

## AMENDED BYE-LAWS

### 1. DEFINITIONS AND INTERPRETATION

#### 1.1 Definitions

In the ESOS, the following words shall, unless the context otherwise requires, bear the following meanings:

“Act”	:	Companies Act, 1965, as amended from time to time and any re-enactment thereof
“Aggregate”	:	“Aggregate” as defined in Clause 3.1
“Articles”	:	Articles of Association of the Company, as amended from time to time
“Board”	:	The Board of Directors of the Company for the time being
“Bursa Securities”	:	Bursa Malaysia Securities Berhad (Company No.: 635998-W)
“Bursa Securities LR”	:	The Listing Requirements of Bursa Securities
“Bye-Laws	:	The terms and conditions of the ESOS as set out in these Bye-Laws, as amended from time to time
“CDS”	:	Central Depository System
“CDS Account”	:	The account established by Bursa Malaysia Depository Sdn Bhd Bhd (formerly known as Malaysian Central Depository Sdn Bhd) (Company No.: 165570-W) for a depositor for the recording of dealings by that depositor of securities
“Date of Allocation”	:	The date determined by the Options Committee to be the date on which an employee is deemed to be eligible to participate in the ESOS
“Disciplinary Proceedings”	:	Proceedings instituted by the Company (or any other member of the Group, as the case may be) against a Grantee employed by the Company (or by that member, as the case may be) for any alleged misbehaviour, misconduct and/or any other act of the Grantee’s deemed to be unacceptable by the Company (or by that member, as the case may be) in the course of that Grantee’s employment, whether or not such proceedings may give rise to a dismissal or termination of the contract of service of such Grantee
“Effective Date of the 2005 Amendments”	:	Being the date on which the amendments to the Bye-Laws of the ESOS tabled at the extraordinary general meeting of shareholders in the calendar year 2005 becomes effective
“ESOS” or “Scheme”	:	The employees’ share option scheme for the grant of Options to Eligible Employees to subscribe for new TM Shares on the terms as set out in these Bye- Laws
“Eligible Employee”	:	An employee or Executive Director of the Group who meets the criteria of eligibility for participation in the ESOS as set out in Clause 4 hereof
“Eligible Subsidiaries”	:	Subsidiaries of the Company (as defined in Section 5 of the Act) which are incorporated in Malaysia and which are not dormant, and which are at any time and from time to time nominated by the Options Committee to be companies participating in the ESOS in accordance with Clause 4 hereof, and “Eligible Subsidiary” means any one of them

“Executive Director”	:	A Director of the Company or any of its subsidiaries who is on the payroll and who is involved in the day-to-day management of the Company or any of its subsidiaries
“Grantee”	:	An Eligible Employee of the Group who has accepted the Offer or any part thereof in the manner indicated in Clause 8 hereof
“Market Day”	:	Any day between Monday and Friday (inclusive) which is not a public holiday and on which Bursa Securities is open for trading of securities
“Maximum Allowable Allotment”	:	The maximum aggregate number of new TM Shares in respect of which Offers may be made to Eligible Employees, as provided in Clause 6
“Notice of Exercise”	:	The notice in writing of intention to exercise an Option in such form as may be prescribed or approved by the Options Committee, as referred to in Clause 9.1
“Offer”	:	An offer made in writing by the Options Committee to an Eligible Employee for an option to subscribe for new TM Shares in the manner indicated in Clause 5 hereof, and “Offered” shall be construed accordingly
“Offer Date”	:	The date of the letter containing an Offer (including any subsequent Offers) made to an Eligible Employee to participate in the ESOS by the Options Committee, irrespective of the date the Offer is actually received or accepted by the Eligible Employee
“Option Period”	:	The period commencing from the Offer Date and expiring on the fifth (5th) anniversary thereof or (if earlier) on the expiry of the ESOS as extended from time to time pursuant to the provisions of Clause 18 hereof
“Option”	:	The right of a Grantee to subscribe for new TM Shares pursuant to a contract constituted by the acceptance of an Offer by an Eligible Employee, in the manner indicated in Clause 8 hereof
“Options Committee”	:	The committee duly appointed and authorised by the Board in accordance with Clause 16 hereof to administer the ESOS
“Previous Company”	:	“Previous Company” as defined in Clause 4.5(i)
“RM”	:	Ringgit Malaysia
“SC”	:	Securities Commission
“Scheme Shares”	:	TM Shares issued pursuant to the ESOS
“Senior Management”	:	Persons holding senior managerial positions nominated at any time and from time to time by the Options Committee whether through identification of a level of employment scale or by name, to be prescribed as Senior Management for the purpose of Clause 4.2
“Skim A”	:	The scheme governing employees who, upon the privatisation of Jabatan Telekom Malaysia in 1987, remain employed under the Malaysian Government’s terms and conditions
“Subscription Price”	:	The price at which a Grantee shall be entitled to subscribe for new TM Shares as set out in Clause 7 hereof
“TM” or “Company”	:	Telekom Malaysia Berhad (Company No.: 128740-P), a public listed company incorporated in Malaysia
“TM Group” or “Group”	:	TM and its Eligible Subsidiaries
“TM Shares” or “Shares”	:	Ordinary shares of RM1.00 each in the Company

“Top Management” : Persons holding top managerial positions nominated at any time and from time to time by the Options Committee whether through identification of a level of employment scale or by name, to be prescribed as Top Management for the purpose of Clause 6.2

## 1.2 Interpretation

In these Bye-Laws :

- (i) a reference to a statutory provision shall include any subordinate legislation made from time to time under that provision and any listing requirements, policies and/or guidelines of Bursa Securities and/or the SC respectively (in each case, whether or not having the force of law but, if not having the force of law, the compliance with which is in accordance with the reasonable commercial practice of persons to whom such requirements, policies and/or guidelines are addressed to by Bursa Securities and/or the SC);
- (ii) a reference to a statutory provision shall include that provision as from time to time modified or re-enacted whether before or after the date of these Bye-Laws so far as such modification or re-enactment applies or is capable of applying to any Options offered and accepted within the duration of the ESOS as stated in Clause 18 hereof and shall also include any past statutory provision (as from time to time modified or re-enacted) which such provision has directly or indirectly replaced;
- (iii) words importing the singular meaning, where the context so admits, include the plural meaning and vice versa;
- (iv) words of the masculine gender include the feminine genders and all such words shall be construed interchangeably in that manner;
- (v) any liberty or power which may be exercised or any determination which may be made hereunder by the Options Committee may be exercised in the Options Committee’s discretion;
- (vi) the headings in these Bye-Laws are for convenience only and shall not be taken into account in the interpretation of these Bye-Laws; and
- (vii) 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.

## 2. NAME OF THE ESOS

The ESOS will be called the TM Employees’ Share Option Scheme 3.

## 3. QUANTUM

- 3.1 The maximum number of Shares to be offered and allotted under the Scheme (“Aggregate”) shall not exceed an amount equivalent to ten percent (10%) of the issued and paid-up ordinary share capital of the Company at any point in time during the duration of the Scheme. Not more than fifty percent (50%) of the Shares available under the Scheme shall be allocated, in aggregate, to Eligible Employees who are Executive Directors or are in Senior Management. In addition, not more than ten percent (10%) of the Shares available under the Scheme shall be allocated to any individual Eligible Employee who, either singly or collectively through persons connected with him (as defined in paragraph 1.01 of the Bursa Securities LR), holds twenty percent (20%) or more of the issued and paid-up capital of the Company.

- 3.2 Notwithstanding the provision of Clause 3.1 and any other provision herein contained, in the event the Aggregate exceeds the aforesaid ten percent (10%) (or such other percentage as may be permitted by Bursa Securities and/or other relevant authorities from time to time) as a result of TM purchasing its own Shares in accordance with the provisions of Section 67A of the Act or reducing its issued and paid-up ordinary share capital, no further Offers and Options shall be granted until the number of Shares that may be available under the Scheme falls below ten percent (10%). All Offers and Options granted prior to the adjustment of the issued and paid-up ordinary share capital of the Company shall remain valid and exercisable in accordance with the provisions of the ESOS as if that reduction had not occurred.
- 3.3 The Company shall keep available sufficient unissued TM Shares in the share capital of the Company to satisfy all outstanding Offers and Options throughout the duration of the ESOS.

#### **4. ELIGIBILITY**

- 4.1 Any employee (including the Executive Directors), but excluding any Skim A employee, of the Group shall be eligible to participate in the ESOS if, as at the Date of Allocation, the employee (who must be a Malaysian citizen or a Malaysian permanent resident):
- (i) has attained the age of eighteen (18) years;
  - (ii) is employed full-time by and on the payroll of a corporation within the Group; and
  - (iii) (subject to Clause 4.2) has been in the employment of the Group for a period of at least one (1) year of continuous service prior to and up to the Date of Allocation, including service during the probation period, and is confirmed in service;

PROVIDED THAT the Options Committee may, at its discretion, nominate any employee (including Executive Directors) of the Group to be an Eligible Employee notwithstanding his non-fulfilment of the eligibility criteria under Clause 4.1(iii) hereof is not met, at any time and from time to time, subject to the Bursa Securities LR.

- 4.2 An employee in the category of Senior Management and above who is employed on a fixed term contract of service basis shall be eligible to participate in the Scheme if he meets the criteria referred to in Clause 4.1(i) above, and also the period of contract in respect of which he is then employed is for a minimum of one (1) year irrespective of the period remaining unexpired under such contract;

PROVIDED THAT the Options Committee may, at its discretion, nominate any Senior Management employed on a fixed term contract to be an Eligible Employee notwithstanding the non-fulfilment of the requisite period of service set out in Clause 4.1(iii).

- 4.3 Notwithstanding Clause 4.1 hereof, the Options Committee may, at its discretion, nominate any subsidiary of the Company (being a subsidiary that is incorporated in Malaysia) to be an Eligible Subsidiary at any time and from time to time provided that the Options Committee shall not nominate any corporation which is dormant to be an Eligible Subsidiary. A corporation shall cease to be an Eligible Subsidiary at the time when such corporation ceases to be a subsidiary of the Company. Additionally, the Options Committee may at its discretion revoke or suspend the nomination of any Eligible Subsidiary at any time and from time to time, whereupon the employees of such corporation shall henceforth cease to be eligible to receive an Offer under the ESOS PROVIDED THAT any Options already granted shall not be affected by such revocation or suspension.

- 4.4 Subject to these Bye-Laws and applicable laws, the Options Committee shall have the discretion at any time and from time to time to extend the benefit of the ESOS to employees of companies which are not Eligible Subsidiaries on the assumption that such companies are not dormant, and deem such employees to be Eligible Employees, subject to the above restrictions in this Clause 4, for the purposes of the ESOS in situations where such employees had at any time whether before or after the coming into force of these Bye-Laws been seconded from the Company or any Eligible Subsidiary to:

- (i) a subsidiary of the Company which is not an Eligible Subsidiary but which is not dormant; or
- (ii) an associated corporation.

4.5 In the case of:

- (i) an employee who is in the employment of a corporation which is not a member of the Group (“Previous Company”) which subsequently becomes a member of the Group as a result of a restructuring, acquisition or divestment exercise or other exercise involving the Company and/or any corporation within the Group; or
- (ii) an employee who was employed in a Previous Company and is subsequently transferred from the Previous Company to any member of the Group;

only the period of service of that employee with the Previous Company from the date that that Previous Company becomes a member of the Group shall be counted as a period of service with the Group (for the purposes of the Scheme).

4.6 Eligibility under the ESOS does not confer on an Eligible Employee a claim or right to participate in or any rights whatsoever under the ESOS and an Eligible Employee does not acquire or have any rights over or in connection with Options or the TM Shares comprised herein unless an Offer has been made by the Options Committee to the Eligible Employee and the Eligible Employee has accepted the Offer in accordance with the terms of the Offer and the ESOS.

4.7 In the event that an Eligible Subsidiary establishes an employees’ share option scheme (“Eligible Subsidiary’s Scheme”) for its employees during the ESOS, the Eligible Subsidiary’s employee may, subject to fulfilment of the criteria of eligibility under:

- (a) Bye-Laws of the Eligible Subsidiary’s Scheme; and
- (b) these Bye-Laws;

participate in that Eligible Subsidiary’s Scheme as well as in the ESOS;

PROVIDED THAT in the above circumstances, the Options Committee may in its sole discretion vary the Eligible Subsidiary’s employee’s Maximum Allowable Allotment under these Bye-Laws in any manner it deems fit.

For the avoidance of doubt, nothing in these Bye-Laws shall be construed as permitting any Eligible Employee who is not an Eligible Subsidiary’s employee, to participate in the Eligible Subsidiary’s Scheme.

Any Eligible Employee or Grantee who has so accepted such offers of options under that Eligible Subsidiary’s Scheme shall forthwith give written notice of such acceptance to the Options Committee.

## 5. OFFER

5.1 The Options Committee shall, within the duration of the ESOS as set out in Clause 18 hereof, make one or more Offers to any Eligible Employees (based on the criteria of allocation as set out in Clause 6 hereof) whom the Options Committee may in its discretion select to subscribe for new TM Shares.

5.2 Subject always to Clause 3 and 6 hereof, the actual number of TM Shares which may be offered to an Eligible Employee shall be at the discretion of the Options Committee and, subject to any adjustments that may be made under Clause 14 hereof, shall not be less than one hundred (100) TM Shares and shall always be in multiples of one hundred (100) TM Shares. The numbers of TM Shares so offered pursuant to the Scheme shall be verified by the Company’s external auditors as part of its audit exercise, which shall be disclosed in the Company’s annual report.

5.3 Subject always to Clause 3 and 6 hereof, nothing herein shall prevent the Options Committee from making more than one Offer to any Eligible Employee.

5.4 An Offer may be made upon such terms and conditions as the Options Committee may decide from time to time. Each Offer shall be made in writing and is personal to the Eligible Employee and cannot be assigned, transferred, encumbered or otherwise disposed of in any manner whatsoever.

5.5 Without prejudice to the generality of Clause 5.4 hereof, any Offer made by the Options Committee that has not been accepted yet, shall become void, of no effect and incapable of acceptance upon any of the following events occurring:

- (i) the offeree's death;
- (ii) the offeree ceasing to be an employee of any corporation within the Group, otherwise than pursuant to his resignation;
- (iii) the offeree giving notice of his resignation from employment,
- (iv) the offeree being adjudged a bankrupt; or
- (v) the corporation which employs the offeree ceasing to be a subsidiary of the Company.

## 6. MAXIMUM ALLOWABLE ALLOTMENT AND BASIS OF ALLOTMENT

6.1 Subject to Clauses 6.2, the number of new TM Shares that may be offered under the Options to any one of the Eligible Employees of the Group who are entitled to participate in the ESOS shall be at the discretion of the Options Committee after taking into consideration the performance, grades and number of years in service of the Eligible Employee, and such other criteria as may be determined by the Options Committee in its sole discretion, subject always to Clause 3 and the applicable provisions of Bursa Securities LR on ESOS relating to allocations to directors and employees.

6.2 Subject to any adjustment made pursuant to Clause 14, the Maximum Allowable Allotment for an Eligible Employee who has been Offered pursuant to Clause 5 is set out as follows:

<b>Group Category</b>	<b>Maximum Allowable Allotment</b>
Executive Directors	1,200,000
Top Management	
Level 1	400,000
Level 2	280,000
Senior Management	
Level 1	120,000
Level 2	90,000
Executives	70,000
Non-Executives	20,000

6.3 Nothing herein shall prevent the Options Committee from making more than one (1) Offer to any Eligible Employee holding an Option, provided that the total aggregate number of Shares to be offered to such Eligible Employee shall not exceed the Maximum Allowable Allotment.

6.4 Eligible Employees who are promoted to a higher grade during the duration of the Scheme may be eligible for consideration for Offers of additional Options to be decided by the Options Committee at its discretion, provided that:

- (a) Eligible Employee may be Offered Options for, and be allotted additional Shares pursuant to such Options, only up to the Maximum Allowable Allotment for the grade to which he has been promoted, less the number of Options already then Offered him (exercised and unexercised);
- (b) the additional Shares referred to in Clause 6.4(a) shall be from the balance of new Shares available under the Scheme arising from:
  - (i) Options that have expired and not been exercised by Grantees;
  - (ii) Options that have otherwise terminated; and

- (iii) additional Options that may be made available as a result of an increase to the issued and paid-up share capital of the Company.
- (c) in the event that the balance of the new Shares referred to in Clause 6.4(b) is insufficient for the grant of the full amount of additional Shares, Options for which may be offered pursuant to this Clause 6.4, this available balance shall be then distributed on a proportional basis according to the additional allocations of Shares to which such Eligible Employee is so entitled; and
- (d) the Options Committee has the discretion not to make further Offers for such additional Shares.

## **7. SUBSCRIPTION PRICE**

- 7.1 The Subscription Price shall be based on the five (5) days' weighted average market price of the Shares immediately preceding the Offer Date, discounted at a rate determined by the Options Committee (which rate shall be not more than ten percent (10%)), or at the par value of the Shares, whichever is higher.
- 7.2 The Subscription Price shall be subject to adjustments in accordance with Clause 14 hereof.

## **8. ACCEPTANCE OF THE OFFER**

- 8.1 The Offer to participate in the ESOS shall be valid for forty-five (45) days from the Offer Date or such longer period as may be determined by the Options Committee on a case to case basis at its discretion. The acceptance of an Offer shall be made by way of a written notice from the Eligible Employee to whom the Offer is made to the Options Committee in the form prescribed by the Options Committee. In the event that the Eligible Employee fails to accept the Offer within the prescribed period, the Offer shall be deemed rejected by the Eligible Employee and shall be null and void, and of no effect, and the TM Shares comprised in such Options may, at the discretion of the Options Committee, be re-offered to other Eligible Employees.
- 8.2 Acceptance of the Offer by an Eligible Employee shall be accompanied by a payment to the Company of a sum of Ringgit Malaysia One (RM1.00) per Offer irrespective of the number of TM Shares available for subscription relating to the Offer or such other amount of payment as may be determined at the discretion of the Options Committee as non-refundable consideration for the Option. The date of receipt by the Options Committee of such written notice shall constitute the date of acceptance.
- 8.3 The Options cannot be assigned, transferred or otherwise disposed of in any manner whatsoever, save as provided in Clause 10.

## **9. EXERCISE OF OPTIONS**

- 9.1 Subject to Clause 9.2 hereof, an Option can be exercised by the Grantee by notice in writing ("Notice of Exercise") to the Company:
  - (a) during his employment with the Group; and
  - (b) within the Option Period (that is, the period commencing from the Offer Date and expiring on the fifth (5th) anniversary thereof, or (if earlier) on the expiry of the ESOS as extended from time to time pursuant to the provisions of Clause 18)

in respect of all or any part of the new TM Shares comprised in the Option which he is able to exercise in any one (1) year, such part being in multiples of and not less than one hundred (100) TM Shares save and except that in the event a Grantee's balance of TM Shares exercisable in accordance with these Bye-Laws shall be less than one hundred (100), the said balance shall, if exercised, be exercised in a single tranche. Such partial exercise of an Option shall not preclude the Grantee from exercising the Options in respect of the balance of the TM Shares comprised in the Options.

9.2 Subject to Clause 14 hereof, a Grantee may exercise his Options subject to the following limits:

(i) In respect of any Options remaining unexercised prior to the Effective Date of the 2005 Amendments:

Number of Options granted	Percentage of Options available (%)				
	Year 1	Year 2	Year 3	Year 4	Year 5
Below 20,000	100	-	-	-	-
20,000-99,999	*40	30	**30	-	-
100,000 and above	20	20	20	20	20

\* 40% or 20,000 Options, whichever is higher

\*\* 30% or the remaining number of Options unexercised

(ii) In respect of any Options offered after the Effective Date of the 2005 Amendments, the number of Options which a Grantee may exercise in a relevant year shall be evenly distributed over the number of unexpired years of the Scheme, as calculated on the date of acceptance of the Options, save as determined otherwise by the Options Committee;

and the Options Committee may, at any time and from time to time, before or after an Option is granted, impose any other terms and/or conditions deemed appropriate by the Options Committee in its sole discretion, including amending/varying any terms and conditions imposed earlier.

9.3 Every Notice of Exercise of Option must be in the form prescribed by the Options Committee from time to time and shall be accompanied by a remittance (calculated in accordance with the provisions of Clause 7 hereof) for the full amount of the subscription monies for the new TM Shares in respect of which the notice is given. Within ten (10) Market Days (or such other period as may be prescribed by Bursa Securities) from the receipt by the Company of the aforesaid notice (duly completed) and full remittance from the Grantee, the Company shall allot and issue the relevant number of new TM Shares, dispatch notices of allotment to the Grantee accordingly, and make an application for the quotation of such new TM Shares on Bursa Securities, subject to the provisions in the Articles.

9.4 A Grantee who is transferred to a company which is not a member of the Group ("Subsequent Company") from the Company or an Eligible Subsidiary shall only be entitled to continue to exercise his remaining Options subject to the provisions of Bye-Law 10.1(iv) hereof.

9.5 Subject to Bye-Law 9.2, a Grantee under a fixed employment contract, who, having exercised his Options, resigns before the expiry of the first year of his contract, shall, upon his resignation, pay to the Company any gains from proceeds of exercised Options.

9.6 The new TM Shares to be issued pursuant to the exercise of an Option will be credited directly into the CDS account of the Grantee and no physical share certificate will be issued and delivered to the Grantee.

9.7 The new TM Shares to be issued pursuant to the ESOS will, upon allotment and issue, rank pari passu in all respects with the then existing issued and paid-up TM Shares provided that in the event if there is any right to participate in any rights, allotments or any distributions, the new TM Shares shall rank pari passu with the then existing TM Shares if the relevant exercise date is before the Record Date save and except that such TM Shares will not be entitled to any dividends or any distributions declared or to be declared in respect of financial years or interim periods preceding the financial years or interim periods in which the new TM Shares were issued. For the purpose hereof, Record Date means the date as at the close of business on which shareholders must be registered as shareholders in order to participate in any dividends, rights, allotments or any other distributions whilst interim period means the period after a financial year end but before the next financial year end.

9.8 All Options to the extent that they have not been exercised upon the expiry of the Option Period shall lapse and have no further effect, unless extended at any time and from time to time by the Options Committee PROVIDED THAT the extended Option Period shall not in any event exceed ten (10) years from the date of the Offer.

9.9 In the event that a Grantee is subject to Disciplinary Proceedings (whether or not such Disciplinary Proceedings will give rise to a dismissal or termination of service) the Options Committee shall have the right, at its discretion and by notice in writing to that effect, to suspend the Options (with effect from the date specified in such notice) pending the outcome of such Disciplinary Proceedings. The Options Committee may impose such terms and conditions as the Options Committee shall deem appropriate having regard to the nature of the charges made or brought against the Grantee PROVIDED ALWAYS THAT:

- (i) in the event that such Grantee shall subsequently be found to be not guilty of all the charges which gave rise to such Disciplinary Proceedings, the Options Committee shall forthwith reinstate the rights of such Grantee to exercise his Option;
- (ii) in the event the Disciplinary Proceeding results in a dismissal or termination of service of such Grantee, the Options shall immediately lapse and be null and void and of no further force and effect upon the date of the notice of the dismissal or termination of service of such Grantee notwithstanding that such dismissal or termination of service may be subsequently challenged by the Grantee in any other forum; and
- (iii) in the event such Grantee is found guilty of some or all of the charges but no dismissal or termination of service is recommended, the Options Committee shall have the right to determine at its discretion whether or not the Grantee may continue to exercise his Options and if so, to impose such limits, terms and conditions as it deems appropriate, on such exercise.

## 10. TERMINATION OF THE OPTION

10.1 In the event of the cessation of employment of a Grantee with the Group for whatever reason prior to the full exercise of an Option, such Option or the balance thereof, as the case may be, shall forthwith cease to be valid without any claim against the Company PROVIDED ALWAYS THAT subject to the written approval of the Options Committee in its discretion, if such cessation occurs by reason of:

- (i) retirement on attaining the retirement age under the Group's retirement policy;
- (ii) retirement before attaining the normal retirement age;
- (iii) ill health, injury, physical or mental disability;
- (iv) transfer of the Grantee to a corporation outside of the Group;
- (v) redundancy or retrenchment, or pursuant to the acceptance by that Grantee of a voluntary separation scheme offered by the Company; or
- (vi) any other circumstances which are acceptable to the Options Committee;

such Option shall remain exercisable for such period prescribed by the Options Committee.

10.2 Upon a Grantee giving notice of his resignation from employment with any company within the Group, an Option shall lapse on the date such resignation becomes effective and the TM Shares comprised in such Option or the balance thereof not subscribed for may, at the discretion of the Options Committee, be re-offered to other Eligible Employees.

10.3 In the event that any subsidiary shall cease to be a subsidiary of the Company, a Grantee who is employed under the said subsidiary shall be entitled to continue to exercise all his remaining Options subject to the provisions of Clause 9 for a period of six (6) months, or such longer period as may be determined by the Options Committee in its sole discretion, after such cessation, and all unexercised or partially exercised Options of such Grantees employed under the said subsidiary shall automatically lapse and be null and void and of no further force and effect upon the expiry of the said six (6) months period, or where the Options Committee has determined a longer period as aforesaid, upon the expiry of the said longer period, and that the TM Shares comprised in such Options or the balance thereof not subscribed for may, at the discretion of the Options Committee, be re-offered to other Eligible Employees.

- 10.4 Where a Grantee dies before the expiry of the Option Period, the whole or any part of an Option held by the Grantee that is unexercised may be exercised by the legal or personal representatives of the Grantee PROVIDED ALWAYS THAT no Option shall be exercised after the expiry of the Option Period. In this regard, the Options Committee shall be entitled to require the said legal or personal representative to provide evidence satisfactory to the Options Committee of his status as such legal or personal representative.
- 10.5 Upon the bankruptcy of a Grantee, any and all unexercised portion of the Options shall immediately become null and void and of no further effect as if the same had never been granted in the first place.

## **11. TAKEOVER**

Notwithstanding Clause 9 hereof, in the event of a takeover offer being made for the Company through a general offer or otherwise and such offer becoming or being declared unconditional, the Grantee shall be entitled within three (3) months of the date on which such offer becomes or is declared unconditional to exercise in full or in part any Options as yet unexercised provided that if during such period of six (6) months from the date on which such offer becomes or is declared unconditional, the person or entity making the offer becomes entitled or bound to exercise rights of compulsory acquisition of the TM Shares under the provisions of the Act or the Securities Commission Act, 1993 and gives notice to the Grantee that it intends to exercise such rights on a specific date, the Options shall remain exercisable by the Grantee until the expiry of such specified date. In the foregoing circumstances if the Grantee elects to exercise the Options only in respect of a portion of such TM Shares, then the Options in relation to the balance thereof shall automatically lapse and shall thereafter be null and void.

## **12. SCHEME OF ARRANGEMENT, AMALGAMATION, RECONSTRUCTION, ETC.**

Notwithstanding Clause 9 hereof and subject to the discretion of the Options Committee, in the event of the court sanctioning a compromise or arrangement between the Company and its members proposed for the purpose of, or in connection with, a scheme of arrangement and reconstruction of the Company under Section 176 of the Act or its amalgamation with any other company or companies under Section 178 of the Act, a Grantee may be entitled to exercise all or any part of his Options at any time commencing from the date upon which the compromise or arrangement is sanctioned by the court and ending on the date upon which it becomes effective or on any other date specified by the Options Committee within the Option Period PROVIDED ALWAYS THAT no Options shall be exercised after the expiry of the Option Period.

## **13. RETENTION PERIOD**

A Grantee may deal with the new TM Shares allotted and issued to him in any way he pleases. However, Grantees are encouraged to hold the new TM Shares as investments rather than for realisation to yield immediate profit.

## **14. ALTERATION OF SHARE CAPITAL DURING THE OPTION PERIOD**

- 14.1 In the event of any alteration in the capital structure of the Company during the Option Period, whether by way of capitalisation issue, rights issues, bonus issues, capital reduction, subdivisions or consolidations of capital or any other variation of capital:

- (i) the Subscription Price; and/or
- (ii) the number of TM Shares comprised in Options which have yet to be exercised;

may be adjusted in such manner as the external auditors of the Company for the time being (acting as experts and not as arbitrators), upon reference to them by the Options Committee, confirm in writing to be, in their opinion, fair and reasonable and such determination shall be final and binding on the Grantees, PROVIDED ALWAYS THAT:

- (iii) any adjustment to the Subscription Price shall be rounded down to the nearest one (1) sen and no adjustment to the Subscription Price shall be made which would result in the TM Shares to be issued on the exercise of the Options being issued at a discount to the par value, and if such an adjustment would but for this provision have so resulted, the Subscription Price payable shall be the par value of TM Shares;
- (iv) upon any adjustment being made pursuant to this Clause, the Options Committee shall notify the Grantee (or his personal representatives where applicable) in writing of the adjusted Subscription Price, the adjusted number of TM Shares comprised in the Options and/or the revised maximum number of TM Shares and/or percentage of the total TM Shares comprised in the Options that may be exercised in a particular year;
- (v) in the event that a fraction of a TM Share arising from the adjustments referred to in this Clause would otherwise be required to be issued upon the exercise of an Option by the Grantee, the Grantee's entitlement shall be rounded down to the nearest whole number.

Such adjustments pursuant to the above should give the Grantees the same proportion of the capital as that to which they were previously entitled under their respective Options.

14.2 The adjustment pursuant to this Clause shall be effective on the day immediately following the books closure date for the event giving rise to the adjustment.

14.3 The provisions of this Clause shall not apply where the alterations in the capital structure of the Company arises from:

- (i) an issue of new TM Shares or other securities in consideration or part consideration for an acquisition of any other securities, assets or business;
- (ii) a special issue of new TM Shares or other securities to Bumiputera investors nominated by the Ministry of International Trade and Industry, Malaysia and/or any other government authority to comply with Government policy on Bumiputera capital participation;
- (iii) a private placement or restricted issues of new TM Shares or other securities by the Company;
- (iv) implementation of a share buy-back arrangement by the Company under Section 67A of the Act;
- (v) any issue of warrants, convertible loan stocks or other instruments by the Company that gives a right of conversion into TM Shares, and any issue of new TM Shares arising from the exercise of any conversion rights attached to such convertible securities; or
- (vi) an issue of new TM Shares upon the exercise of Options granted under the ESOS.

## **15. LISTING AND QUOTATION OF TM SHARES**

The Company will apply to Bursa Securities for the listing of and quotation for all the new TM Shares to be allotted pursuant to the ESOS and will use its best endeavours to obtain permission for such listing and quotation.

## **16. ADMINISTRATION**

The ESOS shall be administered by the Options Committee consisting of such persons appointed by the Board from time to time. The Options Committee shall so administer the ESOS in such manner as it shall in its discretion deem fit. For the purpose of administering the ESOS, the Options Committee may 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 ESOS, as the Options Committee may in its discretion deem fit. The Board shall have the power from time to time to rescind the appointment of any person to the Options Committee as it deems fit.

## **17. AMENDMENT AND/OR MODIFICATION TO THE ESOS**

- 17.1 The Board shall have the power at any time and from time to time by resolution to amend, at the recommendation of the Options Committee, all or any of the provisions of the ESOS provided that no such amendment shall be made which would either materially prejudice the rights then accrued to any Grantee without that Grantee's prior consent or alter to the advantage of any Grantee in respect of any provisions of the ESOS without the prior approval of the Company's shareholders in general meeting.
- 17.2 No amendments may be made which shall be to the advantage of any Eligible Employees to the following provisions without first obtaining the prior approval of the Company's shareholders:
- (i) Eligible Employees;
  - (ii) the maximum number of Options to be Offered;
  - (iii) the Maximum Allowable Allotment;
  - (iv) the Subscription Price and the basis of its determination;
  - (v) the duration of the Scheme;
  - (vi) the retention period (if applicable);
  - (vii) the rights attaching to the Shares including that arising on a liquidation of the Company; and
  - (viii) any formulae for adjustments to the Subscription Price.

## **18. DURATION, EXTENSION AND TERMINATION OF THE ESOS**

- 18.1 The ESOS shall be in force for a period of five (5) years commencing from the date of the confirmation letter submitted by the Company's adviser to the SC that the Company:

- (i) has fulfilled the SC's conditions of approval for the ESOS and that the Bye-Laws do not contravene the guidelines on ESOS as stipulated under the "Policies and Guidelines on Issue/Offer of Securities of the SC"; and
- (ii) has obtained other relevant approvals for the ESOS and has fulfilled any conditions imposed therein;

subject however that the Company may extend or renew the ESOS provided that such extension/renewal is approved by the relevant authorities and shareholders of the Company and does not contravene any applicable laws prevailing at the time of such extension or renewal.

- 18.2 Subject to approval of the relevant authorities including Bursa Securities and compliance with the requirements of the relevant authorities and the written consent of the Option holders, who have yet to exercise their Options, either in part or in whole, the Company in general meeting may, by ordinary resolution passed by the shareholders of the Company, terminate the continuation of the ESOS at any time and in such an event no further Offers shall be made by the Options Committee from the date of such resolution and all Offers outstanding but not accepted by the Eligible Employee at the date of the said resolution and the Options as yet unexercised or partially exercised shall be deemed to be terminated at the date of such resolution.
- 18.3 The Company may, subject to the approval of Bursa Securities, its shareholders and any other relevant authorities, establish a new employees' share option scheme after the expiry or termination of the Scheme.

## **19. LIQUIDATION OF THE COMPANY**

Upon the commencement of winding-up of the Company, all unexercised Options shall lapse and be null and void and be of no further force and effect and the Scheme terminated.

## **20. DISPUTES**

In the event of a dispute between the Options Committee and an Eligible Employee or Grantee, as to any matter or thing of any nature arising hereunder, the Options Committee shall determine such dispute or difference by a written decision (without the obligation to give any reason therefor) given to the Eligible Employee or Grantee, as the case may be. The said decision shall be final and binding on the parties unless the Eligible Employee or Grantee, as the case may be, shall dispute the same by written notice to the Options Committee within fourteen (14) days of the receipt of the written decision, in which case such dispute shall be referred to the decision of the external auditors of the Company for the time being, acting as experts and not as arbitrators, whose decision shall be final and binding in all respects.

## **21. COMPENSATION**

- 21.1 An Eligible Employee who ceases to hold office or employment shall not be entitled to any compensation for the loss of any right or benefit or prospective right or benefit under the ESOS which he might otherwise have enjoyed whether such compensation is claimed by way of damages for wrongful dismissal or other breach of contract or by way of compensation for loss of office.
- 21.2 No Eligible Employee or Grantee or legal personal representatives shall bring any claim, action or proceeding against the Company or the Options Committee or any other party for compensation, loss or damages whatsoever and howsoever arising from the suspension of his rights to exercise his Options or his Options ceasing to be valid pursuant to the provisions of the Clauses herein, as may be amended from time to time in accordance with Clause 17 hereof.

## **22. TAXES**

All taxes (including income tax), if any, arising from the exercise of any Options under the ESOS shall be borne by the Grantee.

## **23. COSTS AND EXPENSES**

- 23.1 All cost and expenses incurred in relation to the ESOS including but not limited to fees, costs and expenses relating to the allotment and issue of new TM Shares pursuant to the exercise of any Options shall be borne by the Company.
- 23.2 Notwithstanding Clause 23.1, all other costs, fees, levies, charges that are incurred by an allottee of TM Shares pursuant or relating to the exercise of any Options and any holding or dealing of such TM Shares (such as (but not limited to) brokerage commissions and stamp duty) shall be borne by that allottee for his own account, and the Company shall not be liable for any such costs, fees, levies and charges.

## **24. DISCLAIMER OF LIABILITY**

Notwithstanding any provisions contained herein and subject to the Act, the Options Committee and the Company shall not under any circumstances be held liable for any damages, cost, losses and expenses whatsoever and howsoever arising in any event, including but not limited to the Company's delay in allotting and issuing the Scheme Shares or in applying for or procuring the listing of the Scheme Shares on Bursa Securities.

## **25. NOT A TERM OF EMPLOYMENT**

The ESOS does not form part nor shall it in any way be construed as part of the terms and conditions of employment of any Eligible Employee.

**26. ARTICLES AND CIRCULARS**

- 26.1 Notwithstanding the terms and conditions contained in the ESOS, if a situation of conflict should arise between the ESOS and the Articles, the provisions of the Articles shall prevail at all times.
- 26.2 If a situation of conflict should arise between the ESOS and the provisions of any circulars, directives and correspondences issued, these Bye-Laws shall prevail at all times.

**27. NOTICES**

- 27.1 Any notice required to be given to an Eligible Employee and/or Grantee shall be sent by way of e-mail to the e-mail addresses in accordance with the Company's records. For employees without e-mail addresses, any notice shall be deemed served once the e-mail is sent through the care of the employee's relevant heads of division. Any broadcast notice on the Company's website shall also be deemed sufficient notice.
- 27.2 In respect of letters of Offer, the letters shall be sent to the Eligible Employee and/or Grantee by ordinary post to the latest postal address held by the Company in respect of that Eligible Employee and/or Grantee and any such notice shall be deemed to have been delivered four (4) calendar days after the date it is posted and in proving delivery it shall be sufficient to prove that such a letter was properly stamped, addressed and placed in the post.

PROPOSED ARTICLES AMENDMENTS

The details of the Proposed Articles Amendments are as follows:

ARTICLES	EXISTING ARTICLES	AMENDED ARTICLES
2	<p>“Central Depository” means the Malaysian Central Depository Sdn Bhd.</p>	<p>“Central Depository” means <del>Malaysian Central Depository Sdn Bhd</del> <b>Bursa Malaysia Depository Sdn Bhd</b>.</p>
2	<p>“Stock Exchange” means the Kuala Lumpur Stock Exchange and shall include any other stock exchanges on which the Company’s shares may for time being listed.</p>	<p>“Stock Exchange” means <del>the Kuala Lumpur Stock Exchange</del> <b>Bursa Malaysia Securities Berhad</b> and shall include any other stock exchanges on which the Company’s shares may for time being listed.</p>
2	<p>“Listing Requirements” means Listing Requirements of Kuala Lumpur Stock Exchange including any amendments to the Listing Requirements that may be made from time to time.</p>	<p>“Listing Requirements <b>Bursa Securities LR</b>” means Listing Requirements of <del>Kuala Lumpur Stock Exchange</del> <b>Bursa Securities</b> including any amendments to the Listing Requirements that may be made from time to time.</p>
12(2)	<p>No Director shall participate in an issue of shares to employees unless shareholders in general meeting have approved of the specific allotment to be made to such Director and unless he holds office in an executive capacity.</p>	<p>No Director shall participate in <del>an issue of shares to a share scheme for employees</del> unless shareholders in general meeting have approved of the <del>specific</del> allotment to be made to such Director <del>and unless he holds office in an executive capacity</del>.</p>
134	<p>Subject to the provisions of the Act, the Central Depositories Act and the Rules:</p> <p>(1) Any dividend, interest or other money payable in cash in respect of shares may be paid by cheque or any other methods as shall be determined by the Directors, sent to:</p> <p>(a) the address of the member as shown in the Register of Members; or</p> <p>(b) (in respect of shares other than a deposited securities) to such other address as member or joint holders/depositors in writing directs or direct.</p> <p>(2) [Deleted]</p>	<p>Subject to the provisions of the Act, the Central Depositories Act and the Rules:</p> <p>(1) Any dividend, interest or other money payable in cash in respect of shares may be paid by cheque or any other methods as shall be determined by the Directors, sent to:</p> <p>(a) the address of the member as shown in the Register of Members; or</p> <p>(b) (in respect of shares other than a deposited securities) to such other address as member or joint holders/depositors in writing directs or direct.</p> <p>(2) [Deleted]</p>

ARTICLES	EXISTING ARTICLES	AMENDED ARTICLES
	None.	<p>(3) Payment of dividend may also be made by direct transfer or such other mode of electronic means to the bank account of the holder whose name appears in the register or record of depositors, or if more than one (1) person is entitled thereto in consequence of the death or bankruptcy of the holder, payment in such manner to the bank account of any such persons or to the bank account of such persons as such person may by writing direct. The payment of any dividend by such electronic means shall constitute a good and full discharge to the Company of the dividend to which it relates notwithstanding any discrepancy given by the member in the details of his bank account(s).</p>
146	No deletion, amendment or addition to any of these Articles shall be made unless prior written approval, if required, has been sought and obtained from the Stock Exchange for such deletion, amendment or addition.	<p>No deletion, amendment or addition to any of these Articles shall be made unless prior written approval, if required, has been sought and obtained from the Stock Exchange for such deletion, amendment or addition. [Deleted]</p>