of any legislative or non-legislative body which may be in force during the Option Period or such period as may be extended.

11. NON-TRANSFERABILITY, TERMINATION OF OPTIONS AND SUSPENSION

- 11.1 An Option is personal to the Grantee and subject to ESOS By-law 11.2 is exercisable only by the Grantee personally during his lifetime whilst he is in the employment of any Group company and within the Option Period.
- 11.2 In the event of the cessation of employment of a Grantee with the Keyfield Group for whatever reason prior to the exercise of his Options or prior in full exercise of his Options, such Options shall cease immediately on the date of such cessation without any claim against the Company PROVIDED ALWAYS THAT subject to the written approval of the ESOS Committee in its discretion if such cessation occurs by reason of:-
- (a) retirement on attaining the retirement age under the Keyfield Group's policy;
 - (b) retirement before attaining the normal retirement age but with the consent of the Board;
 - (c) redundancy or any voluntary separation scheme;
 - (d) ill-health, injury, physical or mental disability; or
 - (e) any other circumstances which are acceptable to the ESOS Committee, such Options shall remain exercisable during the Option Period.

Upon the termination of Options pursuant to the above, the Grantee shall have no right to compensation or damages or any claim against the Company for any loss of any right or benefit under the ESOS which he/she might otherwise have enjoyed, whether for wrongful dismissal or breach of contract or loss of office or otherwise howsoever arising from his/her ceasing to hold office or employment or from the suspension of his/her right to exercise his/her Options or his/her Options ceasing to be valid.

- 11.3 An Option shall not be transferred, assigned, disposed of or subject to any encumbrances by the Grantee. Any such transfer, assignment, disposal or encumbrance shall result in the automatic cancellation of the option.

ANNEXURE A: BY-LAWS FOR THE ESOS (Cont'd)

- 11.4 In the event of the death or termination of employment of a Grantee with the Keyfield Group for whatsoever reason prior to the full exercise of the Options, such Options or the balance thereof, as the case may be, shall forthwith become void and cease to have further effect and the Keyfield Shares in respect of such Options may be re-offered to other Eligible Persons at the absolute discretion of the ESOS Committee.
- 11.5 The Option shall immediately become void and of no effect upon the following circumstances:
- (a) the bankruptcy of the Grantee or the Grantee being adjudicated a bankrupt; or
 - (b) a disciplinary action is taken on the Grantee pursuant to ESOS By-law 11.6; or
 - (c) any other circumstances as may be determined by the ESOS Committee.
- 11.6 In the event that a Grantee is subject to disciplinary proceedings (whether or not such disciplinary proceedings may give rise to a dismissal or termination of services of such Grantee or are found to have had no basis or justification), the ESOS Committee shall have the right, at its discretion, to suspend the rights of the Grantee to exercise the Grantee's Option(s) pending the outcome of such disciplinary proceedings. In addition to this right of suspension, the ESOS Committee may impose such terms and conditions as the ESOS Committee shall deem appropriate having regard to the nature of the charges made or brought against such Grantee, PROVIDED ALWAYS that:
- (a) in the event such Grantee shall subsequently be found not guilty of the charge(s) which gave rise to such disciplinary proceedings, the ESOS Committee shall reinstate the rights of such Grantee to exercise the Grantee's Option(s) as if such disciplinary proceeding had not been instituted in the first place;
 - (b) in the event such Grantee is found guilty of the charge(s) and the same results in the dismissal or termination of service of such Grantee, the Option(s) shall immediately upon pronouncement of the dismissal or termination of service of such Grantee, automatically lapse without notice and thereafter shall be null and void and be of no effect notwithstanding that such recommendation may be subsequently challenged by the Grantee in any other forum; or
 - (c) in the event such Grantee is found guilty of the charge(s) but no dismissal or termination of service is recommended, the ESOS Committee shall have the right to determine at its sole and absolute discretion whether or not the Grantee may continue to exercise the Grantee's Option(s) and, if so, to impose such terms and conditions as it deems appropriate, for the exercise thereof; or
 - (d) in the event that no decision is made and/or disciplinary proceedings are not concluded prior to the expiry of the Exercise Period, the Options of such Grantee shall immediately lapse on the expiry of the Exercise Period without notice.
- 11.7 Where a Grantee dies before the expiry of the Option Period and at the time of his death held unexercised Options, such Options shall cease immediately on the date of such death without any claim against the Company PROVIDED ALWAYS THAT, subject to the written approval of the ESOS Committee in its discretion, such unexercised Options may be exercised in full by the legal or personal representatives of the Grantee after the date of his death provided that such exercise shall be within the Option Period and shall not be later than twelve (12) months after the date of his death.

ANNEXURE A: BY-LAWS FOR THE ESOS (Cont'd)

11.8 If the ESOS Committee in its absolute discretion determine that a Subsidiary is not an eligible Subsidiary for purposes of the ESOS, a Grantee who was in the employment of such Subsidiary and who has not yet exercised the Options shall not be entitled to exercise such Options unexercised on the date such Subsidiary is determined by the ESOS Committee not to be eligible unless the ESOS Committee otherwise decides. Such Grantee shall not be eligible to participate in any further Options. Where the ESOS Committee decides not to allow the Grantee to exercise such Options which is unexercised on the date such Subsidiary is no longer eligible as an eligible Subsidiary, then the Keyfield Shares in respect of such unexercised Options may be re-offered to other Eligible Persons at the discretion of the ESOS Committee.

11.9 In the event of the liquidation of the Company, all unexercised or partially exercised Options shall lapse and cease to be valid and be null and void.

12. TAKE OVER OFFER, SCHEME OF ARRANGEMENT, AMALGAMATION, RECONSTRUCTION, ETC

12.1 Notwithstanding ESOS By-law 10 and ESOS By-law 21 and subject to the provisions of any applicable statutes, rules, regulations and/or conditions issued by the relevant regulatory authorities, in the event of:

- (a) a take-over offer being made for the Company, under the Capital Markets and Services Act, 2007, Rules on Takeovers, Mergers and Compulsory Acquisitions 2016 and the Malaysian Code on Take-Overs and Mergers 2016 (or any replacement thereof), to acquire the whole of the issued ordinary share capital of the Company (or such part thereof not at the time held by the "person making the take-over ("**Offeror**") or any persons acting in concert with the Offeror) and such offer becoming or being declared unconditional, a Grantee will be entitled within such period to be determined by the ESOS Committee, to exercise all or any part of the Grantee's Options and the Directors of Keyfield shall use their best endeavours to procure that such a general offer be extended to the new Keyfield Shares that may be issued pursuant to the exercise of the Options under these ESOS By-laws; and
- (b) the Offeror becoming entitled or bound to exercise the right of compulsory acquisition of new Keyfield Shares under the provisions of any applicable statutes, rules and/or regulations and gives notice to the Company that it intends to exercise such right on a specific date ("**Specific Date**"), a Grantee who is holding outstanding exercisable Options will be entitled to exercise all or any part of the Grantee's Options from the date of service of the said notice to the Company until and inclusive of the date on which the right of compulsory acquisition is exercised.

In the foregoing circumstances, if the Grantee fails to exercise his Options or elects to exercise only in respect of a portion of such Keyfield Shares, then any Options to the extent unexercised by the expiry of the periods stipulated in the aforesaid circumstances shall automatically lapse and be null and void.

12.2 In the event the court has sanctioned a compromise or arrangement between the Company and its members for the purpose of, or in connection with, a scheme for reconstruction of the Company or amalgamation with any other company or companies under the provisions of the Act, then the Grantee shall immediately become entitled in the period up to but excluding the date upon which such compromise or arrangement becomes effective, to exercise in whole or in part his Options. All unexercised ESOS Options held by a Grantee shall be automatically terminated on the date upon which such compromise or arrangement becomes effective.

ANNEXURE A: BY-LAWS FOR THE ESOS (Cont'd)

13. RANKING OF THE NEW KEYFIELD SHARES

The new Keyfield Shares to be allotted and issued upon the exercise of the Options under the ESOS will, upon allotment, issuance and full payment, rank *pari passu* in all respects with the then existing issued share capital of the Company except that the new Keyfield Shares so allotted and issued will not be entitled to any dividends, rights, allotments or other distributions where the entitlement date (namely the date as at the close of business on which shareholders of the Company must be entered in the Record of Depositors maintained with the Depository in order to be entitled to any dividends, rights, allotments or other distributions) precedes the date of allotment of the new Keyfield Shares and will be subject to all the provisions of the Constitution of the Company and Listing Requirements relating to transfer, transmission or otherwise of the Keyfield Shares.

14. RETENTION/RESTRICTION PERIOD OF KEYFIELD SHARES

Save for ESOS By-Law 10.8, the new Keyfield Shares allotted and issued to a Grantee pursuant to the exercise of the Options will not be subject to any retention period or restriction on transfer, disposal and/ or assignment. However, the Company encourages Grantees to hold the new Keyfield Shares subscribed for by them for as long as possible although a Grantee or his financier, as the case may be, may sell the new Keyfield Shares subscribed for by the Grantee at any time after such Shares have been credited to the Grantee's or his financier's CDS Account. A Grantee should note that the Shares are intended for him to hold as an investment rather than for immediate realisation to yield a profit.

A Grantee who is a non-executive director of the Keyfield Group must not sell, transfer or assign new Keyfield Shares obtained through the exercise of Options offered to him pursuant to the Scheme within one (1) year from the Date of Offer of such Options.

15. QUOTATION FOR THE NEW KEYFIELD SHARES

The new Keyfield Shares (if any) to be allotted and issued to the Grantee pursuant to the exercise of the Options will not be listed or quoted on Bursa Securities, until the Options are exercised in accordance with ESOS By-law 10 whereupon the Company shall, subject to it having obtained the prior written approval of Bursa Securities and/or other relevant authorities, and making applications to Bursa Securities for the listing and quotation for such additional Keyfield Shares on Bursa Securities, use its best endeavour to obtain permission for dealing therein.

16. OBLIGATION OF COMPANY AS REGARD TO SHARE CAPITAL

The Company shall during the Option Period keep available sufficient approved new Keyfield Shares in the share capital of the Company to satisfy all outstanding Options granted under the ESOS throughout the duration of the ESOS.

17. ALTERATION OF SHARE CAPITAL DURING THE OPTION PERIOD

17.1 In the event of any alteration in the capital structure of the Company during the Option Period, whether by way of capitalisation of profit or reserves, rights issue, bonus issue, reduction, subdivision or consolidation of capital or any other variations of capital or howsoever otherwise taking place, the Board shall have the discretion and accordingly assess the practicality of complying with the requirement to cause such corresponding adjustment (if any) to be made to:

ANNEXURE A: BY-LAWS FOR THE ESOS (Cont'd)

- (i) the Subscription Price;
- (ii) the number of new Keyfield Shares comprised in the Options by an Offer or any portion thereof which have not been exercised; and /or
- (iii) the number of new Keyfield Shares and/or Subscription Price comprised in an Offer which is open for acceptance (if such Offer is subsequently accepted in accordance with the terms of the Offer and the ESOS),

and shall be adjusted in accordance with the following formula:

- (a) If and whenever the Company shall make any issue of new Keyfield Shares to ordinary shareholders credited as fully paid, by way of capitalisation of profits or reserves (whether of a capital or income nature), the Subscription Price shall be adjusted by multiplying it by the following fraction:

$$\frac{A}{A+B}$$

and the additional number of Options which a Grantee may be entitled to be issued with, shall be calculated as follows:

$$\text{Additional number of Options} = \left[T \times \frac{A+B}{A} \right] - T$$

where:

- A = the aggregate number of issued and fully paid-up Keyfield Shares immediately before such capitalisation issue;
- B = the aggregate number of Keyfield Shares to be issued pursuant to any allotment to ordinary shareholders credited as fully paid-up by way of capitalisation of profits or reserves (whether of a capital or income nature and including any share premium account and capital redemption reserve fund); and
- T = existing number of Options held.

Each such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day following the entitlement date for such issue.

- (b) If and whenever the Company shall make:
 - (i) a Capital Distribution (as defined below) to ordinary shareholders whether on a reduction of capital or otherwise (but excluding any cancellation of capital which is lost or unrepresented by available assets); or
 - (ii) any offer or invitation to its ordinary shareholders whereunder they may acquire or subscribe for Keyfield Shares by way of rights; or
 - (iii) any offer or invitation to its ordinary shareholders by way of rights whereunder they may acquire or subscribe for securities convertible into Keyfield Shares or securities with rights to acquire or subscribe for Keyfield Shares,

ANNEXURE A: BY-LAWS FOR THE ESOS (Cont'd)

then and in respect of each such case, the Subscription Price shall be adjusted by multiplying it by the following fraction:

$$\frac{C - D}{C}$$

and in respect of the case referred to in ESOS By-law 15.1(b)(ii) hereof, the additional number of Options which a Grantee may be entitled to be issued with, shall be calculated as follows:

$$\text{Additional number of Options} = \left[T \times \left[\frac{C}{C-D^*} \right] \right] - T$$

where:

- T = T in ESOS By-law 15.1(a);
- C = the Current Market Price (as defined in ESOS By-law 17.1(g)) of each Keyfield Share on the Market Day immediately preceding the date on which the Capital Distribution, or as the case may be, the offer or invitation is publicly announced to Bursa Securities or (failing any such announcement) immediately preceding the date of the Capital Distribution or, as the case may be, of the offer or invitation; and
- D = (aa) in the case of an offer or invitation to acquire or subscribe for Keyfield Shares under ESOS By-law 17.1(b)(ii) above or for securities convertible into Keyfield Shares or securities with rights to acquire or subscribe for Keyfield Shares under ESOS By-law 17.1(b)(iii) above, the value of rights attributable to one (1) Keyfield Share (as defined below); or
- (bb) in the case of any other transaction falling within ESOS By-law 17.1(b), the fair market value, as determined (with the concurrence of the Auditors and/or the Adviser), of that portion of the Capital Distribution attributable to one (1) Keyfield Share.

For the purpose of definition (aa) of D above, the "value of rights attributable to one (1) Keyfield Share" shall be calculated in accordance with the formula:

$$\frac{C - E}{F + 1}$$

where:

- C = C in ESOS By-law 17.1(b);
- E = the subscription price for one (1) additional Keyfield Share under the terms of such offer or invitation or one (1) additional security convertible into Keyfield Shares or one (1) additional security with rights to acquire or subscribe for Keyfield Shares;
- F = the number of Keyfield Shares which it is necessary to hold in order to be offered or invited to acquire or subscribe for one (1) additional Keyfield Share or security convertible into Keyfield Shares or with right to acquire or subscribe for Keyfield Shares; and
- D* = the value of the rights attributable to one (1) Keyfield Share (as defined below).

ANNEXURE A: BY-LAWS FOR THE ESOS (Cont'd)

For the purpose of D* above, the "value of the rights attributable to one (1) Keyfield Share" shall be calculated in accordance with the formula:

$$\frac{C - E^*}{F^* + 1}$$

where:-

C = C in ESOS By-law 17.1(b);

E* = the subscription price for one (1) additional Keyfield Share under the terms of such offer or invitation to acquire or subscribe for Keyfield Shares; and

F* = the number of Keyfield Shares which it is necessary to hold in order to be offered or invited to acquire or subscribe for one (1) additional Keyfield Share.

For the purpose of ESOS By-law 17.1(b) hereof, "Capital Distribution" shall (without prejudice to the generality of that expression) include distributions in cash or specie or by way of issue of Keyfield Shares (other than an issue falling within ESOS By-law 17.1(a)) or other securities issued by way of capitalisation of profits or reserves (whether of a capital or income nature).

Any dividend charged or provided for in the accounts of any period shall (whenever paid and howsoever described) be deemed to be a Capital Distribution unless it is paid out of the aggregate of the net profits attributable to the ordinary shareholders as shown in the audited consolidated profit and loss accounts of the Company.

Each such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day following the entitlement date for such issue.

- (c) If and whenever the Company makes any offer or invitation to its ordinary shareholders as provided in ESOS By-law 17.1(a)(ii) or ESOS By-law 17.1(a)(iii) above and the entitlement date for the purpose of the allotment is also the entitlement date for the purpose of the offer or invitation, the Subscription Price shall be adjusted by multiplying it by the following fraction:

$$\frac{(G \times C) + (H \times I)}{(G + H + B) \times C}$$

and where the Company makes any allotment to its ordinary shareholders as provided in ESOS By-law 17.1(a) above and also makes any offer or invitation to its ordinary shareholders as provided in ESOS By-law 17.1(b)(ii) above and the entitlement date for the purpose of the allotment is also the entitlement date for the purpose of the offer or invitation, the additional number of Options which a Grantee may be entitled to be issued with, shall be calculated as follows:

$$\text{Additional number of Options} = \left[\frac{T \times (G + H^* + B) \times C}{(G \times C) + (H^* \times I^*)} \right] - T$$

where:

B = B in ESOS By-law 17.1(a);

C = C in ESOS By-law 17.1(b);

ANNEXURE A: BY-LAWS FOR THE ESOS (Cont'd)

- G = the aggregate number of issued and fully paid-up Keyfield Shares on the entitlement date;
- H = the aggregate number of new Keyfield Shares under an offer or invitation to acquire or subscribe for Keyfield Shares by way of rights or under an offer or invitation by way of rights to acquire or subscribe for securities convertible into Keyfield Shares or rights to acquire or subscribe for Keyfield Shares, as the case may be;
- H* = the aggregate number of new Keyfield Shares under the offer or invitation to acquire or subscribe for Keyfield Shares by way of rights;
- I = the subscription price of one (1) additional Keyfield Share under the offer or invitation to acquire or subscribe for Keyfield Shares or the exercise price on conversion of such securities or exercise of such rights to acquire or subscribe for one (1) additional Keyfield Share, as the case may be;
- I* = the subscription price of one (1) additional Keyfield Share under the offer or invitation to acquire or subscribe for Keyfield Shares; and
- T = T in ESOS By-law 17.1(a).

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day following the entitlement date for such issue.

- (d) If and whenever the Company makes any offer or invitation to its ordinary shareholders to acquire or subscribe for Keyfield Shares as provided in ESOS By-law 17.1(b)(ii) together with an offer or invitation to acquire or subscribe for securities convertible into Keyfield Shares or securities with rights to acquire or subscribe for Keyfield Shares as provided in ESOS By-law 17.1(b)(iii) above, the Subscription Price shall be adjusted by multiplying it by the following fraction:

$$\frac{(G \times C) + (H \times I) + (J \times K)}{(G + H + J) \times C}$$

and the additional number of Options which a Grantee may be entitled to be issued with, shall be calculated as follows:

$$\text{Additional number of Options} = \left[\frac{T \times (G + H^*) \times C}{(G \times C) + (H^* \times I^*)} \right] - T$$

where:

- C = C in ESOS By-law 17.1(b);
- G = G in ESOS By-law 17.1(c);
- H = H in ESOS By-law 17.1(c);
- H* = H* in ESOS By-law 17.1(c);
- I = I in ESOS By-law 17.1(c);
- I* = I* in ESOS By-law 17.1(c);
- J = the aggregate number of Keyfield Shares to be issued to its ordinary shareholders upon conversion of such securities or exercise of such rights to subscribe for Keyfield Shares by the ordinary shareholders;

ANNEXURE A: BY-LAWS FOR THE ESOS (Cont'd)

K = the exercise price on conversion of such securities or exercise of such rights to acquire or subscribe for one (1) additional Keyfield Share; and

T = T in ESOS By-law 17.1(a).

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day following the entitlement date for the above transaction.

- (e) If and whenever the Company makes an allotment to its ordinary shareholders as provided in ESOS By-law 17.1(a) and also makes an offer or invitation to acquire or subscribe for Keyfield Shares to its ordinary shareholders as provided in ESOS By-law 17.1(b)(ii) above together with rights to acquire or subscribe for securities convertible into or with rights to acquire or subscribe for Keyfield Shares as provided in ESOS By-law 17.1(b)(iii) above and the entitlement date for the purpose of the allotment is also the entitlement date for the purpose of offer or invitation, the Subscription Price shall be adjusted by multiplying it by the following fraction:

$$\frac{(G \times C) + (H \times I) + (J \times K)}{(G + H + J + B) \times C}$$

and the additional number of Options which a Grantee may be entitled to be issued with, shall be calculated as follows:

$$\text{Additional number of Options} = T \times \left[\frac{(G + H^* + B) \times C}{(G \times C) + (H^* \times I^*)} \right] - T$$

where:

B = B in ESOS By-law 17.1(a);

C = C in ESOS By-law 17.1(b);

G = G in ESOS By-law 17.1(c);

H = H in ESOS By-law 17.1(c);

H* = H* in ESOS By-law 17.1(c);

I = I in ESOS By-law 17.1(c);

I* = I* in ESOS By-law 17.1(c);

J = J in ESOS By-law 17.1(d);

K = K in ESOS By-law 17.1(d); and

T = T in ESOS By-law 17.1(a).

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day following the entitlement date for the above transaction.

ANNEXURE A: BY-LAWS FOR THE ESOS (Cont'd)

- (f) If and whenever consolidation or subdivision or conversion of Shares occurs, the Subscription Price shall be adjusted in the following manner:
- (i) the Subscription Price shall be adjusted by multiplying it by the aggregate number of issued and fully-paid up Shares immediately before such consolidation or subdivision or conversion and dividing the aggregate number of issued and fully paid-up Shares immediately after such consolidation or subdivision or conversion

$$\frac{L \times M}{N}$$

- (ii) the number of Options shall be adjusted by multiplying the aggregate number of issued and fully paid-up Shares immediately after such consolidation or subdivision or conversion and dividing the aggregate number of issued and fully-paid up Shares immediately before such consolidation or subdivision or conversion

$$\frac{N \times O}{L}$$

where:

- L = the aggregate number of Keyfield Shares issued and fully paid-up immediately before such consolidation or subdivision or conversion;
- M = existing Subscription Price
- N = the aggregate number of Keyfield Shares immediately after such consolidation or subdivision or conversion.
- O = existing number of Options.

Such adjustments will be effective from the close of the Market Day immediately preceding the date on which the consolidation or subdivision or conversion becomes effective or such other date as may be prescribed by Bursa Securities.

- (g) For the purposes of ESOS By-laws 17.1(b), (c), (d) and (e) above, the "Current Market Price" in relation to one (1) Keyfield Share for any relevant day shall be the average of the last dealt prices for the five (5) consecutive Market Days before such date or during such other period as may be determined in accordance with any guidelines issued, from time to time, by Bursa Securities.

Such adjustments must be confirmed in writing either by the Auditors or the Adviser for the time being (acting as experts and not as arbitrators), upon reference to them by the ESOS Committee, to be in their opinion, fair and reasonable, PROVIDED ALWAYS THAT:

- (a) Any adjustment to the Subscription Price shall be rounded up to the nearest one (1) cent;
- (b) In the event that a fraction of a new Keyfield Share arising from the adjustment referred to in this ESOS By-law would otherwise be required to be issued upon the exercise of the Options by the Grantee, the Grantee's entitlement shall be rounded down to the nearest whole number;
- (c) Upon any adjustment being made pursuant to this ESOS By-law, the ESOS Committee shall, within thirty (30) Calendar Days of the effective date of the alteration in the capital structure of the Company, notify the Grantee (or his legal representatives where applicable) in writing informing him of the adjusted Subscription Price thereafter in effect and/or the revised number of new Keyfield Shares thereafter to be issued on the exercise of the Options; and

ANNEXURE A: BY-LAWS FOR THE ESOS (Cont'd)

- (d) Any adjustments made must be in compliance with the provisions for adjustment as provided in this ESOS By-law.

Nevertheless, any adjustments to the Subscription Price and/or the number of new Keyfield Shares comprised in the Options so far as unexercised arising from bonus issues, subdivision or consolidation of shares, need not be confirmed in writing by the Auditors or the Adviser (as the case may be) of the Company.

- 17.2 Save as expressly provided for herein, the Auditors or Adviser (as the case may be) must confirm in writing that the adjustments are in their opinion fair and reasonable and, in the absence of manifest error, their decisions shall be conclusive and binding on all person having an interest in the Options.
- 17.3 The adjustment pursuant to this ESOS By-law shall be effective on the Market Day immediately following the entitlement date for the event giving rise to the adjustment.
- 17.4 No adjustments shall be made to the Subscription Price and/or the number of Keyfield Shares comprised in the Options or any portion thereof that is unexercised when the alteration in the capital structure of the Company arises from:
- (a) an issue of new Keyfield Shares or other securities convertible into Keyfield Shares or with rights to acquire or subscribe for Keyfield Shares in consideration or part consideration for an acquisition of any other securities, assets or business; or
 - (b) a special issue of new Keyfield Shares or other securities to Bumiputera investors nominated by the Ministry of International Trade and Industry and/or any other government authority to comply with Malaysian Government's policy on Bumiputera capital participation; or
 - (c) a private placement or restricted issue of new Keyfield Shares by the Company; or
 - (d) an issue of new Keyfield Shares arising from the exercise of any conversion rights in respect of any securities convertible into new Keyfield Shares including but not limited to warrants and convertible loan stocks; or
 - (e) an issue of new Keyfield Shares upon the exercise of Options granted under the ESOS; or
 - (f) a purchase by the Company of its own Keyfield Shares pursuant to Section 127 of the Act.
- 17.5 In the event that the Company enters into any scheme of arrangement or reconstruction pursuant to the Act, ESOS By-law 17.1 shall be applicable in respect of such part(s) of the scheme which involve(s) any alteration(s) in the capital structure of the Company to which ESOS By-law 17.1 is applicable, but ESOS By-law 17.1 shall not be applicable in respect of such part(s) of the scheme which involve(s) any alteration(s) in the capital structure of the Company to which ESOS By-law 17.4 is applicable.
- 17.6 Notwithstanding the provision referred to in this ESOS By-law 17, in any circumstances where the Board consider that any adjustment to the Subscription Price and/or the number of Keyfield Shares comprised in the Options or any portion thereof that is unexercised under the said provision should be adjusted or calculated on a different basis or date or should take effect on a different date or that an adjustment to the Subscription Price and/or the number of Keyfield Shares comprised in the Options or any portion thereof should be made notwithstanding that no such adjustment is required under the said provisions, the Company may but it is not obliged to appoint an Adviser and/or the Auditors to consider for any reason whatsoever the adjustment to

ANNEXURE A: BY-LAWS FOR THE ESOS (Cont'd)

be made (or the absence of any adjustment) or the adjustment to be made in accordance with the provisions of this ESOS By-law 17 is appropriate or inappropriate, as the case may be and if such Adviser and/or the Auditors shall consider the adjustment to be inappropriate, that adjustment shall be modified or nullified (or an adjustment made even though not required to be made) in such manner as shall be considered by such Adviser and/or the Auditors to be in its opinion appropriate.

- 17.7 The decision of the Board as to whether any adjustment shall be made or not made to the Subscription Price and and/or the number of Keyfield Shares comprised in the Options or any portion thereof pursuant to this ESOS By-law 17 shall be binding, final and conclusive.

18. ADMINISTRATION OF THE SCHEME

The ESOS shall be administered by the ESOS Committee appointed by the Board. The Board shall have the discretion as it deems fit from time to time to approve, rescind and/or revoke the appointment of any person(s) in the ESOS Committee. The ESOS Committee shall be vested with such powers and duties as are conferred upon it by the Board. The ESOS Committee may for the purpose of administering the ESOS do all acts and things and enter into any transaction, agreement, deed, document or arrangement, and make rules, regulations or impose terms and conditions or delegate part of its powers relating to the ESOS, which the ESOS Committee may in its discretion consider to be necessary or desirable to give full effect to the ESOS and generally exercise such powers and perform such acts as are deemed necessary or expedient to promote the best interest of the Company. The ESOS Committee shall comprise representative(s) from the Board and other persons appointed from time to time by the Board.

19. AMENDMENT AND/OR MODIFICATION TO THE SCHEME

- 19.1 Subject to ESOS By-law 19.2, ESOS By-law 19.3 and By-law 25, the ESOS Committee may at any time and from time to time recommend to the Board any additions and amendments to or deletions of these ESOS By-laws as it shall in its discretion think fit and the Board shall have the power by resolution to add to, amend or delete all or any of these ESOS By-laws upon such recommendation subject to the Company submitting a letter of compliance to Bursa Securities each time an amendment is made, that the said amendment to the ESOS By-laws is in compliance with the provisions of the Listing Requirements pertaining to employee share option schemes and Depository Rules pursuant to Paragraph 2.12 of the Listing Requirements.

- 19.2 Subject to ESOS By-law 19.3 and By-law 25, the approval of the shareholders of the Company in general meeting shall not be required in respect of additions or amendments to or deletions of these ESOS By-laws PROVIDED THAT no additions, amendments or deletions shall be made to these ESOS By-laws which would:

- (a) prejudice any rights which would have accrued to any Grantee without his prior consent; or
- (b) prejudice any rights of the shareholders of the Company without the prior approval of the Company's shareholders in a general meeting; or
- (c) increase the number of Keyfield Shares available under the ESOS beyond the maximum imposed by ESOS By-law 4.1; or
- (d) provide an advantage to any Grantee or group of Grantees or all Grantees.

ANNEXURE A: BY-LAWS FOR THE ESOS (Cont'd)

- 19.3 For the purposes of complying with the provisions of the Listing Requirements, ESOS By-laws 4.1, 5.1, 6.1, 8.2, 9, 10.1, 10.8, 12, 13, 17, 20, 21.3 and this ESOS By-law 19.3 respectively shall not be amended or altered in any way whatsoever for the advantage of Eligible Persons without the prior approval of shareholders in general meeting.

20. LIQUIDATION OF THE COMPANY

In the event a notice is given by the Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date or soon after it despatches such notice to each member of the Company give notice thereof to all Grantees (together with a notice of the existence of the provisions of this ESOS By-law 20). Each Grantee (or his or her legal personal representative(s)) shall thereupon be entitled to exercise all or any of his Options at any time not later than two (2) business days prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate Subscription Price for the Shares in respect of which the notice is given, whereupon the Company shall as soon as possible and, in any event, no later than the business day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the Grantee credited as fully paid.

In the event that any order is made or a special resolution is passed for the liquidation of the Company, all unexercised or partially exercised Options shall automatically lapse and shall be null and void and have no further effect.

21. DURATION OF THE SCHEME

- 21.1 The Effective Date for the implementation of the ESOS shall be at the date of full compliance with all relevant requirements in the Listing Requirements including the following:
- (a) submission of the final copy of the ESOS By-laws to Bursa Securities together with a letter of compliance pursuant to Paragraph 2.12 of the Listing Requirements and a checklist showing compliance with Appendix 6E of the Listing Requirements;
 - (b) receipt of approval or approval-in-principle, as the case may be from Bursa Securities for the listing and quotation of the new Keyfield Shares to be issued pursuant to the exercise of Options granted under the ESOS;
 - (c) procurement of shareholders' approval for the ESOS;
 - (d) receipt of approval of any other relevant authorities (where applicable); and
 - (e) fulfilment of all conditions attached to the above approvals (if any).
- 21.2 The Adviser of the Company shall submit a confirmation letter to Bursa Securities of full compliance with the relevant requirements of the Listing Requirements stating the Effective Date together with a certified true copy of a resolution passed by the shareholders of the Company in general meeting. The confirmation letter shall be submitted to Bursa Securities no later than five (5) Market Days after the Effective Date.

ANNEXURE A: BY-LAWS FOR THE ESOS (Cont'd)

- 21.3 Subject to ESOS By-law 25, the ESOS shall be in force for a period of five (5) years from the Effective Date and may be extended for a further period of up to five (5) years, at the sole and absolute discretion of the Board upon the recommendation by the ESOS Committee, provided always that the initial ESOS period stipulated above and such extension of the ESOS made pursuant to these ESOS By-laws shall not in aggregate exceed a duration of ten (10) years from the Effective Date ("**Date of Expiry**").

For the avoidance of doubt, no further sanction, approval or authorisation of the shareholders of the Company in a general meeting is required for any such extension and the Company shall serve appropriate notices on each Grantee and/or make any necessary announcements to any parties and/ or Bursa Securities (if required).

- 21.4 In the event the Board elects to extend the ESOS for a further period of up to five (5) years as provided in By-law 21.3. The Board may resolve to extend the ESOS on or before the fifth (5th) anniversary of the Effective Date.
- 21.5 Notwithstanding anything to the contrary, all unexercised Options shall lapse on the Date of Expiry.

22. COSTS AND EXPENSES OF THE SCHEME

All fees and costs incurred in relation to the ESOS including but not limited to the fees, costs and expenses relating to the issue and allotment of the new Keyfield Shares pursuant to the exercise of any Options, shall be borne by the Company save and except for any tax (including income tax), if any, arising from the Offer and/or exercise of any Options under the ESOS.

23. DISPUTES/DIFFERENCES

In case any dispute or difference shall arise between the ESOS Committee and an Eligible Person or a Grantee, as the case may be, as to any matter of any nature arising under the ESOS, the ESOS Committee shall determine such dispute or difference by a written decision (without any obligation to give any reason thereof) given to the Eligible Person or Grantee, as the case may be. The said decision shall be final and binding on the parties.

24. DIVESTMENT FROM AND TRANSFER TO/FROM THE KEYFIELD GROUP

- 24.1 If the Grantee who was in the employment of a company in the Keyfield Group which was subsequently divested from the Keyfield Group resulting in that company ceasing to be a Subsidiary, unless approved by the ESOS Committee in writing, the Options unexercised on the date of such company ceasing to be a Subsidiary, shall be null and void and be of no effect. Such Grantee shall not be eligible to participate for further Option(s) under the ESOS.
- 24.2 In the event that the Grantee is transferred from the Keyfield Group to any associated companies of the Keyfield Group (which definition shall be that which is adopted by the Malaysian Accounting Standard Board) or to any related companies (as defined in Section 5 of the Act which provides that where a corporation (a) is the holding company of another corporation; (b) is a subsidiary of another corporation; or (c) is a subsidiary of the holding company of another corporation, that corporation and that other corporation shall for the purposes of this Act be deemed to be related to each other) of the Company which have an existing share option scheme in which the Grantee will be entitled to participate, unless approved by the ESOS Committee in writing, the Options held by such Grantee unexercised on the date of transfer shall be null and void and be of no effect.

ANNEXURE A: BY-LAWS FOR THE ESOS (Cont'd)

24.3 In the event that:

- (a) an employee who was employed in a company which is related to the Company pursuant to Section 5 of the Act (that is to say, a company which does not fall within the definition of "Keyfield Group") and is subsequently transferred from such company to any company within the Keyfield Group; or
- (b) an employee who was in the employment of a company which subsequently becomes a company within the Keyfield Group as a result of a restructuring or acquisition exercise or otherwise involving the Company and/or any company within the Keyfield Group with any of the first mentioned company stated in (a) above;

(the first abovementioned company in (a) and (b) herein referred to as the "**Previous Company**"), such an employee of the Previous Company will be eligible to participate in this ESOS for its remaining Option Period, if the affected employee becomes a "Eligible Person" within the meaning under these ESOS By-laws.

For the avoidance of doubt, in the event of any acquisition or incorporation of any company into the Keyfield Group pursuant to part (b) above as a Subsidiary or any other statutory regulation in place thereof during the tenure of the ESOS, the ESOS shall apply to the employees of such company on the date such company becomes a Subsidiary of the Company (provided that such Subsidiary is not dormant) falling within the meaning of the expression of "Eligible Person" under ESOS By-law 1 and the provisions of the ESOS By-laws shall apply.

25. TERMINATION OF THE SCHEME

25.1 Subject to compliance with the requirements of Bursa Securities and any other relevant authorities, the Company may terminate the continuation of this ESOS and no further Offers shall be made by the ESOS Committee. For the avoidance of doubt, this By-law 25 shall prevail over the requirements under By-law 19.

All Offers outstanding but not yet accepted by the Eligible Person at the date of the said resolution shall automatically lapse or cease to have effect as at the date of the resolution and the Options yet to be exercised shall automatically lapse or cease to have any effect from the date on which the last of the conditions stipulated in ESOS By-law 25 is fulfilled. The ESOS shall be deemed terminated at the date on which the last of the conditions stipulated in ESOS By-law 25 is fulfilled.

25.2 In the event the Company terminates this ESOS in accordance with the Listing Requirements and these By-laws, the Company must immediately announce on Bursa Securities:

- (a) the effective date of termination;
- (b) the number of Options exercised or the Keyfield Shares vested; and
- (c) the reasons for termination.

ANNEXURE A: BY-LAWS FOR THE ESOS (Cont'd)

26. DISCLAIMER OF LIABILITY

No Employee shall be entitled to any compensation for damages arising from the termination of any ESOS Options or this ESOS pursuant to the provisions of these By-laws. Notwithstanding any provision of these By-laws:

- (a) this ESOS does not form any part of or constitute nor in any way be construed as a term and condition of employment of any Eligible Person. This ESOS shall not confer or be construed to confer on an Eligible Person any special rights or privileges over the Eligible Person's terms and conditions of employment in the Keyfield Group under which the Eligible Person is employed nor any rights additional to any compensation or damages that the Eligible Person may be normally entitled to arising from the cessation of such employment;
- (b) this ESOS shall not confer on any person or any legal or equitable right or other rights under any other theory of law (other than those constituting the ESOS Options) against the Company or any company of the Group, directly or indirectly, or give rise to any course of action in law or in equity or under any other theory of law against any company within the Group;
- (c) no Grantee or his representatives shall bring any claim, action or proceeding against any company of the Group, the ESOS Committee or any other party for compensation, loss or damages whatsoever and howsoever arising from the suspension/cancellation of his rights/exercise of his ESOS Options or his rights in Options ceasing to be valid pursuant to the provisions of these By-laws; and
- (d) the ESOS Committee or any other party shall in no event be liable to the Grantee or his representative or any other person or entity for any third party claim, loss of profits, loss of opportunity, loss of savings or any punitive, incidental or consequential damage, including without limitation to lost profits or savings, directly or indirectly arising from the breach or performance of these By-laws or any loss suffered by reason of any change in the price of the Shares or from any other cause whatsoever whether known or unknown, contingent, absolute or otherwise, whether based in contract, tort, equity, indemnity, breach of warranty or otherwise and whether pursuant to common law, statute, equity or otherwise, even if any company of the Group, the ESOS Committee or any other party has been advised of the possibility of such damage.

27. RIGHTS OF GRANTEES

- 27.1 The Options shall not carry any right to attend and vote at any general meeting of the Company. The Grantee shall not in any event be entitled to any dividends, rights or other entitlement on his unexercised Options.
- 27.2 Subject to the Constitution, all Grantees are entitled to inspect the latest audited financial statements of the Company during the normal business hours on any working day at the registered office of the Company in Malaysia.

28. CONSTITUTION

Notwithstanding the terms and conditions contained herein, if a situation of conflict should arise between the ESOS By-laws and the Constitution, the provisions of the Constitution shall at all times prevail save and except where such provision of the By-laws are included pursuant to the Listing Requirements.

ANNEXURE A: BY-LAWS FOR THE ESOS (Cont'd)

29. NOTICE

29.1 Any notice or request which the Company is required to give, or may desire to give, to any Eligible Person or the Grantee pursuant to the ESOS shall be in writing and shall be deemed to be sufficiently given:

- (a) if it is sent by ordinary post by the Company to the Eligible Person or the Grantee at the last address known to the Company as being his address, such notice or request shall be deemed to have been received three (3) Market Days after posting;
- (b) if it is delivered by hand to the Eligible Person or the Grantee, such notice or request shall be deemed to have been received on the date of delivery; and
- (c) if it is sent by electronic media, including but not limited to electronic mail, to the Eligible Person or the Grantee, such notice or request shall be deemed to have been received upon confirmation or notification received after the sending of notice or request by the Company.

Any change of address of the Eligible Person or the Grantee shall be communicated in writing to the Company.

29.2 Where any notice which the Company or the ESOS Committee is required to give, or may desire to give, in relation to matters which may affect all the Eligible Persons or the Grantee (as the case may be) pursuant to the ESOS, the Company or the ESOS Committee may give such notice through an announcement to all employees of the Group to be made in such manner deemed appropriate by the ESOS Committee (including via electronic media).

30. GOVERNING LAW AND JURISDICTION

30.1 The ESOS and these ESOS By-laws and all Options granted hereunder shall be governed by and construed in accordance with the laws of Malaysia and the Eligible Person and/or Grantee shall submit to the exclusive jurisdictions of the Courts of Malaysia in all matters connected with the obligations and liabilities of the parties hereto under or arising out of this ESOS By-laws.

30.2 Any proceeding or action shall be instituted or taken in Malaysia and the Eligible Person and/or Grantee irrevocably and unconditionally waives any objection on the ground of venue or forum non conveniens or any other grounds.

31. SUBSEQUENT AND ADDITIONAL SCHEMES

Subject to the approval of Bursa Securities, any other relevant authorities or prevailing guidelines applicable, the Company may establish a new share option scheme after the expiry date of this ESOS if this ESOS is not extended or upon termination of this ESOS (in accordance with ESOS By-law 25). A new ESOS may only be established after the expiry of the extended ESOS (should this ESOS is being extended in accordance with ESOS By-law 21 of these ESOS By-laws).

If the Company so wishes, it may implement more than one (1) share issuance scheme provided that the aggregate number of shares available under all the schemes do not breach the limit set out in By-law 4.1 and/or the prevailing Listing Requirements.

ANNEXURE A: BY-LAWS FOR THE ESOS (Cont'd)

32. TAXES

All taxes, including but not limited to income tax, if any, arising from the exercise of any Options under this ESOS shall be borne by the Grantee.

33. SEVERABILITY

Any term, condition, stipulation or provision in these By-laws which is illegal, void, prohibited or unenforceable shall be ineffective to the extent of such illegality, voidness, prohibition or unenforceability without invalidating the remaining provisions hereof, and any such illegality, voidness, prohibition or unenforceability shall not invalidate or render illegal, void or unenforceable any other term, condition, stipulation or provision herein contained.

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