



**KENANGA INVESTMENT BANK BERHAD
(197301002193 (15678-H))**

TERMS OF REFERENCE

**EMPLOYEES' SHARE SCHEME
COMMITTEE**

GLOSSARY

Terms	Description
Act	The Companies Act 2016 as amended from time to time including all regulations made thereunder and any re-enactment thereof
Board	The Board of Directors of Kenanga IB for the time being
By-Laws	The rules, terms and conditions of the Scheme, as may be modified, varied and/or amended from time to time in accordance with By-Law 27
Effective Date	The date on which the Scheme comes into force as provided by By-Law 25.1
Eligible Person(s)	The Employee(s) and Executive Director(s) of the Kenanga IB Group who meet(s) the criteria of eligibility for participation in the Scheme as set out in By-Law 5
Employee	A natural person who has attained the age of eighteen (18) years and is employed by, and is on the payroll of, any company in the Group and whose employment has been confirmed in writing and falls within any other eligibility criteria that may be determined by the ESS Committee from time to time at its discretion
ESGP	The employee share grant plan comprising the RSP and the PSP
ESGP Award	A contingent award of Shares comprising a PSP Grant and/or RSP Grant made in writing by the ESS Committee to the Eligible Persons to participate in the ESGP as set out under By-Law 11
ESGP Grantee	A PSP Grantee and/or RSP Grantee, as the case may be
ESOS	The employees' share option scheme for the benefit of the Eligible Persons to subscribe for Shares according to the terms set out in the By-Laws of the ESS
ESOS Grantee	An Eligible Person who has accepted an ESOS Offer in the manner provided in By-Law 8
ESOS Offer	An award of ESOS Options made in writing by the ESS Committee from time to time to an Eligible Person to participate in the ESOS in the manner provided in By-Law 7

Terms	Description
ESOS Options or Options	The right of an ESOS Grantee to subscribe for Shares at the Exercise Price pursuant to an ESOS Offer duly accepted by the ESOS Grantee in the manner provided in By-Law 8
ESS or the Scheme	Kenanga Investment Bank Berhad Employees' Share Scheme comprising the ESOS and the ESGP
ESS Award	Collectively, the ESOS Offer and the ESGP Award offered by the ESS Committee to the Eligible Persons and "ESS Award" shall mean any one of them in the context of the By-Laws
ESS Committee	The committee appointed by the Board to administer the ESS in accordance with By-Law 28, comprising such number of the Directors and/or senior management personnel of the Kenanga IB Group identified from time to time by the Board
Exercise Price	The price at which an ESOS Grantee shall be entitled to subscribe for each new Share from the Company upon the exercise of the ESOS Options, as initially determined and as may be adjusted pursuant thereto in accordance with the provisions of By-Law 10
Grantee	An ESOS Grantee and/or ESGP Grantee, as the case may be
Group or Kenanga IB Group	The Company and its subsidiary company(ies) as defined in Section 4 of the Act, which are not dormant. Subject to the foregoing, subsidiaries include subsidiaries which are existing as at the Effective Date and subsidiaries which are incorporated or acquired at any time during the duration of the ESS but exclude subsidiaries which have been divested in the manner provided in By-Law 23
Kenanga IB or the Company	Kenanga Investment Bank Berhad (15678-H)
PSP	The performance share plan adopted or to be adopted by the Company under the ESGP, as may be modified or altered from time to time by the ESS Committee
PSP Grant	A grant of Shares made in writing by the ESS Committee from time to time to an Eligible Person under the PSP
RSP	The restricted share plan adopted or to be adopted by the Company under the ESGP, as may be modified or altered from time to time by the ESS Committee

Terms	Description
RSP Grant	A grant of Shares made in writing by the ESS Committee from time to time to an Eligible Person under the RSP
Shares	Ordinary shares in the relevant ordinary share capital of the Company from time to time
Vesting Conditions	The conditions determined by the ESS Committee and stipulated in the ESS Award which must be fulfilled for the Options under an ESOS Offer or the Shares under an ESGP Award to be vested in a Grantee
Vesting Date(s)	The date or dates on which all or some of the Shares to which an ESGP Award relates is vested pursuant to the ESGP Award stipulated by the ESS Committee in accordance with By-Law 13

DOCUMENT HISTORY

Version	Date of the Board's Approval of the Terms of Reference	Effective Date of the Terms of Reference	Description
1	7 December 2017	30 October 2017	1 st version of the Terms of Reference of the ESS Committee
2	31 October 2018	31 October 2018	2 nd version of the Terms of Reference of the ESS Committee
3	23 April 2019 (Approved by GMD)	23 April 2019	3 rd version of the Terms of Reference of the ESS Committee
4	28 October 2021	28 October 2021	4 th version of the Terms of Reference of the ESS Committee

KENANGA INVESTMENT BANK BERHAD

(197301002193 (15678-H))

EMPLOYEES' SHARE SCHEME COMMITTEE

TERMS OF REFERENCE

1.0 OBJECTIVE

The objective of the ESS Committee is to assist the Board to:

- 1.1 Administer the ESS in accordance with the By-Laws governing the Scheme as approved by shareholders of Kenanga IB.
- 1.2 Do all acts and things and in such manner as it, in its discretion, deems fit and enter into any transaction, agreement, deed, document or arrangement and make such rules and regulations, impose such terms and conditions, approved by the Board pursuant to the By-Laws of the ESS.
- 1.3 Subject to the provisions of the ESS, to construe and interpret the By-Laws of the ESS, to define the terms therein and to recommend to the Board to establish, amend and revoke rules and regulations relating to the ESS and its administration and the Board shall have the power by resolution to add to, amend and/or delete all or any of the By-Laws upon such recommendation, subject always to the terms of the By- Laws.

The ESS Committee in the exercise of this power may correct any defect, supply any omission or reconcile any inconsistency in the By- Laws or in any agreement providing for any option in such manner and to the extent it shall deem necessary to expedite and make the ESS fully effective in accordance with the By-Laws.

- 1.4 Determine all questions of policy and expediency that may arise in the administration of the ESS including, amongst others, the terms of eligibility of the employees of the Company and its subsidiaries, the method or manner in which the grants are made to and exercised by Eligible Employees and any conditions imposed in relation thereto, and the termination of any options, and generally the exercise of such powers and performance of such acts as are deemed necessary or expedient to promote the best interests of the Company.

2.0 COMPOSITION

- 2.1 The ESS Committee shall comprise only Non-Executive Directors with at least three (3) members of which majority should be Independent Non-Executive Directors. The Chairman of the ESS Committee shall be an Independent Non-Executive Director and shall not be the Chairman of the Board.
- 2.2 The membership of the ESS Committee, including the position of Chairman shall be approved by the Board based on the recommendation made by the Group Nomination & Remuneration Committee (“**NRC**”).
- 2.3 The Chairman of the ESS Committee shall be appointed by the Board.

In the event the Chairman is absent at any meeting of the ESS Committee, the members of the ESS Committee present shall choose one of their number to be Chairman of such meeting.
- 2.4 Directors who are appointed as members of the ESS Committee, including the Chairman, will hold office only so long as they serve as Directors of the Company and do not have their ESS Committee membership ended by the Board.
- 2.5 In the event of any vacancy in the membership of the ESS Committee, the Board shall, within three (3) months fill the vacancy.
- 2.6 A member of the ESS Committee shall abstain from participating in discussions and decisions on matters involving him/ her which may give rise to an actual or perceived conflict of interest situation for him/ her.
- 2.7 The composition of the ESS Committee and the roles and responsibilities of the ESS Committee, may from time to time be revised by Board as it deems fit.

3.0 SECRETARY

The Company Secretary shall act as the Secretary of the ESS Committee.

4.0 AUTHORITY

- 4.1 The ESS Committee shall have full and unrestricted access to the Company's records, properties and officers in carrying out its duties and responsibilities.

- 4.2 The ESS Committee shall also have the authority to conduct enquiries and obtain independent legal or other professional advice –
- a. if it considers necessary in discharging its duties and responsibilities; and
 - b. in the event of any dispute with any Eligible Employee with regard to any decision made by the ESS Committee pertaining to the ESS.

5.0 MEETINGS

5.1 Quorum

- a. The quorum for the ESS Committee meeting shall be at least 50% of total ESS Committee members.
- b. No business shall be transacted unless a quorum is present either in person or by video or telephone conferencing throughout the proceedings of the meeting.
- c. Where only the minimum quorum is present or where only two (2) attendees are competent to vote on the question in issue, and there is equality in vote, the resolution shall be deemed not to have been passed, whereupon the question in issue shall be tabled at the next meeting of the ESS Committee or referred to the Board, whichever is more expedient.
- d. Decision-making shall be by way of a majority of votes of the ESS Committee members present and voting at the meeting.

5.2 Frequency of Meetings

- a. The ESS Committee shall meet as often as may be deemed necessary or appropriate in its judgement or the judgement of the Board.
- b. In addition, the Chairman shall call a meeting of the ESS Committee if a request is made by any member of the ESS Committee.
- c. In the interim period between meetings, if the need arises, issues shall be resolved through circular resolution. A circular resolution in writing, stating the reason(s) to arrive at a recommendation or resolution, signed by at least two-third (2/3) of the ESS Committee members, shall be valid and effective as if it had been passed at a meeting duly convened and constituted.

5.3 Attendance at Meetings

The ESS Committee may invite the external consultants or advisers, or any other Directors or members of the senior management and employees of the Group to be in attendance during meetings to assist in its deliberations on any matters within its purview.

5.4 Minutes of Meetings

- a. The minutes of each ESS Committee meeting shall be kept and distributed to all ESS Committee members and presented at the Board meeting for notation.
- b. The minutes of the ESS Committee meetings shall be made available for inspection by any member of the ESS Committee, Board, as well as the internal auditors and regulators.

5.5 The Chairman of the ESS Committee shall report to the Board on any matter that should be brought to the Board's attention, and provide the recommendations of the ESS Committee that require the Board's approval.

6.0 ROLES AND RESPONSIBILITIES

- 6.1 Administer the ESS, subject to the By-Laws of ESS attached herewith as **Appendix 1**, in such manner as it shall think fit and with such powers and duties as are conferred upon it by the Board.
- 6.2 The decision of the ESS Committee shall be final and binding unless the Board determines otherwise.
- 6.3 In implementing the Scheme, the ESS Committee may in its absolute discretion, after taking into consideration, amongst others, factors such as prevailing market price of the Shares, funding considerations and dilutive effects on the Company's capital base, future returns and cash requirements of the Group, decide that the Shares to be awarded under the ESGP shall be satisfied by any of the following methods:
 - a. Issuance of new Shares;
 - b. Acquisition and transfer of existing Shares;
 - c. Any other methods as may be permitted by the Act, as amended from time to time and any re-enactment thereof; or
 - d. A combination of any of the above.

- 6.4 For the purposes of facilitating the implementation and administration of the Scheme, the Company and/or the ESS Committee may (but shall not be obliged to) establish a trust to be administered by trustee(s) consisting of such trustee appointed by the Company from time to time ("**Trustee**"), if required, for the purposes of subscribing for new Shares and/or acquiring existing Shares from the Main Market of Bursa Malaysia Securities Berhad and transferring them to Grantees at such times as the ESS Committee shall direct ("**Trust**"). To enable the Trustee to subscribe for new Shares and/or acquire existing Shares for the purpose of the Scheme and to pay expenses in relation to the administration of the Trust, the Trustee will, to the extent permitted by law, be entitled from time to time to accept funding and/or assistance, financial or otherwise, from the Company and/or its subsidiaries or any third party to subscribe for Shares on behalf of Grantees and (if/where applicable) to release the relevant net gains arising from the sale of the Shares from the exercise of the ESOS Options by a Grantee (after deducting the Exercise Price and the related transaction costs) to the relevant Grantee.
- 6.5 The Trustee if and when a Trust is established shall administer the Trust in accordance with the terms of the trust deed to be entered into between the Company and the trustee constituting the trust ("**Trust Deed**"). For the purpose of administering the Trust, the Trustee shall do all such acts and things and enter into any transactions, agreements, deeds, documents or arrangements and make rules, regulations or impose terms and conditions or delegate part of its power relating to the administration of the Trust, as the ESS Committee may in its sole and absolute discretion direct for the implementation and administration of the Trust.
- 6.6 The Company or ESS Committee shall have power from time to time, at any time, to appoint or rescind/terminate the appointment of any Trustee as it deems fit in accordance with the provisions of the Trust Deed. The ESS Committee shall have the power from time to time, at any time, to negotiate with the Trustee to amend the provisions of the Trust Deed.
- 6.7 Without limiting the generality of By-Law 28.1, the ESS Committee may, for the purpose of administering the Scheme, do all acts and things, rectify any errors in an ESS Award, execute all documents and delegate any of its powers and duties relating to the Scheme as it may at its discretion consider to be necessary or desirable for giving effect to the Scheme.
- 6.8 The Board shall have power at any time and from time to time to approve, rescind and/or revoke the appointment of any person in the ESS Committee as it shall deem fit.

7.0 EFFECTIVE DATE AND AMENDMENT

These Terms of Reference are effective as of the date they are adopted by the Board, and they will remain in effect until modified, superseded or cancelled by appropriate Board action. These Terms of Reference may be amended at any time by the Board in accordance with any other applicable rules and regulations governing the ESS.

8.0 REVIEW OF THE TERMS OF REFERENCE

The Terms of Reference shall be reviewed bi-annually, or as and when required, by the ESS Committee to keep it up to date and consistent with the ESS Committee's objectives and responsibilities, as well as relevant applicable regulatory and statutory requirements.

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KENANGA INVESTMENT BANK BERHAD
BY-LAWS OF THE EMPLOYEES' SHARE SCHEME

PART I

1. NAME OF THE SCHEME

This Scheme (as defined herein) shall be called the “Kenanga Investment Bank Berhad Employees’ Share Scheme”.

2. OBJECTIVES OF SCHEME

2.1 The objectives of the ESS (as defined herein) are as follows:

- (a) To recognise and reward the Eligible Persons (as defined herein) by giving recognition to their contributions and services that are considered vital to the operations and sustained growth and profitability of the Group (as defined herein);
- (b) To retain, motivate and reward the Eligible Persons by allowing them to participate in the Company’s profitability and eventually realise capital gains arising from any appreciation in the value of the Shares (as defined herein);
- (c) To attract prospective employees with relevant skills and experience to the Group (as defined herein) by making the total compensation package more competitive; and
- (d) To foster and reinforce a greater sense of loyalty and belonging amongst the Eligible Persons upon vesting of the Shares as they will be able to participate directly in the equity of the Company and thereby provides an incentive for the Eligible Persons to participate more actively in the operations and future growth of the Group and motivate them to further contribute to the growth and success of the Group.

2.2 In addition to the objectives set out in By-Law 2.1 above, the objective of the RSP (as defined herein) is to act as an incentive for Eligible Persons and recognise and retain appropriate Eligible Persons who have contributed to the development, growth and success of the Group during the course of their employment.

2.3 In addition to the objectives set out in By-Law 2.1 above, the objective of the PSP (as defined herein) is to act as an incentive for selected key management and to recognise the contribution of selected key management (who are the Eligible Persons) of the Group of such rank or position as may be designated by the ESS Committee from time to time in recognition of their contribution as drivers of the growth and performance of the Group during the tenure of the PSP.

3. DEFINITIONS AND INTERPRETATION

3.1 In these By-Laws, unless the context otherwise requires, the following terms and expressions shall have the following meanings:

Act	The Companies Act 2016 as amended from time to time including all regulations made thereunder and any re-enactment thereof
Award Date	The date of the letter or e-mail of which an ESS Award is offered by the ESS Committee to the Eligible Persons to participate in the Scheme
Board	The Board of Directors for the time being of Kenanga IB

Bursa Depository	Bursa Malaysia Depository Sdn Bhd (165570-W)
Bursa Securities	Bursa Malaysia Securities Berhad (635998-W)
By-Laws	The rules, terms and conditions of the Scheme (as may be modified, varied and/or amended from time to time in accordance with By-Law 27)
CDS	Central Depository System
CDS Account	An account established by Bursa Depository for a depositor for the recording of deposits and withdrawal of securities and for dealings in such securities by a depositor
Chief Executive	Chief Executive Officer of Kenanga IB for the time being, by whatever name called, and whether or not he is a director
Company or Kenanga IB	Kenanga Investment Bank Berhad (15678-H), a public limited company incorporated in Malaysia under the Act and includes its successor-in-title and permitted assigns
Date of Expiry	Last day of the Duration of the Scheme as defined in By-Law 25.1
Director	A director within the meaning stipulated in the Act, which for the avoidance of doubt excludes alternate and substitute directors of Kenanga IB.
Disciplinary Proceedings	Proceedings instituted by Kenanga IB Group against an Employee for any alleged misbehaviour, misconduct and/or any other act of the Employee deemed to be unacceptable by Kenanga IB Group in the course of that Employee's employment, whether or not such proceedings may give rise to a dismissal or termination of the contract of service of such Employee
Duration of the Scheme	The duration of the Scheme as defined in By-Law 25 and includes any extension of the duration
Effective Date	The date on which the Scheme comes into force as provided in By-Law 25.1
EGM	Extraordinary General Meeting
Eligible Person(s)	The Employee(s) and Executive Directors of the Kenanga IB Group who meet(s) the criteria of eligibility for participation in the Scheme as set out in By-Law 5
Employee	A natural person who has attained the age of eighteen (18) years and is employed by, and is on the payroll of, any company in the Group and whose employment has been confirmed in writing and falls within any other eligibility criteria that may be determined by the ESS Committee from time to time at its discretion
Entitlement Date	The date as at the close of business on which the names of shareholders must appear in Kenanga IB's Record of Depositors and/or Register of Members in order to be entitled to any dividends, rights, allotments and/or other distributions

ESGP	The employee share grant plan comprising the RSP and the PSP
ESGP Award	A contingent award of Shares comprising of a PSP Grant and/or RSP Grant made in writing by the ESS Committee to the Eligible Persons to participate in the ESGP as set out under By-Law 11
ESGP Grantee	A PSP Grantee and/or RSP Grantee, as the case may be
ESOS	The employees' share option scheme for the benefit of the Eligible Persons to subscribe for Shares according to the terms set out herein
ESOS Offer	An award of ESOS Options made in writing by the ESS Committee from time to time to an Eligible Person to participate in the ESOS in the manner provided in By-Law 7
ESOS Grantee	An Eligible Person who has accepted an ESOS Offer in the manner provided in By-Law 8
ESOS Options or Options	The right of an ESOS Grantee to subscribe for Shares at the Exercise Price pursuant to an ESOS Offer duly accepted by the ESOS Grantee in the manner provided in By-Law 8
ESS Award	Collectively, the ESOS Offer and the ESGP Award offered by the ESS Committee to the Eligible Persons and "ESS Award" shall mean any one of them in the context of these By-Laws
ESS Committee	The committee appointed by the Board to administer the ESS in accordance with By-Law 28, comprising such number of the Directors and/or senior management personnel of the Kenanga IB Group identified from time to time by the Board
ESS or Scheme	Kenanga Investment Bank Berhad Employees' Share Scheme comprising the ESOS and the ESGP
Executive Director	A Director of the Group who, on the Award Date, is on the payroll of the Group and is involved in the day-to-day management of any company within the Group
Exercise Price	The price at which an ESOS Grantee shall be entitled to subscribe for each Share from the Company upon the exercise of the ESOS Options, as initially determined and as may be adjusted pursuant thereto in accordance with the provisions of By-Law 10
Grantee	An ESOS Grantee and/or ESGP Grantee, as the case may be
Group or Kenanga IB Group	The Company and its subsidiary company(ies) as defined in Section 4 of the Act, which are not dormant. Subject to the foregoing, subsidiaries include subsidiaries which are existing as at the Effective Date and subsidiaries which are incorporated or acquired at any time during the duration of the ESS but exclude subsidiaries which have been divested in the manner provided in By-Law 23

Listing Requirements	The Main Market Listing Requirements of Bursa Securities, including any amendments thereto that may be made from time to time
Major Shareholder	As defined in paragraph 1.01 of the Listing Requirements
Market Day	A day on which Bursa Securities is open for trading of securities
Maximum Allowable Allotment	The maximum number of Shares in respect of the ESS Awards that can be offered and allotted and/or transferred to an Eligible Person in accordance with the provisions of By-Law 6
Offer Period	A period of thirty (30) days from the Award Date or such longer period as may be determined by the ESS Committee at its sole and absolute discretion during which an ESOS Offer is valid as stipulated in By-Law 7.5
Option Period	The period commencing from the Effective Date to a date not exceeding five (5) years or such other date as stipulated by the ESS Committee in the ESOS Offer or upon the date of termination or expiry of the ESOS as provided in By-Laws 17 or 25 respectively
Performance Target	The performance targets determined by the ESS Committee, which are to be achieved by the Grantee and/or Group and/or business units within the Group as determined by the ESS Committee, during such period as specified in the ESGP Award
Persons Connected	Shall have the same meaning given in relation to Persons Connected with a Director or Persons Connected with a Major Shareholder as defined in paragraph 1.01 of the Listing Requirements
PSP	The performance share plan adopted or to be adopted by the Company under the ESGP, as may be modified or altered from time to time by the ESS Committee
PSP Grant	A grant of Shares made in writing by the ESS Committee from time to time to an Eligible Person under the PSP
Principal Adviser	A person set out in the Approved List of Principal Advisers published on the SC's website
RSP	The restricted share plan adopted or to be adopted by the Company under the ESGP, as may be modified or altered from time to time by the ESS Committee
RSP Grant	A grant of Shares made in writing by the ESS Committee from time to time to an Eligible Person under the RSP
Rules of Bursa Depository	The rules of Bursa Depository, as issued pursuant to SICDA

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| SC | Securities Commission Malaysia |
| Shares | Ordinary shares in the relevant ordinary share capital of the Company from time to time |
| SICDA | Securities Industry (Central Depositories) Act 1991, as amended from time to time |
| Treasury Shares | Shares retained by the Company as treasury shares pursuant to share buy-backs carried out by the Company from time to time |
| Vesting Conditions | The conditions determined by the ESS Committee and stipulated in the ESS Award which must be fulfilled for the Options under an ESOS Offer or the Shares under an ESGP Award to be vested in a Grantee |
| Vesting Date(s) | The date or dates on which all or some of the Shares to which an ESGP Award relates is vested pursuant to the ESGP Award stipulated by the ESS Committee in accordance with By-Law 13 |
| Vesting Notice | Has the meaning ascribed to it in By-Law 13.3 |
- 3.2 Headings are for ease of reference only and do not affect the meaning of a By-Law.
- 3.3 Any reference to a statutory provision or an applicable law shall include a reference to:
- (a) any and all subsidiary legislation made from time to time under that provision or law;
 - (b) any and all Listing Requirements, policies and/or guidelines of Bursa Securities and/or Bank Negara Malaysia and/or the SC (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 by Bursa Securities and/or Bank Negara Malaysia and/or the SC);
 - (c) that provision as from time to time modified or re-enacted, whether before or after the date of these By-Laws, so far as such modification or re-enactment applies or is capable of applying to any ESGP Award or ESOS Offer (as may be applicable) made, offered and/or accepted within the Duration of the Scheme; and
 - (d) 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 masculine gender shall include the feminine and neuter genders.
- 3.5 Words importing the singular number shall include the plural number and vice versa.
- 3.6 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; and if an event is to occur on a stipulated day which falls after the Date of Expiry then the stipulated day shall be taken to be the last Market Day of the Duration of the Scheme.
- 3.7 Any liberty or power or discretion which may be exercised, and/or any decision or determination which may be made, under these By-Laws:
- (a) by the Board may be exercised in the Board's sole and absolute discretion and the Board shall not be under any obligation to give any reasons therefor;

- (b) by the ESS Committee may be exercised in the ESS Committee's sole and absolute discretion and the ESS Committee shall not be under any obligation to give any reason therefor, but subject always to the Board's power to overrule any decision of the ESS Committee.
- 3.8 In the event of any change in the name of the Company from its present name, all reference to "Kenanga Investment Bank Berhad" in these By-Laws and all other documents pertaining to the Scheme shall be deemed to be references to the Company's new name.

PART II

4. MAXIMUM NUMBER OF SHARES AVAILABLE UNDER THE SCHEME

- 4.1 The aggregate maximum number of Shares which may be made available under the Scheme and all other employee share schemes of the Company which may still be subsisting, if any (whether in the form of new Shares to be issued under the Scheme or the aggregate number of new Shares together with existing Shares made available for the purposes of the Scheme), shall not in aggregate exceed ten percent (10%) of the issued share capital of the Company (excluding Treasury Shares, if any) at any point of time during the Duration of the Scheme as provided in By-Law 25.1.
- 4.2 Notwithstanding By-Law 4.1 above nor any other provision herein contained, in the event the maximum number of Shares granted under the Scheme exceeds in aggregate ten percent (10%) of the issued share capital 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 undertaking any corporate proposal and thereby diminishing the issued share capital of the Company, then such ESS Awards granted prior to the adjustment of the issued share capital (excluding Treasury Shares, if any) of the Company shall remain valid and exercisable in accordance with these By-Laws. However, in such a situation, the ESS Committee shall not make any further ESS Awards unless the total number of Shares to be issued under the Scheme falls below ten percent (10%) of the issued share capital of the Company (excluding Treasury Shares, if any) at any point of time during the Duration of the Scheme as provided in By-Law 25.1.

5. ELIGIBILITY

- 5.1 Only Eligible Persons who fulfil the following conditions on the date on which an offer is made in writing by the ESS Committee to such persons to participate in the Scheme shall be eligible to participate in the Scheme:
 - (a) in respect of an Employee, the Employee must fulfil the following criteria as at the Award Date:
 - (i) he/she is at least eighteen (18) years of age on the Award Date and he/she is employed by, and is on the payroll of, any company in the Group and his/her employment has been confirmed by any company in the Group; or
 - (ii) such Employee falls within any other eligibility criteria (including variations to the eligibility criteria under By-Law 5.1(a)(i) above) that may be determined by the ESS Committee from time to time at its sole discretion, whose decision shall be final and binding.
 - (b) in respect of an Executive Director, the Executive Director must fulfil the following criteria as at the Award Date:
 - (i) he/she is at least eighteen (18) years of age on the Award Date; and

- (ii) he/she has been appointed as an Executive Director of the Company or any other company in the Group; and
 - (iii) he/she has been employed by, and is on the payroll of, the Company or any other company in the Group; and
 - (iv) specific allocation of Shares to an Executive Director of the Company under the Scheme must have been approved by the shareholders of Kenanga IB in a general meeting and is not prohibited or disallowed by the relevant authorities or laws from participating in the Scheme.
- (c) For both the RSP and the PSP, in addition to the criteria referred to in paragraphs (a) and (b) above, such Employee or Executive Director shall hold a senior management rank or position in the Kenanga IB Group, or such rank or position as may be designated by the ESS Committee from time to time as at the Award Date.
- (d) If the Eligible Person is employed by a company which is acquired by the Group during the Duration of the Scheme and becomes a subsidiary whether directly or indirectly held by the Company upon such acquisition, the Eligible Person must fulfil the following as at the Award Date:
- (i) he/she is at least eighteen (18) years of age; and
 - (ii) he/she is employed full time by and on the payroll of the newly acquired company and his/her employment has been confirmed by the newly acquired company and he/she has been an employee of any company in the Group.
- (e) The Eligible Person must fulfil any other criteria and/or fall within such category/designation of employment as may be determined by the ESS Committee from time to time.

Except as may be prescribed by the ESS Committee or as stipulated in an ESOS Offer, there are no performance targets to be achieved by the Grantee before ESOS Options can be exercised and the Shares arising from the exercise of ESOS Options can be vested.

For the avoidance of doubt, an Employee who attains the prescribed retirement age but is offered to continue to serve the Group on a full time basis shall be treated as an employee of the Group.

5.2 Without prejudice to the generality of the foregoing and subject to the ESS Committee's discretion otherwise, any ESS Award made by the ESS Committee shall become void, of no effect and cease to be capable of acceptance by Eligible Persons upon any of the following events occurring:

- (a) the death of the Eligible Person selected by the ESS Committee to whom an ESS Award is made ("**Selected Person**");
- (b) the Selected Person having received a letter of termination or ceasing to be an employee of the Kenanga IB Group, for any reason whatsoever;
- (c) the Selected Person giving notice of his/her resignation from service/employment;
- (d) the corporation which employs the Selected Person ceasing to be part of the Kenanga IB Group; or
- (e) without prejudice to the provisions of By-Law 17.10, the Selected Person is subject to Disciplinary Proceedings and the employment of the Selected Person is terminated.

- 5.3 The ESS Committee may from time to time at its absolute discretion select and identify suitable Eligible Persons to be offered the ESS Awards. In the event that any Eligible Persons are a member of the ESS Committee, such Eligible Persons shall not participate in the deliberation or discussion of their own allocation of ESS Awards.
- 5.4 Any eligible Employee (including an Executive Director) who holds more than one (1) position within the Kenanga IB Group and by holding such position is an Eligible Person, shall only be entitled to the Maximum Allowable Allotment of any one (1) category/designation of employment. The ESS Committee shall be entitled at its discretion to determine the applicable category/designation of employment.
- 5.5 An Eligible Person of a dormant company within the Group is not eligible to participate in the Scheme.
- 5.6 Eligibility under the Scheme does not confer upon the Eligible Person a claim or right to participate in or any rights whatsoever under the Scheme and an Eligible Person does not acquire or have any rights over or in connection with the ESS Awards unless an ESS Award has been made by the ESS Committee to the Eligible Person and the Eligible Person has accepted the ESS Award in accordance with By-Law 8 hereof.

6. BASIS OF ALLOTMENT AND MAXIMUM ALLOWABLE ALLOCATION OF SHARES

- 6.1 Subject to By-Law 4.1 and any adjustments which may be made under By-Law 21, the aggregate maximum number of Shares that may be allocated to any one (1) category/designation of employment of the Eligible Person shall be determined entirely at the discretion of the ESS Committee.
- 6.2 Not more than ten percent (10%) of the aggregate number of Shares to be issued or transferred under the Scheme and any other employee share scheme of the Company which may still be subsisting at the point in time when an ESS Award is offered shall be allocated to any individual Eligible Person who, either singly or collectively through Persons Connected with the Eligible Person, holds twenty percent (20%) or more of the issued share capital of the Company (excluding Treasury Shares, if any).
- 6.3 Subject to By-Law 6.2, the aggregate maximum number of Shares that may be offered to an Eligible Person under the Scheme shall be determined at the sole and absolute discretion of the ESS Committee after taking into consideration, amongst others, the provisions of the Listing Requirements or other applicable regulatory requirements prevailing during the Duration of the Scheme relating to employees' and/or directors' share issuance schemes and after taking into consideration the performance, targets, position, annual appraised performance, seniority and length of service, contribution, category or grade of employment of the Eligible Person or such other matters which the ESS Committee may in its sole and absolute discretion deem fit.

At the time an ESS Award is offered, the ESS Committee shall set out the basis of the allocation of the ESS Award(s) made to the Eligible Person(s) having the further particulars as set out in By-Law 7.4 and/or By-Law 11.3 (as the case may be).

- 6.4 The ESS Committee may make more than one (1) ESS Award to an Eligible Person **PROVIDED THAT** the aggregate number of ESS Awards so offered to an Eligible Person throughout the entire Duration of the Scheme does not exceed the Maximum Allowable Allotment of such Eligible Person.
- 6.5 The Company shall ensure that allocation of Shares pursuant to the Scheme is verified by the Audit Committee of the Company at the end of each financial year as being in compliance with the criteria for allocation of Shares which have been disclosed to the Employees and Executive Directors.

- 6.6 For the avoidance of doubt, the ESS Committee shall have the sole and absolute discretion in determining whether the Shares available for vesting under this Scheme are to be offered to the Grantees via:
- (a) one (1) single ESS Award at a time determined by the ESS Committee; or
 - (b) several ESS Awards, where the vesting of Shares comprised in those ESS Awards is staggered or made in several tranches at such times and on terms determined by the ESS Committee.
- 6.7 In the event the ESS Committee decides that the ESS Award is to be staggered, the number of Shares to be offered in each ESS Award and the timing for the vesting of the same shall be decided by the ESS Committee at its sole and absolute discretion and each ESS Award shall be separate and independent from the others.
- 6.8 No Executive Director or Employee shall participate in the deliberation and discussion of their own respective allocations.

PART III

7. ESOS OFFER

- 7.1 During the Duration of the Scheme, the ESS Committee may at its discretion at any time from the Effective Date and from time to time make an ESOS Offer in writing for acceptance in accordance with By-Law 7.4 below to an Eligible Person based on the criteria for allotment or transfer as set out in By-Law 6 above and otherwise in accordance with the terms of this Scheme.
- 7.2 The actual number of ESOS Options which may be offered to any Eligible Person shall be at the discretion of the ESS Committee, subject to any adjustments that may be made under By-Law 21, provided that the number of ESOS Options so offered which may be exercised in respect of all or any part of the Shares shall not be less than one hundred (100) Shares nor more than the Maximum Allowable Allocation of such Eligible Person and shall be in multiples of one hundred (100) Shares.
- 7.3 In the event the ESS Committee decides that the Offer is to be offered in tranches, the number of ESOS Options to be offered in each ESOS Offer shall be decided by the ESS Committee at its sole and absolute discretion and each ESOS Offer shall be separate and independent from the others.
- 7.4 The ESS Committee shall determine at its discretion and state the following particulars in the letter of an ESOS Offer:
- (a) The number of ESOS Options that are being offered to the Eligible Person;
 - (b) The number of Shares which the Eligible Person shall be entitled to subscribe for upon the exercise of the ESOS Options being offered;
 - (c) The date of the ESOS Award;
 - (d) The Option Period;
 - (e) The Exercise Price;
 - (f) The Vesting Conditions (if any/if applicable);
 - (g) The Vesting Date(s) (if any/if applicable);
 - (h) The Offer Period as mentioned in By-Law 7.5;

- (i) The basis of the allocation of the ESOS Award(s) made having regard to the Eligible Person(s)' annual appraised performance, category or grade of employment, Maximum Allowable Allocation and such other information that the ESS Committee may in its sole and absolute discretion deem fit;
 - (j) The retention period and/or restriction on transfer, if any/applicable for the Shares to be allotted and issued and/or transferred to a Grantee pursuant to the exercise of an Option; and
 - (k) Any other information deemed necessary by the ESS Committee.
- 7.5 An ESOS Offer shall be valid for a period of thirty (30) days from the Award Date or such longer period as may be determined by the ESS Committee at its sole and absolute discretion ("Offer Period").
- 7.6 No ESOS Offer shall be made to any Director, Major Shareholder and/or Chief Executive of Kenanga IB, a Person Connected with any Director, Major Shareholder and/or Chief Executive who are Eligible Persons unless such ESOS Offer and the related allotment of Shares have previously been approved by the shareholders of the Company in general meeting.
- 7.7 Without prejudice to By-Law 28, in the event of an error on the part of the Company in stating any of the particulars referred to in By-Law 7.4, the following provisions shall apply:
- (a) As soon as possible but in any event no later than one (1) month after the discovery of the error, the Company shall issue a supplemental letter of ESOS Offer, stating the correct particulars referred to in By-Law 7.4;
 - (b) In the event that the error relates to particulars other than the Exercise Price, the Exercise Price applicable in the supplemental letter of ESOS Offer shall remain as the Exercise Price as per the original letter of ESOS Offer; and
 - (c) In the event that the error relates to the Exercise Price, the Exercise Price applicable in the supplemental letter of ESOS Offer shall be the Exercise Price applicable as at the date of the original letter of ESOS Offer, save and except with respect to any ESOS Options which have already been exercised as at the date of issue of the supplemental letter of ESOS Offer.
- 7.8 For the avoidance of doubt, any reinstatement pursuant to By-Law 17.11, or any continuation pursuant to By-Law 17.7 or By-Law 17.8(iii), shall not be considered as an ESOS Offer governed under this By-Law 7.

8. ACCEPTANCE OF ESOS OPTIONS AND VESTING CONDITIONS

- 8.1 An ESOS Offer shall be accepted by an Eligible Person within the Offer Period in such form and manner as may be prescribed in the ESOS Offer accompanied by a payment to the Company of a nominal non-refundable consideration of Ringgit Malaysia One (RM1.00) only or such other amount as may be determined by the ESS Committee for the grant of the ESOS Options (regardless of the number of Shares comprised therein).
- 8.2 If an ESOS Offer is not accepted in the manner set out in By-Law 8.1 above, the ESOS Offer shall automatically lapse upon the expiry of the Offer Period and be null and void and be of no further force and effect. The Shares comprised in such Options may, at the discretion of the ESS Committee, be re-offered to other Eligible Persons.
- 8.3 The number of ESOS Options offered in the lapsed ESOS Offer shall be deducted from the Maximum Allowable Allotment or the balance of the Maximum Allowable Allotment of the Eligible Person, and the Eligible Person shall not be entitled to be offered the number of ESOS Options offered in the lapsed ESOS Offer, in any ESOS Offer made in the future. However, ESOS Options not taken up resulting from the non-acceptance of ESOS Offer within the Offer Period shall thereafter form part of the balance of ESOS Options available under the ESOS for future ESOS Offer.

- 8.4 The Company shall within thirty (30) days of the acceptance of the ESOS Offer by the Eligible Person (“**Acceptance Date**”), issue to the Eligible Person an Option Certificate in such form as may be determined by the ESS Committee.
- 8.5 The Options or such part thereof as may be satisfied in the ESOS Offer will only vest with the ESOS Grantee on the ESOS Vesting Date if the Vesting Conditions are fully and duly satisfied, including the following:
- (a) the ESOS Grantee remains an Eligible Person and shall not have given notice of resignation or received a notice of termination as at the ESOS Vesting Date or has otherwise ceased or had his/her employment terminated;
 - (b) the ESOS Grantee has not been adjudicated a bankrupt; and/or
 - (c) any other conditions which are determined by the ESS Committee.
- 8.6 The ESS Committee shall have full discretion to determine whether any Vesting Condition has been satisfied (whether fully or partially) or exceeded and in making any such determination, the ESS Committee shall have the right to make reference to, amongst others, the audited financial results of the Company or the Group (as the case may be) and to take into account such factors as the ESS Committee may determine to be relevant, such as changes in accounting methods, taxes and extraordinary events, and further, the right to amend and/or waive any Vesting Condition if the ESS Committee decides that a changed performance target would be a fairer measure of performance.
- 8.7 The ESS Committee may cancel any ESOS Options awarded under this Scheme that has not been exercised and any unvested ESOS Options awarded under this Scheme. In the event of any such cancellation, the ESS Committee may, at its discretion, authorise the granting of new ESOS Options (which may or may not cover the same number of Shares that had been the subject of any prior ESOS Option) in such manner, at such Exercise Price and subject to such terms, conditions and discretion as would have been applicable under this Scheme had the cancelled ESOS Options not been awarded.

9. EXERCISE OF ESOS OPTIONS

- 9.1 Each ESOS Option shall be exercisable into one (1) Share, fully issued and paid-up, in accordance with the provisions of these By-Laws.
- 9.2 Subject to By-Laws 17, 22, 23, 24 and 25, an ESOS Grantee shall be allowed to exercise the ESOS Options granted to him/her (subject to By-Law 9.4 during the Duration of the Scheme) as provided in these By-Laws whilst he/she is in the employment of the Kenanga IB Group and within the Option Period.
- 9.3 An ESOS Grantee shall exercise the Options granted to him/her in whole or part in multiples of one hundred (100) Shares. Notwithstanding anything herein to the contrary in the event of any alteration in the share capital of the Company during the Option Period in accordance with By-Law 21 which result in the number of Shares comprised in an Option not being in multiples of not less than one hundred (100), then the requirement that an Option shall be exercised in multiples of not less than one hundred (100) Shares shall not be applicable for the ESOS Grantee’s final exercise of the Option.
- 9.4 An ESOS Grantee shall exercise his/her ESOS Options in such form and manner as the ESS Committee may prescribe or approve (“**Notice of Exercise**”). The procedure for the exercise of ESOS Options to be complied with by an ESOS Grantee shall be determined by the ESS Committee from time to time. Any ESOS Options which remain unexercised at the expiry of the Option Period shall be automatically terminated and lapse without any claim against the Company.

- 9.5 Subject to By-Law 9.4, an ESOS Grantee shall exercise his/her ESOS Options by submitting to the Company the Notice of Exercise, stating the number of ESOS Options to be subscribed and be accompanied with the remittance for the full amount of the subscription monies payable in respect thereof in Ringgit Malaysia by way of telegraphic transfer or by way of direct deposit of monies into the bank account of the Company or any other mode acceptable to the ESS Committee for the full amount of the Exercise Price in relation to the number of Shares in respect of which the notice is given **PROVIDED THAT** the number of Shares stated therein shall not exceed the amount granted to such ESOS Grantees and be subject to By-Laws 9.2 and 9.3 above. It shall be the responsibility of the ESOS Grantee to ensure that adequate and timely notice is given to the Company regarding the effecting of such payment and such notification shall include the telegraphic transfer confirmation slip, the bank-in slip, and sufficient details for the Company to identify the beneficiary details including the ESOS Grantee's name, account number and nature of payment. The Company shall not be held liable for any payment effected by way of telegraphic transfer or direct deposit of monies into the bank account of the Company by reason of insufficient or untimely information provided by the ESOS Grantee. The ESS Committee may pursuant to By-Law 27 hereof, at any time and from time to time, before or after the ESOS Option is granted, limit the exercise of the ESOS Option to a maximum number of Shares and/or such percentage of total Shares comprised in the ESOS Option during such periods within the Option Period and impose any other terms and/or conditions deemed appropriate by the ESS Committee in its sole discretion including amending or varying any terms and conditions imposed earlier. The exercise by an ESOS Grantee of some but not all of the ESOS Options which have been offered to and accepted by him/her shall not preclude the ESOS Grantee from subsequently exercising any other ESOS Options which have been or will be offered to and accepted by him/her, during the Option Period.
- 9.6 The ESOS Grantee shall provide all information as required in the Notice of Exercise. Within eight (8) Market Days of the receipt by the Company of such notice and payment, or such other period as may be prescribed by Bursa Securities, and subject to the Constitution/Articles of Association of the Company, in the event that the Shares are delivered to the ESOS Grantee via allotment and issuance of new Shares or transfer of existing Shares to the ESOS Grantee in such manner as may be permitted by the Act. Where required, the Company shall apply to Bursa Securities for the quotation or transfer for such Shares arising from the exercise of the ESOS Options. The said Shares will be credited directly into the CDS Account of the ESOS Grantee or his/her financier, as the case may be, and a notice of allotment or any other mode of notification stating the number of Shares so credited will be issued to the ESOS Grantee. No physical share certificates will be issued to the ESOS Grantee or his authorised nominee (as the case may be).
- 9.7 The Group, the Board (including Directors that had resigned but were on the Board during the Option Period) and the ESS 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 any delay on the part of the Company in allotting and issuing and/or transferring the Shares or in procuring Bursa Securities to list and quote the Shares subscribed for by an ESOS Grantee or any delay in receipt or non-receipt by the Company of the Notice of Exercise in respect of the ESOS Options or for any errors in any ESOS Offer.
- 9.8 Any failure to comply with the procedures specified by the ESS Committee or to provide information as required by the Company in the Notice of Exercise or inaccuracy in the CDS Account number provided shall result in the Notice of Exercise being rejected at the discretion of the ESS Committee, and the ESOS Grantee shall be informed of the rejection of the Notice of Exercise within fourteen (14) Market Days from the date of rejection and the ESOS Grantee shall be deemed to not have exercised his/her Option.
- 9.9 Every ESS Award shall be subjected to the condition that no new Shares shall be issued or existing Shares shall be transferred pursuant to the ESS Award if such issue or transfer (as the case may be) would be contrary to any law, enactment, rule and/or regulation of any legislative or non-legislative body which may be in force during the Duration of the Scheme or such period as may be extended.

10. EXERCISE PRICE

The Exercise Price of each Share comprised in any ESOS Option shall, subject always to the provisions of By-Law 21 hereof, be as follows:

- (a) a price to be determined by the Board upon recommendation of the ESS Committee based on the volume weighted average market price of the Shares for the five (5) Market Days immediately preceding date of the ESOS Offer with a discount of not more than ten percent (10%) or such other percentage of discount as may be permitted by Bursa Securities or any other relevant authorities from time to time during the Duration of the Scheme; and
- (b) the Exercise Price as determined by the Board shall be conclusive and binding on the Grantees and shall be subject to any adjustments in accordance with By-Law 21.

PART IV

11. ESGP AWARD

- 11.1 The ESS Committee may, within the Duration of the Scheme, at its discretion at any time from the Effective Date and from time to time make an ESGP Award in writing for acceptance in accordance with By-Law 12 below to any Eligible Persons based on the criteria for allocation as set out in By-Law 5 and otherwise in accordance with the terms of these By-Laws.
- 11.2 The actual number of Shares which may be awarded to an Eligible Person shall be at the discretion of the ESS Committee subject to any adjustments that may be made under By-Law 21 but shall not be more than the Maximum Allowable Allotment as set out in By-Law 4.1. The ESS Committee may stipulate any terms and conditions it deems appropriate in an ESGP Award and the terms and conditions of each may differ. Nothing herein shall require any ESGP Award offered to be the same as ESGP Awards previously or subsequently offered whether to the same or a different Eligible Person.
- 11.3 (a) The ESS Committee will determine at its discretion and state in its offer document for an ESGP Award to an Eligible Person (“**ESGP Award Letter**”), amongst others:
 - (i) whether the ESGP Award is a PSP Grant and/or RSP Grant;
 - (ii) the number of Shares to be vested on the Vesting Date(s) if the Performance Targets are fully met;
 - (iii) the date of ESGP Award;
 - (iv) the Vesting Conditions;
 - (v) the Vesting Date(s);
 - (vi) the Validity Period as mentioned in By-Law 11.3(b);
 - (vii) the basis of allocation of the ESGP Award(s) made having regard to the Eligible Person(s)’ annual appraised performance, category or grade of employment, Maximum Allowable Allocation;
 - (viii) the retention period and/or restriction on transfer, if any/applicable, for the Shares to be allotted and issued and/or transferred to a Grantee pursuant to the vesting of the ESGP Award; and
 - (ix) any other information deemed necessary by the ESS Committee.

- (b) An ESGP Award shall be valid for acceptance for a period of thirty (30) calendar days from the Award Date or such longer period as may be determined by the ESS Committee at its discretion determines on a case to case basis (“**Validity Period**”).

11.4 Without prejudice to By-Law 28, in the event of an error on the part of the Company in stating any of the particulars referred to in By-Law 11.3, as soon as possible but in any event no later than one (1) month after discovery of the error, the Company shall issue a supplemental ESGP Award Letter, stating the correct particulars referred to in By-Law 11.3.

12. ACCEPTANCE OF ESGP AWARD

- 12.1 An ESGP Award shall be accepted by an Eligible Person within the Validity Period accompanied by a payment to the Company of a nominal non-refundable consideration of Ringgit Malaysia One (RM1.00) only or such other amount as may be determined by the ESS Committee for the grant of the ESGP Award (regardless of the number of Shares comprised therein).
- 12.2 If the ESGP Award is not accepted in the manner set out in By-Law 12.1 above, the ESGP Award shall automatically lapse upon the expiry of the Validity Period and be null and void and be of no further force and effect. The Shares comprised in such ESGP Award may, at the discretion of the ESS Committee, be re-offered to other Eligible Persons.
- 12.3 The number of Shares offered in the lapsed ESGP Award shall be deducted from the Maximum Allowable Allotment or the balance of the Maximum Allowable Allotment of the Eligible Person, and the Eligible Person shall not be entitled to be offered the number of ESGP Awards offered in the lapsed ESGP Award, in any ESGP Award made in the future. However, ESGP Awards not taken up resulting from the non-acceptance of ESGP Awards within the period specified shall thereafter form part of the balance of ESGP Awards available under the ESGP for future awards.
- 12.4 The Eligible Persons are not required to pay for the Shares they are entitled to receive upon vesting of the Shares pursuant to the ESGP Award.

13. ESGP VESTING CONDITIONS AND SATISFACTION OF VESTING CONDITIONS

- 13.1 The ESS Committee shall, as and when it deems practicable and necessary, review and determine at its own discretion the Vesting Conditions specified in respect of an ESGP Award. The Shares or such part thereof as may be specified in an ESGP Award will only vest with the Grantee on the Vesting Date(s) if the Vesting Conditions are fully and duly satisfied, which includes, amongst others, the following:
 - (a) the ESGP Grantee must remain an Employee as at the Vesting Date and shall not have given a notice to resign or received a notice of termination as at the Vesting Date;
 - (b) the ESGP Grantee has not been adjudicated a bankrupt;
 - (c) the Performance Targets are fully and duly satisfied; and/or
 - (d) any other conditions which are determined by the ESS Committee.
- 13.2 The ESS Committee shall have full discretion to determine whether the Performance Targets have been fully and duly satisfied. In the event that the ESS Committee determines that the Performance Targets are not fully and duly satisfied, the Company may, at its discretion, adjust the number of Shares (if any) which may vest in the ESGP Grantee on the Vesting Date(s) and/or take into account the shortfall in such manner as the Company may in its discretion otherwise deem fit.
- 13.3 Where the ESS Committee has determined that the Vesting Conditions have been fully and duly satisfied, the ESS Committee shall notify the ESGP Grantee of the number of Shares vested or which will be vested in him/her on the Vesting Date (“**Vesting Notice**”).

- 13.4 No ESGP Grantee shall have any right to or interest in the Share awarded to him/her under an ESGP Award until and unless the Shares are vested in him/her on and with effect from the Vesting Date.
- 13.5 The ESGP Grantee shall provide all information as required in the Vesting Notice and the ESGP Award Letter respectively and the Company shall within eight (8) Market Days after the Vesting Date or such other period as may be prescribed or allowed by Bursa Securities, and subject to the provisions of the Constitution/Articles of Association of the Company, the SICDA and the Rules of Bursa Depository and/or any other regulatory requirements, allot and issue the relevant number of new Shares and/or transfer the relevant number of existing Shares to the ESGP Grantee(s) accordingly and (where required) apply to Bursa Securities for any such Shares arising from the vesting of an ESGP Award. The Shares to be issued or transferred pursuant to the vesting of an ESGP Award will be credited directly into the CDS Account and no physical share certificates will be delivered to the ESGP Grantee or his authorised nominee (as the case may be).

PART V

14. NON-TRANSFERABILITY

- 14.1 An ESS Award is personal to the Grantee and subject to the provisions of By-Laws 14.2, 14.3 and 17.3, is exercisable only by the Grantee personally during his/her lifetime whilst he/she is in the employment of any company in the Group.
- 14.2 An ESS Award shall not be transferred, assigned, disposed of or subject to any encumbrances by the Grantee save and except in the event of the death of the Grantee as provided under By-Law 17.8. Any such attempt to transfer, assign, dispose or encumber any ESS Award shall result in the automatic cancellation of the ESS Award.
- 14.3 Notwithstanding By-Law 14, in the event a Grantee is transferred to another company within the Group which has its own share issuance scheme, the Grantee shall be entitled to continue to exercise all unexercised ESS Awards granted under this Scheme, in accordance with these By-Laws, but such Grantee shall not upon such transfer taking effect be eligible to participate for further ESS Awards under the Scheme.

15. RIGHTS ATTACHING TO SHARES AND ESS AWARDS

- 15.1 The new Shares to be allotted and issued upon the exercise of any ESOS Options granted or vesting of any ESGP Awards under the Scheme will be subject to the provisions of the Constitution/Articles of Association of the Company and will, upon allotment and issuance, rank pari passu in all respects with the then existing issued Shares of the Company, save and except that the Shares so allotted and issued will not be entitled to any dividends, rights, allotments or other distributions, which may be declared, made or paid to shareholders, the Entitlement Date of which is prior to the date of allotment and issuance of such new Shares.
- 15.2 In respect of existing Shares (including Treasury Shares) to be transferred to PSP Grantees, RSP Grantees or ESOS Grantee (where applicable), the aforesaid Grantees will not be entitled to any dividends, rights, allotments and/or other distributions, which may be declared, made or paid to shareholders, the Entitlement Date of which is prior to the date on which the existing Shares are credited into the CDS Accounts of the respective PSP Grantees, RSP Grantees and ESOS Grantee pursuant to the vesting of the ESGP Awards and ESOS Offer (as the case may be).
- 15.3 The ESS Awards shall not carry any rights to vote at any general meeting of the Company. For the avoidance of doubt, a Grantee shall not in any event be entitled to any dividends, rights or other entitlements on his/her unexercised Options and/or unvested Shares.

16. RESTRICTION ON DEALING/RETENTION PERIOD

The Shares to be allotted and issued and/or transferred to a Grantee pursuant to the exercise of an Option or vesting of an ESGP Award under the Scheme may be subject to such reasonable retention period or restriction on transfer (if any/applicable) imposed/determined by the ESS Committee at its discretion.

17. TERMINATION OF THE ESS AWARDS

17.1 Prior to the allotment or satisfaction by any means of an ESS Award or ESOS Option(s), including in the manner as provided for under By-Law 28.2, such ESS Awards or ESOS Option(s) that remain unvested or unexercised or unsatisfied (as the case may be) shall be automatically terminated and cease or deemed to cease to be valid without any claim against the Group in the following circumstances:

- (a) Termination or cessation of employment of the Grantee with the Group for any reason whatsoever (other than as referred to in By-Law 17.2 or By-Law 17.8), in which event the ESS Awards or ESOS Option(s) shall be automatically terminated and cease or be deemed to cease to be valid without any claim against the Company or any other member of the Group on the day the Grantee's employer accepts his/her notice of resignation or the Grantee's employer notifies the Grantee of termination of his/her employment or on the day the Grantee notifies his/her employer of his/her resignation or on the Grantee's last day of employment, whichever is the earlier; or
- (b) Bankruptcy of the Grantee, in which event the ESS Awards or ESOS Option(s) shall be automatically terminated and cease or be deemed to cease to be valid without any claim against the Company or any other member of the Group on the date a receiving order is made against the Grantee by a court of competent jurisdiction; or
- (c) Upon the happening of any other event which results in the Grantee being deprived of the beneficial ownership of the ESS Award or ESOS Option(s), in which event the ESS Awards or ESOS Option(s) shall be automatically terminated and cease or be deemed to cease to be valid without any claim against the Company or any other member of the Group on the date such event occurs; or
- (d) Winding up or liquidation of the Company, in which event the ESS Awards or ESOS Option(s) shall be automatically terminated and cease or be deemed to cease to be valid without any claim against the Company or any other member of the Group on the following date:
 - (i) In the case of a voluntary winding up, the date on which a provisional liquidator is appointed by the Company; or
 - (ii) In the case of an involuntary winding up, the date on which a petition for winding up is served on the Company; or
- (e) Termination of the Scheme pursuant to By-Law 25.5, in which event the ESS Awards or ESOS Option(s) shall be automatically terminated and cease or be deemed to cease to be valid without any claim against the Company or any other member of the Group on the Termination Date (as defined in By Law 25.5); or
- (f) The Grantee or other relevant person being subject to legal or regulatory restriction in holding of shares or interests in the Company or any other member of the Group (directly or indirectly) or rights exercisable in respect of such shares or interests, which restriction will be infringed if rights under or pursuant to the ESS Award or ESOS Option(s) are exercised by the Grantee, in which event the ESS Award or ESOS Option(s) (as the case may be) shall be terminated and ceased or be deemed to cease to be valid without any claim against the Company or any other member of the Group on the date determined by the ESS Committee, to the extent of such restriction, or as otherwise agreed in writing between the ESS Committee and the Grantee,

whichever shall be applicable.

Upon the termination of the ESS Awards or ESOS Option(s) pursuant to By-Laws 17.1(a), (b), (c), (d), (e) or (f) above, the Grantee shall have no right to compensation or damages or any claim against the Company or any other member of the Group from any loss of any right or benefit or prospective right or benefit under the Scheme which he/she might otherwise have enjoyed, whether for wrongful dismissal or breach of contract or loss of office or otherwise howsoever arising from him/her ceasing to hold office or employment or from the suspension of his/her entitlement to the award of, acceptance or vesting of any ESS Award or right to exercise his/her ESOS Option(s) or his/her ESS Award or ESOS Option(s) ceasing to be valid.

- 17.2 A Grantee will be allowed to continue to hold and to exercise any unexercised Options held by him/her and/or unvested ESGP Award upon retirement on or after attaining normal retirement age for a period of two (2) years after the last day of his/her employment provided that the Options are exercised within the Option Period and/or the ESGP Award is vested within the Duration of the Scheme. For the avoidance of doubt, By-Law 9.2 shall not be applicable in this event but By-Law 9.5 shall remain applicable.
- 17.3 Notwithstanding By-Law 17.1 above, the ESS Committee may at its discretion allow an Option to remain exercisable during the Option Period and/or an ESGP Award to remain capable of vesting (as the case may be) on such terms and conditions as it shall deem fit if the cessation of employment occurs as a result of:
- (a) Ill-health, injury, physical or mental disability; or
 - (b) Retirement before attaining the normal retirement age with the consent of his/her employer; or
 - (c) Redundancy or voluntary separation scheme; or
 - (d) Transfer to any company outside the Group at the direction of the Company; or
 - (e) Any other circumstance as may be deemed as acceptable to the ESS Committee in its sole and absolute discretion.
- 17.4 Applications under By-Law 17.3 shall be made:
- (a) in a case where By-Law 17.3(a) is applicable, within one (1) month after the Grantee notifies his/her employer of his/her resignation due to ill health, injury, physical or mental disability, and where so allowed by the ESS Committee, the Grantee may exercise all his/her unexercised Options and/or be vested with such number of unvested Shares under the ESGP within the said one (1) month period or any other period as allowed by the ESS Committee, subject to the provisions of By-Law 9. In the event that no application is received by the ESS Committee within the said period, or where not allowed by the ESS Committee to remain exercisable or capable of vesting, any unexercised Options held by the Grantee and/or such number of unvested Shares under the ESGP Award (as the case may be) at the expiry of the said period shall be automatically terminated;
 - (b) in a case where By-Laws 17.3(b) or (c) is applicable, within six (6) months after the Grantee's last day of employment, the Grantee may exercise all his/her unexercised Options and/or be vested with such number of unvested Shares under the ESGP within the said six (6) months period or any other period as allowed by the ESS Committee, subject to the provisions of By-Law 9. In the event that no application is received by the ESS Committee within the said period, or where not allowed by the ESS Committee to remain exercisable or capable of vesting, any unexercised Options held by the Grantee and/or such number of unvested Shares under the ESGP Award (as the case may be) at the expiry of the said period shall be automatically terminated;

- (c) in a case where By-Law 17.3(d) is applicable, the Grantee may exercise all his/her unexercised Options and/or be vested with such number of unvested Shares under the ESGP (as the case may be) within one (1) month after he/she is notified or any other period as allowed by the ESS Committee, subject to the provisions of By-Law 9. Thereafter, any unexercised Option held by the Grantee and/or such number of unvested Shares under the ESGP Award (as the case may be) at the expiry of the said period shall be automatically terminated.
- 17.5 In the event that a Grantee is notified that he will be retrenched or where he/she is given an offer by his/her employer as to whether he/she wishes to accept retrenchment upon certain terms, the Grantee may exercise his/her unexercised Options and/or be vested with such number of unvested Shares under the ESGP (as the case may be) within one (1) month after he/she receives such notice or accepts such offer, as the case may be, subject to the provisions of By-Law 9. Thereafter, any Option held by the Grantee and/or such number of unvested Shares under the ESGP at the expiry of the said period shall be automatically terminated.
- 17.6 The ESS Committee shall consider applications under By-Law 17.3 on a case-by-case basis and may at its discretion approve or reject any application in whole or in part without giving any reasons therefor and may impose any terms and conditions in granting an approval. The decision of the ESS Committee shall be final and binding. In the event that the ESS Committee approves an application in whole or in part, the Grantee may exercise the Options and/or be vested with the unvested Shares under the ESGP which are the subject of the approval within the period so approved by the ESS Committee and subject to the provisions of By-Law 9. Any Options and/or Shares in respect of which an application is rejected shall be automatically terminated on the date of termination stipulated in the relevant paragraph of By-Law 17.4 or on the date of the ESS Committee's decision, whichever is the later.
- 17.7 In the event that the ESS Committee receives an application under By-Law 17.3 after the expiry of the relevant period under By-Law 17.4, the ESS Committee shall take into account the reasons given by the Grantee for the delay in making the application, in exercising the ESS Committee's discretion and powers under By-Law 17.6. In the event that the ESS Committee approves the application in whole or in part, the rights of the Grantee shall be continued in respect of the unexercised Options and/or ESGP Award in respect of the unvested Shares and such Options offered and/or Shares awarded shall be exercisable or capable of vesting:
- (a) only within the period of those Options and/or unvested Shares under the ESGP which would otherwise terminate due to the Grantee's delay in making the application are exercisable or capable of vesting;
 - (b) in accordance with the provisions of By-Law 9 as applicable in respect of such Options and/or ESGP Awards; and
 - (c) at the subscription price applicable in respect of such Options.
- 17.8 In the event that a Grantee dies before the Date of Expiry and, at the date of death, holds any ESOS Options which are unexercised and/or any Shares under the ESGP which remain unvested, the following provisions shall apply:
- (a) Such ESOS Options and/or unvested Shares may be exercised and/or be vested by/in (as the case may be) the personal or legal representative of the deceased Grantee ("**Representative**") within twelve (12) months after the Grantee's death ("**Permitted Period**") or within the Date of Expiry, whichever expires first, subject to the approval of the ESS Committee;
 - (b) In the event that the Date of Expiry expires before the Permitted Period, any Options which have not been exercised and/or Shares which have not been vested under the ESGP by the Representative at the Date of Expiry shall be automatically terminated and the Representative shall not be entitled to apply for any extension of time for exercising such unexercised Options and/or be vested with any unvested Shares under the ESGP;

- (c) In the event that the Permitted Period expires before the Date of Expiry, the following provisions shall apply:
- (i) The Representative may, at any time before the expiry of the Permitted Period, apply in writing to the ESS Committee for an extension of the Permitted Period, stating the reasons as to why the extension is required. In the event no application is received by the ESS Committee before the expiry of the Permitted Period, any Options which have not been exercised and/or unvested Shares under the ESGP by the Representative at the expiry of the Permitted Period shall be automatically terminated (subject to sub-paragraph (iii) below).
 - (ii) The ESS Committee shall consider such applications on a case-by-case basis and may at its discretion approve or reject an application in whole or in part without giving any reasons therefor and may impose any terms and conditions in granting an approval. The decision of the ESS Committee shall be final and binding. In the event that the ESS Committee approves an application in whole or in part, the Representative may exercise the Options and/or be vested with such number of unvested Shares under the ESGP which are the subject of the approval within such extension of the Permitted Period as is approved (which shall not exceed the Date of Expiry) and in accordance with the provisions of By-Law 9.4. Any ESS Award or ESOS Option(s) in respect of which an application is rejected shall be automatically terminated at the expiry of the Permitted Period or on the date of the ESS Committee's decision, whichever is the later.
 - (iii) In the event that the ESS Committee receives an application after the expiry of the Permitted Period, the ESS Committee shall take into account the reasons given by the Representative for the delay in making the application, in exercising the ESS Committee's discretion and powers under sub-paragraph (ii) above. In the event that the ESS Committee approves an application in whole or in part, the rights of the Grantee or his/her Representative shall be continued in respect of the unexercised Options and/or unvested Shares and such Options and/or unvested Shares shall be exercisable/vested -
 - (1) within such period as may be stipulated in the approval letter from the ESS Committee which shall not exceed the Date of Expiry of those Options and/or ESS Award which would otherwise terminate pursuant to sub-paragraph (i) above;
 - (2) in accordance with the provisions of By-Law 9.4; and
 - (3) at the subscription price applicable in respect of the Options which would otherwise terminate pursuant to sub-paragraph (i) above.

17.9 The provisions of By-Law 17.7 and By-Law 17.8(c)(iii) constitute exceptions to the provisions of By-Law 5.1 and By-Law 10(a).

17.10 Notwithstanding anything to the contrary herein contained in these By-Laws, the ESS Committee shall have the right, at its absolute discretion by notice in writing to that effect to the Grantee, to suspend the right of any Grantee who is being subjected to Disciplinary Proceedings (whether or not such Disciplinary Proceedings may give rise to a dismissal or termination of service of such Grantee or are found to have had no basis or justification) to exercise his/her ESOS Options and/or have Shares vested in him/her pending the outcome of such Disciplinary Proceedings. In addition to this right of suspension, the ESS Committee may impose such terms and conditions as the ESS Committee shall deem appropriate at its sole and absolute discretion, on the Grantee's right to exercise his/her ESOS Options and/or have Shares vested in him/her having regard to the nature of the charges made or brought against such Grantee, and/or the right to clawback on the gains arising from fully exercised ESOS Options and/or Shares vested in him/her **PROVIDED ALWAYS** that:

- (a) in the event such Grantee is found not guilty of the charges which gave rise to such Disciplinary Proceedings, the ESS Committee shall reinstate the right of such Grantee to their ESS Award;
- (b) in the event the disciplinary proceedings result in a recommendation for the dismissal or termination of service of such Grantee, all unexercised and partially exercised ESOS Options of the Grantee and/or unvested Shares shall immediately lapse and be null and void and of no further force and effect, without notice to the Grantee, upon pronouncement of the dismissal or termination of service of such Grantee notwithstanding that such recommendation, dismissal and/or termination of service may be subsequently challenged or disputed by the Grantee in any other forum;
- (c) in the event the Grantee is found guilty but no dismissal or termination of service is recommended, the ESS Committee shall have the right to determine at its absolute discretion whether or not the Grantee may continue to exercise his/her ESOS Options and/or have the Shares vested in him/her or any part thereof and if so, to impose such terms and conditions as it deems appropriate, on such exercise rights; and
- (d) in the event that no decision is made and/or Disciplinary Proceedings are not concluded prior to the Date of Expiry, the ESS Awards of such Grantee shall immediately lapse on the Date of Expiry without notice,

and nothing herein shall impose any obligation on the ESS Committee to enquire into or investigate the substantiveness and/or validity of such Disciplinary Proceeding(s) and the ESS Committee shall not under any circumstances be held liable for any costs, losses, expenses, damages or liabilities, gains or profits foregone, arising from the ESS Committee's exercise of or failure to exercise any of its rights under this By-Law.

- 17.11 Upon the termination of the ESS Awards and/or ESOS Option(s) pursuant to By-Laws 17.1(a), (b), (c), or (f), and the circumstances causing the termination subsequently ceasing to exist or being reversed, the ESS Committee may at its discretion, on application by the Grantee or further to its own action, reinstate an original Option to remain exercisable during the Option Period and/or an original ESGP Award to remain capable of vesting (as the case may be) on the original terms and conditions. The discretion of the ESS Committee may be exercised with such other terms and conditions as it shall deem fit and shall thereafter be notified to the Board.

18. INSPECTION OF THE AUDITED FINANCIAL STATEMENTS

All Grantees shall be entitled to inspect a copy of the latest annual audited consolidated financial statements of the Company, which shall be made available on Bursa Securities' website as well as the Company's website.

19. SCHEME NOT A TERM OF EMPLOYMENT

This Scheme 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 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. The Scheme shall not form part of or constitute or be in any way construed as a term or condition of employment of any employee of the Group.

20. TAXES

For the avoidance of doubt, all other costs, fees, levies, charges and/or taxes (including, without limitation, income taxes) that are incurred by a Grantee pursuant to or relating to the exercise of any ESOS Options or vesting of any Share under the ESGP Award, and any holding or dealing of such Shares (such as (but not limited to) brokerage commissions and stamp duty) shall be borne by that Grantee for his own account and the Company shall not be liable for any one or more of such costs, fees, levies, charges and/or taxes.

PART VI**21. ALTERATION OF SHARE CAPITAL AND ADJUSTMENTS**

21.1 In the event of any alteration in the capital structure of the Company during the Duration of the Scheme, whether by way of rights issue, bonus issue or other capitalisation issue consolidation or subdivision of Shares or reduction or any other alteration in the capital structure of the Company or otherwise howsoever, the ESS Committee may, in its discretion, determine whether:

- (a) In respect of the ESOS:
 - (i) the Exercise Price; and/or
 - (ii) the number of unexercised ESOS Options;
- (b) In respect of the ESGP:
 - (i) the number of Shares which are the subject of the ESGP Award to the extent not yet vested; and/or
 - (ii) the maximum number of existing Shares which may be delivered in settlement pursuant to the ESGP Awards,

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

21.2 The provisions of this By-Law 21 shall not be applicable where an alteration in the capital structure of the Company arises from any of the following:

- (a) An issue of Shares pursuant to the exercise of ESOS Options and/or vesting of ESGP Awards under the Scheme; or
- (b) An issue of securities as consideration or part consideration for an acquisition of any other securities, assets or business; or
- (c) An issue of securities as a private placement; or
- (d) Any special issuance of new Shares or other securities to Bumiputera investors nominated by the Malaysian government and/or any other relevant authority of the Malaysian government to comply with the Malaysian government's policy on Bumiputera capital participation; or
- (e) A restricted issue of securities; or
- (f) An issue of warrants, convertible loan stocks or other instruments by the Company which give a right of conversion into new Shares arising from the conversion of such securities; or
- (g) A purchase by the Company of its own Shares of all or a portion of such Shares purchased pursuant to Section 127 of the Act.

21.3 Save as expressly provided for herein, the external auditors or Principal Adviser (acting as expert and not arbitrator) must confirm in writing that the adjustments are in their opinion fair and reasonable. The opinion of the external auditors or Principal Adviser shall be final, binding and conclusive.

21.4 In the event that the Company enters into any scheme of arrangement or reconstruction pursuant to Part III of the Act, By-Law 21.1 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 By-Law 21.1 is applicable, but By-Law 21.1 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 By-Law 21.1 is not applicable as described in By-Law 21.2.

- 21.5 An adjustment pursuant to By-Law 21.1 shall be made according to the following terms:
- (a) In the case of a rights issue, bonus issue or other capitalisation issue, on the next Market Day immediately following the Entitlement Date in respect of such issue; or
 - (b) In the case of a consolidation or subdivision of Shares or reduction of capital, on the next Market Day immediately following the date of allotment of shares of the Company in respect of such consolidation, subdivision or reduction.

21.6 Upon any adjustment required to be made pursuant to this By-Law 21, the Company shall notify the Grantee (or his/her duly appointed personal representatives where applicable) in writing and deliver to him/her (or his/her duly appointed personal representatives where applicable) a statement setting forth:

- (a) In respect of the ESOS, the Option Price or number of ESOS Options which are the subject of the adjusted ESOS Award; and
- (b) In respect of the ESGP, the number of Shares comprised in the unvested ESGP Awards which are the subject of the adjusted ESGP Award.

Any adjustment shall take effect upon such written notification being given or such date as may be specified in such written notification.

21.7 In respect of the Options or the ESOS, any adjustment pursuant to this By-Law 21 shall be made in accordance with the following formula below, pursuant to By-Law 21.6:

(a) **Consolidation, Subdivision, Conversion or Reduction**

If and whenever Shares shall be consolidated, subdivided, converted or reduced, the Exercise Price and/or the additional number of Options to be issued shall be adjusted, calculated or determined after consultation with the external auditors or Principal Adviser (acting as expert and not arbitrator) in such a manner as to give the Grantee a fair and reasonable entitlement after taking into consideration the nature and effect of the relevant alteration in the capital structure of the Company.

Each such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day immediately following the date on which the consolidation, subdivision, conversion or reduction becomes effective.

(b) **Capitalisation of Profits or Reserves**

If and whenever the Company shall make any issue of new Shares to ordinary shareholders, by way of bonus issue or capitalisation of profits or reserves of the Company (whether of a capital or income nature), in respect of ESOS Options, the Exercise Price shall be adjusted by multiplying it by the following fraction:

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

and the additional number of Options to be issued shall be calculated as follows:

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

Where:

A = the aggregate number of issued Shares immediately before such bonus issue or capitalisation issue;

B = the aggregate number of Shares to be issued pursuant to any allotment to ordinary shareholders of the Company by way of bonus issue or capitalisation of profits or reserves of the Company (whether of a capital or income nature); and

T = Number of existing Options held

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

(c) If and whenever the Company shall make:

- (1) 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
- (2) any offer or invitation to ordinary shareholders whereunder they may acquire or subscribe new Shares by way of rights; or
- (3) any offer or invitation to ordinary shareholders by way of rights whereunder they may acquire or subscribe for securities convertible into new Shares or securities with rights to acquire or subscribe for new Shares attached thereto,

then and in respect of each such case, the Exercise Price for ESOS Options shall be adjusted by multiplying it by the following fraction:-

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

and in respect of the case referred to in By-Law 21.7(c)(2) hereof, the number of additional Options to be issued shall be calculated as follows:-

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

Where:

T = T as in By-Law 21.7(b) above;

C = the prevailing market price of each 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 or (where appropriate) any relevant date as may be determined by the Company; and

- D = (aa) in the case of an offer or invitation to acquire or subscribe for new Shares under By-Law 21.7(c)(2) above or for securities convertible into Shares or securities with rights to acquire or subscribe for new Shares under By-Law 21.7(c)(3) above, the value of rights attributable to one (1) existing Share (as defined below); or
- (bb) in the case of any other transaction falling within By-Law 21.7(c) hereof, the fair market value as determined by the external auditors or Principal Adviser of that portion of the Capital Distribution attributable to one (1) existing Share.

D^* = The value of rights attributable to one (1) Share (as defined below).

For the purpose of definition (aa) of “ D^* ” above, the “value of rights attributable to one (1) existing Share” shall be calculated in accordance with the formula:-

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

Where:

C = C as in By-Law 21.7(c) above;

E = the subscription price for one (1) additional Share under the terms of such offer or invitation to acquire or subscribe for Shares or subscription price of one (1) Share upon conversion of the convertible securities or exercise of such rights to acquire or subscribe for one (1) Share under the offer or invitation; and

F = the number of existing Shares which is necessary to hold in order to be offered or invited to acquire or subscribe for one (1) additional Shares or security convertible into Shares or one (1) additional security with right to acquire or subscribe for one (1) additional Shares; and

D^* = The “value of rights attributable to one (1) existing Shares” (as defined below).

For the purpose of definition “ D^* ” above, the “value of the rights attributable to one (1) existing Share” shall be calculated in accordance with the formula:

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

Where:

C = C as in By-Law 21.7(c) above;

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

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

For the purpose of By-Law 21.7(c) hereof, “**Capital Distribution**” shall (without prejudice to the generality of that expression) include distributions in cash or specie or by way of issue of new Shares (not falling under By-Law 21.7(b) hereof) or other securities by way of capitalisation of profits or reserves of the Company (whether of a capital or income nature).

Any dividend charged or provided for in the audited financial statements of the Company for 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 statement of comprehensive income of the Company for any period 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 (or such other period as may be prescribed by Bursa Securities) immediately following the Entitlement Date for such issue or the closing date for the acceptance of the rights, as the case may be, for such issue.

(d) **Capitalisation of Profits/Reserves and Rights Issue of Shares or Convertible Securities**

If and whenever the Company makes any allotment to its ordinary shareholders as provided in By-Law 21.7(b) above and also makes any offer or invitation to its ordinary shareholders as provided in By-Law 21.7(c)(2) or (3) 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 Exercise 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 By-Law 21.7(b) above and also makes any offer or invitation to its ordinary shareholders as provided in By-Law 21.7(c)(2) 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 number of additional Options to be issued 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 as in By-Law 21.7(b) above;

G = the aggregate number of issued Shares on the Entitlement Date;

C = C as in By-Law 21.7(c) above;

H = the aggregate number of new Shares under an offer or invitation to acquire or subscribe for Shares by way of rights or under an offer or invitation by way of rights to acquire or subscribe for securities convertible into Shares or rights to acquire or subscribe for Shares, as the case may be;

H* = the aggregate number of Shares under an offer or invitation to acquire or subscribe for Shares by way of rights;

I = the subscription price of one (1) additional Share under the offer or invitation to acquire or subscribe for Shares or the exercise price on conversion of such securities or exercise of such rights to acquire or subscribe for one (1) additional Share, as the case may be;

I* = the subscription price of one (1) additional Share under the offer or invitation to acquire or subscribe for Shares;

T = T as in By-Law 21.7(b) above.

Each such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day (or such other period as may be prescribed by Bursa Securities) immediately following the Entitlement Date for such issue or the closing date for the acceptance of the rights, as the case may be, for such issue.

(e) **Rights Issue of Shares and Convertible Securities**

If and whenever the Company makes any offer or invitation to its ordinary shareholders to acquire or subscribe for Shares as provided in By-Law 21.7(c)(2) above together with an offer or invitation to acquire or subscribe for securities convertible into new Shares or securities with rights to acquire or subscribe for Shares as provided in By-Law 21.7(c)(3) 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 Exercise 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 number of additional Options to be issued shall be calculated as follows:-

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

Where:

G = A as in By-Law 21.7(d) above;

C = C as in By-Law 21.7(c) above;

H = H as in By-Law 21.7(d) above;

H* = H* as in By-Law 21.7(d) above;

I = I as in By-Law 21.7(d) above;

I* = I* as in By-Law 21.7(d) above;

J = the aggregate number of Shares to be issued to its ordinary shareholders upon conversion of such securities or exercise of such rights to subscribe for Shares by the ordinary shareholders;

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

T = T as in By-Law 21.7(b) above.

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day immediately following the Entitlement Date for the above transactions or the closing date for the acceptance of the rights, as the case may be, for such issue.

(f) **Capitalisation of Profits/Reserves and Rights Issue of Shares and Convertible Securities**

If and whenever the Company makes an allotment to its ordinary shareholders as provided in By-Law 21.7(b) above and also makes an offer or invitation to acquire or subscribe for Shares to its ordinary shareholders as provided in By-Law 21.7(c)(2) above, together with rights to acquire or subscribe for securities convertible into new Shares or with rights to acquire or subscribe for Shares as provided in By-Law 21.7(c)(3) above, and the Entitlement Date for the purpose of allotment is also the Entitlement Date for the purpose of the offer or invitation, the Exercise 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 number of additional Options to be issued 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:

G = A as in By-Law 21.7(d) above;

C = C as in By-Law 21.7(c) above;

H = H as in By-Law 21.7(d) above;

H* = H* as in By-Law 21.7(d) above

I = I as in By-Law 21.7(d) above;

I* = I* as in By-Law 21.7(d) above

J = J as in By-Law 21.7(e) above;

T = T as in By-Law 21.7(b) above;

K = K as in By-Law 21.7(e) above; and

B = B as in By-Law 21.7(b) above.

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day (or such other period as may be prescribed by Bursa) immediately following the Entitlement Date for the above transactions or the closing date for the acceptance of the rights, as the case may be, for such issue.

(g) **Others**

If and whenever (otherwise than pursuant to a rights issue available to all ordinary shareholders and requiring an adjustment under By-Laws 21.7(c)(2), 21.7(c)(3), 21.7(d), 21.7(e) or 21.7(f) above) the Company shall issue either any Shares or any security convertible into new Shares or with rights to acquire or subscribe for Shares, and in any such case, the Total Effective Consideration per Share (as defined below) is less than ninety percent (90%) of the Average Price for one (1) Share (as defined below) or, as the case may be, the price at which the Shares will be issued upon conversion of such securities or exercise of such rights is determined, the Exercise Price shall be adjusted by multiplying it by the following fraction:

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

Where:

L = the number of Shares in issue at the close of business on Bursa Securities on the Market Day immediately preceding the date on which the relevant adjustment becomes effective;

M = the number of Shares which the Total Effective Consideration (as defined below) would have purchased at the Average Price (as defined below) (exclusive of expenses); and

N = the aggregate number of Shares so issued or, in the case of securities convertible into new Shares or securities with rights to acquire or subscribe for Shares, the maximum number (assuming no adjustments of such rights) of Shares issuable upon full conversion of such securities or the exercise in full of such rights.

For the purpose of this By-Law 21.7(g), “**Total Effective Consideration**” shall be determined by the ESS Committee with the concurrence of the external auditors or Principal Adviser and shall be:-

- (i) in case of the issue of Shares, the aggregate consideration receivable by the Company on payment in full for such Shares; or
- (ii) in the case of the issue by the Company of securities wholly or partly convertible into new Shares, the aggregate consideration receivable by the Company on payment in full for such securities or such part of the securities as is convertible together with the total amount receivable by the Company upon full conversion of such securities (if any); or
- (iii) in the case of the issue by the Company of securities with rights to acquire or subscribe for Shares, the aggregate consideration attributable to the issue of such rights together with the total amount receivable by the Company upon full exercise of such rights;

in each case, without any deduction of any commission, discount or expenses paid, allowed or incurred in connection with the issue thereof, and the “Total Effective Consideration per Share” shall be the Total Effective Consideration divided by the number of new Shares issued as aforesaid or, in the case of securities convertible into new Shares or securities with rights to acquire or subscribe for new Shares, by the maximum number of new Shares issuable on full conversion of such securities or on exercise in full of such rights.

For the purpose of By-Law 21.7(g), “**Average Price**” of a Share shall be the average market price of one (1) Share as derived from the last traded prices for one or more board lots of Shares as quoted on Bursa Securities on the Market Days comprised in the period used as a basis upon which the issue price of such Shares is determined.

Such adjustment will be calculated (if appropriate, retroactively) from the close of business on Bursa Securities on the next Market Day immediately following the date on which the issue is announced, or (failing any such announcement) on the next Market Day immediately following the date on which the Company determines the subscription price of such Shares. Such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day immediately following the completion of the above transaction.

- (h) For the purpose of By-Laws 21.7(c), (d), (e) and (f), the current market price in relation to one (1) existing Share for any relevant day shall be the average of the last traded 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 the relevant authorities.

21.8 In respect of the ESGP, any adjustment pursuant to By-Law 21.1 shall be made in such a manner as to give the Grantee a fair and reasonable ESGP Award entitlement after taking into consideration the nature and effect of the relevant alteration in the capital structure of the Company.

21.9 If an event occurs that is not set out in By-Law 21.7 or if the application of any of the formula set out in By-Law 21.7 to an event results in a manifest error or does not, in the opinion of the ESS Committee, achieve for any reason whatsoever the desired result of preventing the dilution or enlargement of the Eligible Person’s rights or providing a fair and reasonable entitlement, the ESS Committee may effect an adjustment in such manner deemed appropriate by the ESS Committee provided that the Eligible Persons shall be notified of the adjustment through an announcement to all Eligible Persons to be made in such manner deemed appropriate by the ESS Committee.

- 21.10 Notwithstanding the provisions of this By-Law, the ESS Committee may exercise its discretion to determine whether any adjustments to the Exercise Price, the number of Options and/or Shares (as the case may be) be calculated on a different basis or date or should take effect on a different date or that such adjustments be made to the Exercise Price and/or the number of Options notwithstanding that no such adjustment formula has been explicitly set out in this By-Law.
- 21.11 Any adjustment to the Exercise Price shall be rounded down to the nearest RM0.01.
- 21.12 In the event that a fraction of a Share arises from the adjustments pursuant to this By-Law 21, the number of Shares comprised in an ESOS Offer or ESGP Award shall automatically be rounded down to the nearest whole number.

22. TAKE-OVER OFFER, SCHEME OF ARRANGEMENT, AMALGAMATION, RECONSTRUCTION, ETC

In the event of:

- (a) a takeover offer being made for the Company through a general offer to acquire the whole of the issued share capital (or such part of the issued share capital not at the time owned by the person making the general offer (“**Offeror**”) or any persons acting in concert with the Offeror); or
- (b) the Offeror becoming entitled or bound to exercise the right of compulsory acquisition of Shares under the provisions of any statutes, rules and/or regulations applicable at that point of time and gives notice to the Company that it intends to exercise such right on a specific date; or
- (c) the court sanctioning a compromise or arrangement between the Company and its members for the purpose of, or in connection with, a scheme of arrangement and reconstruction of the Company under Subdivision 2 of Division 7 of Part III of the Act or its amalgamation with any other company or companies under the Act,

then a Grantee who is holding outstanding exercisable Options shall be entitled to exercise all or any of his/her unexercised Options in accordance with By-Law 9.4, within sixty (60) days from the date of his/her receipt of the notice by the Company in respect of any of the events in paragraphs (a), (b) and (c) as above. In the event that the Grantee elects not to so exercise some or all of the Options held by him/her, the unexercised Options shall be automatically terminated and lapse by the date prescribed and be null and void and of no further force and effect.

23. DIVESTMENT FROM THE GROUP, ETC

- 23.1 In the event that a company within the Group shall be divested from the Group, a Grantee who is employed by such company:
- (a) shall not be entitled to continue to hold and to exercise all unexercised vested ESOS Options held by him/her and shall cease to be capable of being vested with any unvested Shares under the ESGP Award from the date of completion of such divestment, within a period of three (3) months from the date of completion of such divestment or the Date of Expiry, whichever expires first, and in accordance with the provisions of By-Law 9.4. In the event that the Grantee does not so exercise some or all of such Options and/or the unvested Shares, the unexercised Options and/or unvested Shares under the ESGP Award shall be automatically terminated upon the expiry of the relevant period; and
 - (b) shall no longer be eligible to participate for further ESS Awards under the Scheme as from the date of completion of such divestment, unless approved by the ESS Committee in writing.

- 23.2 For the purposes of By-Law 23.1, a company shall be deemed to be divested from the Group or disposed off from the Group in the event that the effective interest of the Company in such company is reduced from above 50% to 50% or below so that such company would no longer be a subsidiary of the Company pursuant to Section 4 of the Act or such company ceases to form part of the Group for such reason(s) as determined by the ESS Committee as its absolute discretion.

24. WINDING UP

All outstanding ESS Awards shall be automatically terminated and be of no further force and effect in the event that a resolution is passed or a court order is made for the winding up of the Company commencing from the date of such resolution or the date of the court order. In the event a petition is presented in court for the winding-up or liquidation of the Company, all rights to exercise and/or vest the ESS Awards shall automatically be suspended from the date of the presentation of the petition. Conversely, if the petition for winding-up is dismissed by the court, the right to exercise and/or vest the ESS Awards shall accordingly be unsuspended.

PART VII

25. EFFECTIVE DATE, DURATION, TERMINATION AND EXTENSION OF SCHEME

- 25.1 The Effective Date for the implementation of the Scheme shall be such date to be determined and announced by the Board following full compliance with all relevant requirements of the Listing Requirements, including the following:

- (a) submission of the final copy of the By-Laws to Bursa Securities;
- (b) approval from Bursa Securities for the listing of and quotation for up to ten percent (10%) of the issued share capital of the Company on the Main Market of Bursa Securities;
- (c) procurement of shareholders' approval for the Scheme;
- (d) receipt of approval of any other relevant authorities, where applicable; and
- (e) fulfilment or waiver (as the case may be) of all conditions attached to the above proposals, if any.

The Scheme shall be in force for a duration of five (5) years from the Effective Date subject however to any extension of the Scheme as provided under By-Law 25.3 below. The date of expiry of the Scheme shall be at the end of the five (5) years from the Effective Date or, if the Scheme shall be extended, shall be the date of expiry as so extended.

- 25.2 The ESS Award can only be made during the Duration of the Scheme before the Date of Expiry.
- 25.3 On or before the Date of Expiry, the Board shall have the discretion, without having to obtain approval of the Company's shareholders, to extend the Duration of the Scheme provided that the initial period of the Scheme and such extension of the Scheme made pursuant to this By-Law shall not in aggregate exceed the duration of ten (10) years from the Effective Date. In the event the Scheme is extended in accordance with this provision, the ESS Committee shall furnish a written notification to all Grantees and the Company shall make necessary announcements to Bursa Securities prior to the proposed extension of the Scheme.
- 25.4 Notwithstanding anything to the contrary, all ESS Awards shall lapse on the Date of Expiry.
- 25.5 The Scheme may be terminated by the ESS Committee at any time before the Date of Expiry **PROVIDED THAT** the Company makes an announcement immediately to Bursa Securities. The announcement shall include:

- (a) the effective date of termination (“**Termination Date**”);
 - (b) the number of Options exercised under ESOS and/or Shares vested under the ESGP; and
 - (c) the reasons and justification for termination.
- 25.6 The Company may implement more than one (1) employee share scheme provided that the aggregate number of Share available under all the employee share schemes implemented by the Company is not more than ten percent (10%) of its issued share capital (excluding Treasury Shares, if any) at any one time or any other limit in accordance with any prevailing guidelines issued by Bursa Securities or any other relevant authorities as amended from time to time.
- 25.7 In the event of termination as stipulated in By-Law 25.5 above, the following provisions shall apply:
- (a) No further ESS Awards shall be made by the ESS Committee from the Termination Date;
 - (b) All ESS Awards which have yet to be accepted by Eligible Persons shall automatically lapse on the Termination Date;
 - (c) All ESS Awards which have yet to be vested in the Eligible Persons shall automatically lapse on the Termination Date; and
 - (d) All outstanding ESOS Options which have yet to be exercised by Grantees and/or vested shall be automatically terminated on the Termination Date.
- 25.8 Approval or consent of the shareholders of the Company by way of a resolution in an EGM and written consent of Grantees who have yet to exercise their Options and/or vest the unvested Shares are not required to effect a termination of the Scheme.

26. NO COMPENSATION FOR TERMINATION

No Eligible Persons shall be entitled to any compensation for damages arising from the termination of any ESS Award or this Scheme pursuant to the provisions of these By-Laws. Notwithstanding any provisions of these By-Laws:

- (a) this Scheme shall not form part of any contract of employment between the Company or any company within the Group and any Eligible Person of any company of the Group. The rights of any Eligible Person under the terms of his/her office and/or employment with any company within the Group shall not be affected by his/her participation in the Scheme, nor shall such participation or the ESS Award or consideration for the ESS Award afford such Eligible Person any additional rights to compensation or damages in consequence of the termination of such office or employment for any reason;
- (b) this Scheme shall not confer on any person any legal or equitable right or other rights under any other theory of law (other than those constituting the ESS Award themselves) 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/her Representative shall bring any claim, action or proceeding against any company of the Group, the ESS Committee or any other party for compensation, loss or damages whatsoever and howsoever arising from the suspension/cancellation of his/her rights/exercise of his/her ESS Award or his/her rights/ESS Award ceasing to be valid pursuant to the provisions of these By-Laws; and

- (d) the Company, the Board or the ESS Committee shall in no event be liable to the Grantee or his/her personal or legal 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 lost profits or savings, directly or indirectly arising from the breach or non-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 Board or the ESS Committee has been advised of the possibility of such damage.

27. MODIFICATION, VARIATION AND/OR AMENDMENT TO THE SCHEME

- 27.1 Subject to the compliance with the Listing Requirements and any other relevant authorities, the ESS Committee may at any time and from time to time recommend to the Board any additions, modifications or amendments to or deletions of these By-Laws as it shall at its discretion think fit. The approval of the shareholders of the Company in general meeting shall not be required in respect of additions or amendments to, or modifications and/or deletions of these By-Laws **PROVIDED THAT** no additions, modifications or amendments to or deletions of these By-Laws shall be made which will:

- (a) prejudice any rights which have accrued to any Grantee without the prior consent or sanction of that Grantee; or
- (b) increase the number of Shares available under the Scheme beyond the maximum imposed by By-Law 4.1; or
- (c) alter any matter which are required to be contained in these By-Laws by virtue of the Listing Requirements to the advantage of the Eligible Person and/or Grantee, without the prior approval of shareholders obtained at a general meeting,

unless allowed otherwise by the provisions of the Listing Requirements.

- 27.2 For the purpose of complying with the provisions of the Listing Requirements, By-Laws 4, 5, 6, 8.4, 10, 11.3(b), 12.1, 14, 15, 16, 21 and 25.1 shall not be amended or altered in any way whatsoever for the advantage of Eligible Persons without the prior approval of shareholders obtained at a general meeting and subject to any applicable laws.
- 27.3 Upon amending and for modifying all or any of the provisions of the Scheme, the Company shall within five (5) Market Days after the effective date of the amendments, cause to be submitted to Bursa Securities the amended By-Laws and a confirmation letter that the said amendment and/or modification complies and does not contravene any of the provisions of the Listing Requirements in relation to the Scheme.

PART VIII

28. ADMINISTRATION AND TRUST

- 28.1 The Scheme shall be administered by the ESS Committee. The ESS Committee shall, subject to these By-Laws, administer the Scheme in such manner as it shall think fit and with such powers and duties as are conferred upon it by the Board. The decision of the ESS Committee shall be final and binding, unless the Board determines otherwise.
- 28.2 In implementing the Scheme, the ESS Committee may in its absolute discretion, after taking into consideration, amongst others, factors such as prevailing market price of the Shares, funding considerations and dilutive effects on the Company's capital base, future returns and cash requirements of the Group, decide that the Shares to be awarded under the ESGP shall be satisfied by any of the following methods:

- (a) Issuance of new Shares;
- (b) Acquisition and transfer of existing Shares (including Treasury Shares);
- (c) Any other methods as may be permitted by the Act, as amended from time to time and any re-enactment thereof; or
- (d) A combination of any of the above.

28.3 For the purposes of facilitating the implementation and administration of the Scheme, the Company and/or the ESS Committee may (but shall not be obliged to) establish a trust to be administered by trustee(s) consisting of such trustee appointed by the Company from time to time (“**Trustee**”), if required, for the purposes of

- (a) subscribing for new Shares;
- (b) acquiring existing Shares from the Main Market of Bursa Securities; and/or
- (c) acquiring or receiving Treasury Shares from the Company,

and transferring them to Grantees at such times as the ESS Committee shall direct (“**Trust**”).

28.4 To enable the Trustee to subscribe for new Shares and/or acquire or receive existing Shares for the purpose of the Scheme and to pay expenses in relation to the administration of the Trust, the Trustee will, to the extent permitted by law, be entitled from time to time to accept funding and/or assistance, financial or otherwise, from the Company and/or its subsidiaries or any third party for the aforesaid purposes including to:

- (a) subscribe for Shares on behalf of the Grantees;
- (b) acquire existing Shares from the Main Market of Bursa Securities; and/or
- (c) acquire or receive Treasury Shares from the Company,

and (if/where applicable) to:

- (i) hold all the assets under the Trust (including the Shares acquired by the Company for purposes of or in connection with the Trust and any income accruing to the Shares held under trust (by way of dividends or otherwise) and from any sources whatsoever) to be dealt with in accordance with the provisions of the Trust Deed;
- (ii) receive funding and/or assistance, financial or otherwise from the Company and/or its subsidiaries or any third party, for purposes of or in connection with the ESS;
- (iii) acquire Shares including Treasury Shares from the Company and/or Shares from the Main Market of Bursa Securities and/or subscribe for new Shares upon receipt of sufficient funds from the Company pursuant to By-Law 28.4(i) above, and hold the same pursuant to the terms of the Trust Deed;
- (iv) sell such number of Shares on the Main Market of Bursa Securities, and hold the proceeds of the same in accordance with the instructions of the ESS Committee;
- (v) transfer dividends or distributions in respect of the Trust Shares, or the proceeds from the sale of dividends or distributions in respect of the Trust Shares (in the event that the dividends or distributions are in a form other than cash) to the Company;

- (vi) transfer such number of Shares determined by the ESS Committee to the relevant Grantee, whether pursuant to the ESOS or ESGP, at such times as may be specified by the ESS Committee;
 - (vii) open bank accounts and to retain on current or deposit accounts, at any bank, any money which it considers proper for purposes solely of facilitating the implementation and administration of the ESS and to make regulations for the operation of these bank accounts;
 - (viii) open and maintain a CDS Account for purposes of recording the Shares which are acquired by or transferred to the Trustee or which are disposed or transferred by the Trustee;
 - (ix) maintain records relating to the CDS Account and furnish reports setting out the details relating to the same, as and when requested by the Company and/or ESS Committee;
 - (x) do all things or take such actions, measures or steps as may be notified by the ESS Committee in writing from time to time subject always to the consent of the Trustee, such consent not being unreasonably withheld. For the avoidance of doubt, the Trustee shall give effect to any instructions provided by the Company and/or the ESS Committee if required for the purposes of facilitating and implementing the ESS; and/or
 - (xi) generally, do all acts and things which the Trustee considers necessary or expedient for the administration, maintenance and preservation of the Trust and in performance of its obligations under this Trust Deed (as defined in By-Law 28.5 below).
- 28.5 The Trustee if and when a Trust is established shall administer the Trust in accordance with the terms of the trust deed to be entered into between the Company and the trustee constituting the trust (“**Trust Deed**”). For the purpose of administering the Trust, the Trustee shall do all such acts and things and enter into any transactions, agreements, deeds, documents or arrangements and make rules, regulations or impose terms and conditions or delegate part of its power relating to the administration of the Trust, as the ESS Committee may in its sole and absolute discretion direct for the implementation and administration of the Trust.
- 28.6 The Company or ESS Committee shall have power from time to time, at any time, to appoint or rescind/terminate the appointment of any Trustee as it deems fit in accordance with the provisions of the Trust Deed. The ESS Committee shall have the power from time to time, at any time, to negotiate with the Trustee to amend the provisions of the Trust Deed.
- 28.7 Without limiting the generality of By-Law 28.1, the ESS Committee may, for the purpose of administering the Scheme, do all acts and things, rectify any errors in an ESS Award, execute all documents and delegate any of its powers and duties relating to the Scheme as it may at its discretion consider to be necessary or desirable for giving effect to the Scheme.
- 28.8 The Board shall have power at any time and from time to time to approve, rescind and/or revoke the appointment of any person in the ESS Committee as it shall deem fit.

29. DISPUTES AND LIABILITY

- 29.1 In case any dispute or difference shall arise between the ESS Committee and an Eligible Person or a Grantee or in the event of an appeal by an Eligible Person, as the case may be, as to any matter of any nature arising hereunder, such dispute or appeal must have been referred to and received by the ESS Committee during the Duration of the Scheme. The ESS Committee shall then determine such dispute or difference by a written decision (without the obligation to give any reason therefor) given to the Eligible Person and/or Grantee, as the case may be, PROVIDED THAT where the dispute is raised by a member of the ESS Committee, the said member shall abstain from voting in respect of the decision of the ESS Committee in that instance. In the event the Eligible Person or Grantee, as the case may be, shall dispute the same by written notice to the ESS Committee within fourteen (14) days of the receipt of the written decision, then such dispute or difference shall be referred to the Board, whose decision shall be final and binding in all respects, provided that any Director of the Company who is also in the ESS Committee shall abstain from voting and no person shall be entitled to dispute any decision or certification which is stated to be final and binding under these By-Laws.

Under no circumstances shall a dispute or difference be brought to a court of law. Notwithstanding anything herein to the contrary, any costs and expenses incurred in relation to any dispute or difference or appeal brought by any party to the ESS Committee shall be borne by such party.

- 29.2 Notwithstanding the foregoing provisions of By-Law 29.1 above, matters concerning adjustments made pursuant to By-Law 21 shall be referred to external auditors of the Company or Principal Adviser, who shall act as experts and not as arbitrators and whose decision shall be final and binding in all respects.
- 29.3 The ESS Committee and/or the Company shall not be liable (whether in tort or contract or otherwise) for any loss damage or costs the Eligible Persons and/or Grantee may suffer or incur due to, as a consequence of or in connection with the failure of such electronic system or any inaccuracies, any fault with web browsers or other relevant software, operating system or other software, viruses or other security threats, and/or problems occurring during data transmission which may delay or affect in any way whatsoever the implementation of the Scheme.
- 29.4 The Eligible Persons and/or Grantee shall safeguard any and all user names, passwords or other access codes, provided by the ESS Committee and/or the Company, and the ESS Committee and/or the Company may rightfully assume that any person using the electronic system with the Eligible Persons' and/or Grantee's user name and password is either Eligible Persons and/or Grantee or is so authorised to act for the Eligible Persons and/or Grantee. In this regard, the Eligible Persons and/or Grantee agrees that no claims shall be made by the Eligible Persons and/or Grantee or on its behalf in respect to any losses, costs and expenses incurred by the Eligible Persons and/or Grantee as a result of such unauthorised usage. All notifications executed upon or done by the Company pursuant to such notice shall be binding on the Eligible Persons and/or Grantee. The ESS Committee and/or the Company hereby reserves the right to deactivate or revoke the Eligible Persons' and/or Grantee's access to and use of the electronic system if the ESS Committee and/or the Company suspects or has reason to believe that the instructions issued using the Eligible Persons' and/or Grantee's user name and/or password are or have not been duly authorised by the Eligible Persons and/or Grantee and the ESS Committee and/or Company shall not be liable for any losses arising from the deactivation or revocation of the Eligible Persons' and/or Grantee's access to and use of the electronic system.

30. COSTS AND EXPENSES

All fees, costs and expenses incurred in relation to the Scheme including but not limited to the fees, costs and expenses relating to the issue and allotment and/or transfer of the Shares pursuant to the ESS Award, shall be borne by the Company. Notwithstanding this, the Grantee shall bear any fees, costs and expenses incurred in relation to his/her acceptance and exercise of the Options under the Scheme.

31. CONSTITUTION/ARTICLES OF ASSOCIATION

In the event of a conflict between any of the provisions of these By-Laws and the Constitution/Articles of Association of the Company, the Constitution/Articles of Association of the Company shall at all times prevail.

32. NOTICE

32.1 Subject to By-Law 32.3, any notice or request which the Board, the Company, the ESS Committee and/or the Trustee is required to give, or may desire to give, to any Eligible Person or the Grantee pursuant to the Scheme 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/her 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;
- (c) if it is sent by electronic media, including but not limited to electronic mail, to the Eligible Persons or the Grantee, such notice or request shall be deemed to have been received by the recipient on the Market Day immediately following the day on which the electronic mail is sent; and
- (d) if it is communicated by other digital means, including through an electronic system, on the Market Day immediately following the day on which such communication is effected or otherwise 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.

32.2 Subject to By-Law 32.3, any notice which the Grantee and/or the Eligible Persons is required to give, or desired to be given to or served upon the Board, the Company, the ESS Committee and/or the Trustee, pursuant to the Scheme shall be given, or made in writing and shall be deemed to be sufficiently given:

- (a) if it is sent to the registered office of the Company or such other office which the Company, the ESS Committee or the Trustee may have stipulated for a particular purpose by hand (with acknowledgement of receipt) or registered letter; and
- (b) if it is sent by electronic mail, to such e-mail address specified by the Company (if to be given to or served upon the Board, the Company, the ESS Committee and/or the Trustee) such notice or request shall be deemed to have been served by the Eligible Person or the Grantee upon the ESS Committee and/or the Company and/or Trustee on the Market Day immediately following the day on which the electronic mail is sent.

32.3 Any ESOS Offer to be made and acceptances thereof, and normal correspondence under the Scheme to be given to or served upon the Board, the ESS Committee, Eligible Person, Grantee and/or the Trustee, as the case may be, shall be given, served or made in writing and delivered:

- (a) by electronic mail to such e-mail address specified by the Company (if to be given to or served upon the Company, the Board, the ESS Committee or the Trustee) or to such e-mail address of the employee provided by the Company (if to be given to or served upon the Eligible Person or Grantee); or such communication by other digital means as may be prescribed by the Board, the Company, the ESS Committee and/or the Trustee, and shall be deemed to have been received by the recipient (in the case of electronic mail) on the Market day immediately following the day on which the electronic mail is dispatched; or
- (b) in the case of communication by other digital means (including through an electronic system) on the Market Day immediately following the day on which such communication is effected.

- 32.4 Without prejudice to the generality of the foregoing, in relation to notice given by way of electronic media or any other digital means (including through an electronic system), records stored in the transaction log of the computer system of the Company of any notice or communication sent through any electronic means shall be sufficient proof of such notice or communication being sent.
- 32.5 Where any notice which the Company or the ESS Committee is required to give, or may desire to give, in relation to matters which may affect all the Eligible Persons or all the Grantee (as the case may be) pursuant to or under the Scheme, the Company or the ESS Committee may give such notice through an announcement to all employees of the Group to be made in such manner deemed appropriate by the ESS Committee (including via electronic media, other digital means or via an electronic system). Upon the making of such an announcement, the notice to be made under By-Law 32.1 or By-Law 32.3 (as the case may be) shall be deemed to be sufficiently given, served or made to all affected Eligible Persons or Grantee, as the case may be.

33. SEVERABILITY

Any term, condition, stipulation or provision in these By-Laws which is or becomes 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.

34. GOVERNING LAW AND JURISDICTION

- 34.1 These By-Laws shall be governed and construed in accordance with the laws of Malaysia and the Eligible Person and/or Grantee shall subject to the provisions of By-Law 29 submit to the exclusive jurisdiction of the courts of Malaysia in all matters connected with the obligations and liabilities of the parties hereto under or arising out of these By-Laws.
- 34.2 Any proceeding or action shall subject to the provisions of By-Law 29, 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-convenience or any other grounds.
- 34.3 Any notice/process required to be given to or served upon the Grantee and/or Eligible Persons by the Board, the Company or the ESS Committee shall be given/ shall be deemed to be sufficiently given, served or made if it is given, served or made:
- (a) by hand;
 - (b) by facsimile transmission; and/or
 - (c) by letter sent via ordinary post,

addressed to the Grantee and/or Eligible Persons, at his last facsimile transmission number known to the Company, or to his last-known address.

Any notice/process served by hand, by facsimile, by post as aforesaid shall be deemed to have been received at the time when such notice:

- (a) if by hand is received and duly acknowledged;
- (b) if by facsimile transmission is transmitted with a confirmed log print-out for the transmission indicating the date, time and transmission of all pages; and
- (c) if by letter via ordinary post on the day the letter containing the same is posted and in proving such service by post, it shall be sufficient to prove that the letter containing the notice or documents was properly addressed, stamped and posted.

- 34.4 Any notice/process required to be given to or served upon the Company, the Board or the ESS Committee by an Eligible Person shall be given, served or made in writing and delivered by hand or by registered post to the registered office of the Company (or such other office or place which the ESS Committee may have stipulated for this purpose). Any notice/process served by hand, or post as aforesaid shall be deemed to have been received at the time when such notice (if by hand) is received and duly acknowledged and (if by post) five (5) Market Days after postage.
- 34.5 In order to facilitate the offer of any ESS Award (and/or the benefit thereof) under this Scheme, the ESS Committee may provide for such special terms to the Eligible Persons who are employed by any corporation in the Group in a particular jurisdiction, or who are nationals of any particular jurisdiction, that is outside Malaysia, as the ESS Committee may consider necessary or appropriate for the purposes of complying with differences in local law, tax, policy or custom of that jurisdiction. The ESS Committee may further approve such supplements to or amendments, restatements or alternative versions of the Scheme as it may consider necessary or appropriate for such purposes without affecting the terms of the Scheme as in effect for any other purpose, and the secretary of the Company or any other appropriate officer of the Company may certify any such document as having been approved and adopted in the same manner as the Scheme. No such special terms, supplements, amendments or restatements, however, shall include any provisions that are inconsistent with the terms of this Scheme, as then in effect unless this Scheme has been amended to eliminate such inconsistency. Notwithstanding the above, any ESS Award offered to such Eligible Person pursuant to the Scheme shall be valid strictly in Malaysia only unless specifically mentioned otherwise by the ESS Committee in the ESS Award.
- 34.6 No action has been or will be taken by the Company to make an ESS Award valid in any country or jurisdiction other than Malaysia or to ensure compliance of the ESS Award with all applicable laws and regulations in any other country or jurisdiction other than Malaysia. No action has or will be taken also by the Company to ensure compliance by the Eligible Person to whom an ESS Award is offered, with all applicable laws and regulations in such other country or jurisdiction in which the Eligible Person accepts the ESS Award or will exercise the ESOS Option or be vested the Shares under the ESGP Award.
- 34.7 Any Eligible Person to whom an ESS Award is offered is required to ensure that they comply with all applicable laws and regulations in each country or jurisdiction in or from which they accept the ESS Award or exercise the ESOS Option or be vested the Shares under the ESGP Award. By their acceptance of an ESS Award, each Grantee has represented, warranted and agreed that they have and will continue to observe all applicable laws and regulations in the jurisdiction in which they accept the ESS Award and/or will exercise the ESOS Option or be vested the Shares under the ESGP Award.

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