



TELEKOM MALAYSIA BERHAD

(Company No. 128740-P)
(Incorporated in Malaysia under the Companies Act, 1965)

DIVIDEND REINVESTMENT SCHEME STATEMENT

(Abbreviations and definitions, unless where the context requires otherwise, shall be as set out in Section 2 of the Terms and Conditions governing this Dividend Reinvestment Scheme Statement)

This Dividend Reinvestment Scheme Statement contains the terms and conditions of the Dividend Reinvestment Scheme of TM as may be amended from time to time (“**Terms and Conditions**”) under which persons registered in the Record of Depositors of the Company, as Shareholders on the Books Closure Date may, in relation to any Dividend, be given the Option to Reinvest as the Board may, in its absolute discretion, make available (“**Dividend Reinvestment Scheme**”).

SUMMARY OF THE DIVIDEND REINVESTMENT SCHEME

The Dividend Reinvestment Scheme will provide Shareholders with an opportunity to reinvest their Dividends in New TM Shares in lieu of receiving cash.

In relation to any Dividend declared, the Board may, in its absolute discretion, determine whether to offer Shareholders an Option to Reinvest all or a part of such Dividends in New TM Shares and where applicable, the size of the Electable Portion. Shareholders should note that the Company is not obliged to make available the Dividend Reinvestment Scheme for every Dividend declared.

In this respect, the Electable Portion may encompass the whole Dividend declared or only a portion of the Dividend. If the Electable Portion is not applicable for the whole Dividend declared, the Non-Electable Portion will be paid in cash.

Unless the Board has determined that the Option to Reinvest will apply to a particular Dividend declared (whether in whole or in part), all Dividends as may be declared by TM will be paid wholly in cash to Shareholders in the usual manner.

TM will issue New TM Shares to Shareholders who elect to participate in the Option to Reinvest under the Dividend Reinvestment Scheme. The Issue Price, which will be determined by the Board on the Price Fixing Date, shall be the higher of the following:

- (i) at an issue price of not more than ten percent (10%) discount to the five (5)-Market Day VWAMP of TM Shares immediately prior to the Price Fixing Date. The VWAMP shall be ex-Dividend i.e. adjusted for Dividend, before applying the aforementioned discount in fixing the Issue Price; or
- (ii) the par value of TM Shares at the material time.

The Issue Price of the New TM Shares to be issued under the Electable Portion shall be announced on or before the announcement of the Books Closure Date in relation to the Dividend. Approval for the listing of and quotation for the New TM Shares on the Main Market of Bursa Securities will be sought from Bursa Securities and the announcement of the Books Closure Date will be made after receipt of the said approval from Bursa Securities.

The Shareholders will have the following options in respect of the Option to Reinvest:

- (i) elect to participate and thereby reinvest the entire Electable Portion (or a part thereof) at the Issue Price and, in the event only part of the Electable Portion is reinvested, to receive in cash:
 - (a) the Balance Electable Portion; and
 - (b) the Non-Electable Portion;or
- (ii) elect not to participate in the Option to Reinvest and thereby receive the entire Dividend wholly in cash.

The New TM Shares to be issued under the Electable Portion will be issued free of any brokerage or fees to the Participating Shareholders, unless otherwise provided by any statute, law or regulation.

Notices of allotment will be despatched on the Allotment Date to the Participating Shareholders. The New TM Shares will not be underwritten and will be credited directly into the respective Central Depository Systems accounts of the Participating Shareholders.

The New TM Shares to be issued pursuant to the Dividend Reinvestment Scheme will rank *pari passu* in all respects with the existing TM Shares, save and except that the holders of the New TM Shares shall not be entitled to any Dividends, rights, allotments, entitlements and/or other distributions which are declared, made or paid prior to or on the Allotment Date.

Shareholders will receive the Electable Portion in cash, if they do not expressly elect in writing to exercise the Option to Reinvest by the Expiry Date. As such, Shareholders who wish to receive their Dividends wholly in cash need not take any action with regards to the Notice of Election.

All Shareholders are eligible to participate in the Dividend Reinvestment Scheme subject to the restrictions described in the following section.

HOW TO PARTICIPATE

Participation in the Dividend Reinvestment Scheme is optional and not transferable. A Shareholder wishing to reinvest in New TM Shares in respect of any Electable Portion to which a Notice of Election received by him relates must complete the Notice of Election and return it to the Share Registrar in accordance with the instructions as prescribed therein.

Shareholders who receive more than one (1) Notice of Election and wishing to reinvest in New TM Shares in respect of all of his entitlement to the Electable Portion must complete all Notices of Election received by him and return the completed Notices of Election to the Share Registrar. Shareholders should note that they are at liberty to decide which particular Notice of Election they wish to elect for the reinvestment in New TM Shares. Where any particular Notice of Election is not elected upon or not received by the Share Registrar by the Expiry Date, the Dividend relating thereto will be received in cash by Shareholders in the usual manner.

To be effective in respect of any Electable Portion to which a Notice of Election relates, such duly completed and signed Notice of Election must be received by the Share Registrar no later than the date to be specified by the Board and stated in the Notice of Election in respect of that particular Option to Reinvest.

All Shareholders are eligible to participate in the Dividend Reinvestment Scheme, provided that:

- (i) such participation will not result in a breach of any restriction on such Shareholder's holding of TM Shares which may be imposed by any contractual obligation of the Shareholders, or by statute, law or regulation in force in Malaysia or any other relevant jurisdiction as the case may be (unless the requisite approvals under the relevant law, statute or regulation are first obtained); and

- (ii) there are no restrictions as prescribed in the Company's Memorandum and Articles of Association to participate in the Dividend Reinvestment Scheme.

Notices of Election will not be sent to Shareholders who do not have an address in Malaysia to avoid any violation on the part of TM of any securities laws applicable outside Malaysia.

Shareholders who currently do not have a registered address in Malaysia and who wish to participate in the Dividend Reinvestment Scheme are strongly advised to provide the Share Registrar, Symphony Share Registrars Sdn Bhd, Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia with an address in Malaysia no later than three (3) Market Days before the relevant Books Closure Date for the Dividend to which the Dividend Reinvestment Scheme applies.

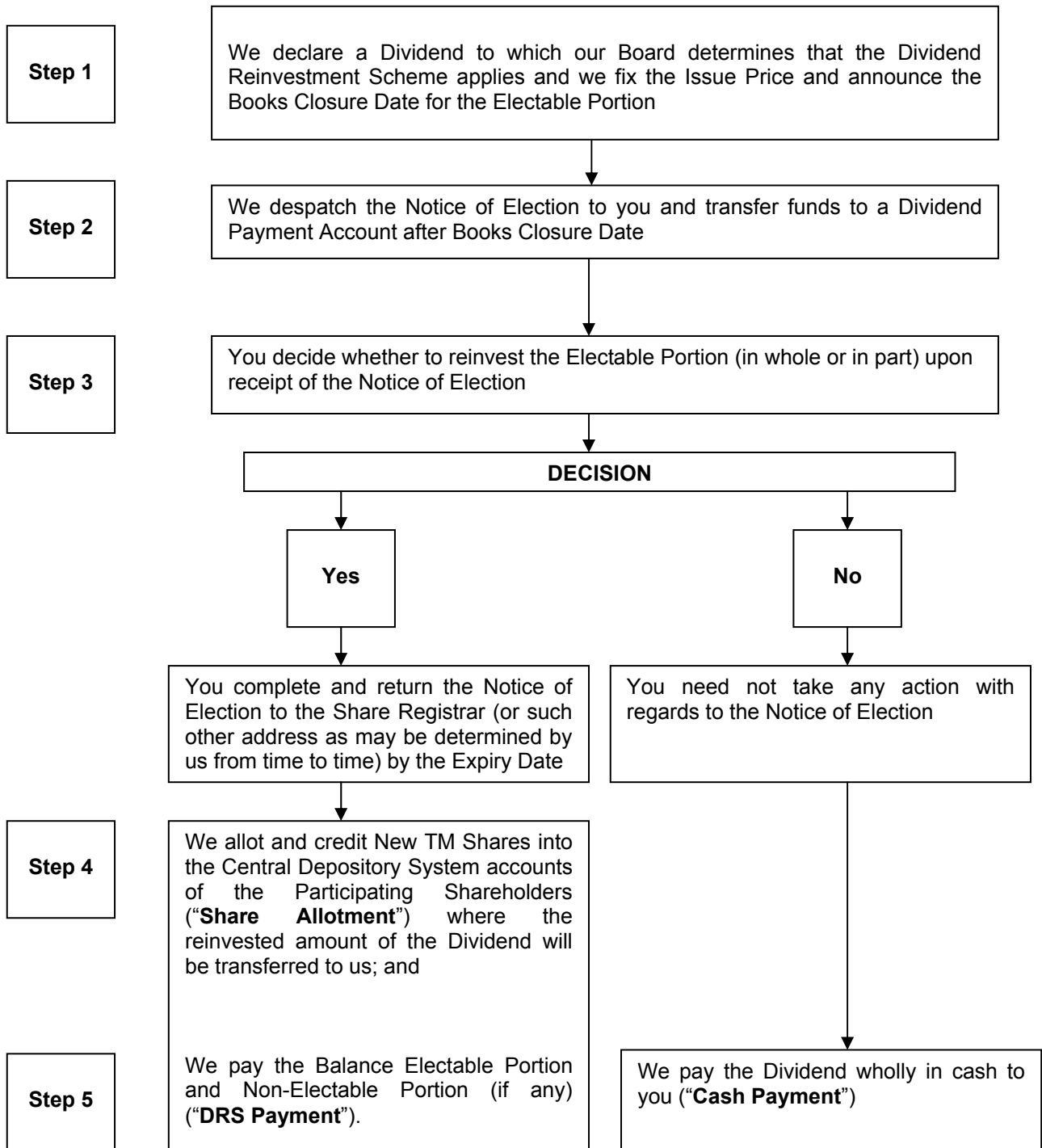
Shareholders should note that under the Dividend Reinvestment Scheme:

- (i) in exercising the Option to Reinvest, they are at liberty to reinvest the entire Electable Portion or a part thereof to which a Notice of Election relates; and
- (ii) under the Dividend Reinvestment Scheme, their right to exercise the Option to Reinvest is non-transferable.

[The rest of this page has been intentionally left blank]

THE PROCESS FLOW CHART

A brief process flow chart in relation to the administration of the Dividend Reinvestment Scheme is set out below:



Note:

In respect of Step 5, Shareholders should note that the Cash Payment, Share Allotment and the DRS Payment will occur on the same day, which will be on a date falling within one (1) month from the Books Closure Date and in any event within three (3) months from the date of declaration of the Dividend or the date on which the approval is obtained in a general meeting of TM, whichever is applicable.

TERMS AND CONDITIONS OF THE DIVIDEND REINVESTMENT SCHEME

1. ESTABLISHMENT

The Dividend Reinvestment Scheme has been established by the Board and the administration of the Dividend Reinvestment Scheme, including the Option to Reinvest and the Electable Portion, shall be determined by the Board at its absolute discretion.

2. DEFINITIONS

In these Terms and Conditions, the following definition shall apply:

Allotment Date	:	Date of allotment of the New TM Shares which falls within eight (8) Market Days from the Expiry Date or such other period as may be prescribed by Bursa Securities
Balance Electable Portion	:	The remaining portion of the Electable Portion not reinvested, where applicable
Board	:	Board of Directors of TM
Books Closure Date	:	Books closure date in relation to a Dividend to which the Dividend Reinvestment Scheme applies
Bursa Securities	:	Bursa Malaysia Securities Berhad
CMSA	:	Capital Markets and Services Act, 2007, as amended from time to time
Code	:	Malaysian Code on Take-Overs and Mergers, 2010, as amended from time to time
Dividend	:	Cash dividend declared by the Company, whether interim, final, special or any other cash dividend
Dividend Payment Account	:	The non-interest bearing account opened to facilitate the payment of Dividends
Electable Portion	:	The whole or a portion of a Dividend that may be declared by the Company to which the Board, in its absolute discretion, determines that the Option to Reinvest applies
Expiry Date	:	The last day (which will be a date to be determined and announced by the Board) by which an election to be made by Shareholders in relation to the Electable Portion must be received by the Company
Issue Price	:	The issue price for the New TM Shares to be determined by the Board on the Price Fixing Date, and which shall be the higher of the following: <ol style="list-style-type: none">i. an issue price of not more than ten percent (10%) discount to the five (5)-Market Day VWAMP of TM Shares immediately prior to the Price Fixing Date. The VWAMP shall be ex-Dividend i.e. adjusted for Dividend, before applying the aforementioned discount in fixing the issue price; orii. the par value of TM Shares at the material time.

Listing Requirements	:	The Main Market Listing Requirements of Bursa Securities including all amendments thereto and any Practice Notes issued in relation thereto
Market Day	:	A day on which Bursa Securities is open for the trading of securities
New TM Shares	:	New TM Shares to be issued pursuant to the Dividend Reinvestment Scheme
Non-Selectable Portion	:	The remaining portion of the Dividend (where the Selectable Portion is not for the entire amount of Dividend declared) which will be paid in cash
Notice of Election	:	The notice of election (in such form as the Board may approve) in relation to the Option to Reinvest by which the Shareholders confirm the exercise thereof
Overseas Shareholders	:	Shareholders who do not have a registered address in Malaysia
Participating Shareholder	:	A Shareholder who elect to exercise the Option to Reinvest pursuant to the Dividend Reinvestment Scheme to the extent of the Selectable Portion as determined by the Board at its absolute discretion in respect of his holdings of TM Shares as at each Books Closure Date to which each Notice of Election received by him relates
Price Fixing Date	:	The date on which the Issue Price will be determined by the Board, in its absolute discretion which shall not be later than the announcement of the Books Closure Date for each Dividend
Option to Reinvest	:	The option given to Shareholders pursuant to the Dividend Reinvestment Scheme, to reinvest all or part of the Selectable Portion in New TM Shares, as the Board may, in its absolute discretion, decide
Remaining Portion	:	The remaining portion of the Dividend (where the Selectable Portion is not applicable to the whole Dividend declared) which will be paid in cash
RM and sen	:	Ringgit Malaysia and sen, respectively, being the lawful currency of Malaysia
Share Registrar	:	Company's share registrar
Shareholders	:	Shareholders of TM
Terms and Conditions	:	The terms and conditions of the Dividend Reinvestment Scheme as amended, modified and supplemented from time to time
TM or Company	:	Telekom Malaysia Berhad
TM Shares	:	Ordinary shares of RM0.70 each in TM
VWAMP	:	Volume weighted average market price

3. ELIGIBILITY

All Shareholders are eligible to participate in the Dividend Reinvestment Scheme provided that:

- (i) such participation will not result in a breach of any restrictions on such Shareholder's holding of TM Shares which may be imposed by any contractual obligation of the Shareholder, or by statute, law or regulation in force in Malaysia or any other relevant jurisdictions, as the case may be (unless the requisite approvals under the relevant law, statute or regulation or from the relevant authorities are first obtained); and
- (ii) there are no restrictions as prescribed in the Memorandum and Articles of Association of the Company to participating in the Dividend Reinvestment Scheme.

4. SHAREHOLDERS RESIDING OUTSIDE MALAYSIA

To avoid any violation on the part of TM of any securities laws applicable outside Malaysia, the Dividend Reinvestment Scheme will not be offered for subscription in any country other than Malaysia. Accordingly, the documents relating to the Dividend Reinvestment Scheme, including the Notice of Election, will not be sent to the Overseas Shareholders. No Overseas Shareholder shall have a claim whatsoever against the Company as a result of the documents relating to the Dividend Reinvestment Scheme not being sent to such Overseas Shareholder. Overseas Shareholders who receive or come to have in their possession this Statement, a Notice of Election and/or any other documents relating to the Dividend Reinvestment Scheme may not treat the same as being applicable to them (except where the documents relating to the Dividend Reinvestment Scheme have been collected from the Share Registrar in the manner specified below) and are, in any event, advised to inform themselves of, and to observe, any prohibitions and restrictions, and to comply with any laws and regulations relating to the Dividend Reinvestment Scheme as may be applicable to them.

Overseas Shareholders who wish to participate in the Dividend Reinvestment Scheme must have a registered address in Malaysia to facilitate the service of documents in Malaysia and Overseas Shareholders who wish to permanently change their address should inform their respective stockbrokers to effect the change of address. Such notification should be done no later than three (3) Market Days before the relevant Books Closure Date for the Dividend to which the Dividend Reinvestment Scheme applies.

Alternatively, such Overseas Shareholders may, (i) collect the Notice of Election and other documents relating to the Dividend Reinvestment Scheme from the Share Registrar, in which event the Share Registrar is entitled to request for documentary evidence to satisfy itself as to the identity and authority of the person collecting the Notice of Election and other documents relating to the Dividend Reinvestment Scheme or alternatively (ii) provide the Share Registrar with their respective address in Malaysia no later than three (3) Market Days before the relevant Books Closure Date in respect of any Dividend to which the Board has determined that the Dividend Reinvestment Scheme shall apply.

Overseas Shareholders will be solely responsible for seeking advice as to the laws of any jurisdiction that they may be subjected to, and participation by the Overseas Shareholders in the Dividend Reinvestment Scheme will be on the basis that he may lawfully so participate without the Company, its Directors and employees and its advisers and the employees of the advisers being in breach of the laws of any jurisdiction.

5. LEVEL OF PARTICIPATION

A Participating Shareholder may elect to participate in the Dividend Reinvestment Scheme to the extent of the Electable Portion in respect of his holding of TM Shares as at each Books Closure Date to which each Notice of Election received by him relates ("**Participating Shares**").

6. NOTICE OF ELECTION TO PARTICIPATE

Subsequent to the Books Closure Date, the Company will, in its absolute discretion, send to each Shareholder one (1) or more Notices of Election in relation to each Central Depository System account held by the Shareholder. The Notice of Election will contain the instructions with respect to the action that is required to be taken by the Shareholders to exercise the Option to Reinvest and will also state the Expiry Date.

To be effective in respect of any Electable Portion, a Notice of Election must be duly completed and executed by the Shareholder as to the confirmation of his election to reinvest in New TM Shares and must be received by the Share Registrar, no later than the Expiry Date. Shareholders who receive more than one (1) Notice of Election may elect to reinvest in New TM Shares in respect of his entitlement to which one (1) Notice of Election relates and decline to reinvest in New TM Shares in respect of his entitlement to which any other Notice of Election relates.

Shareholders who receive more than one (1) Notice of Election and wishing to reinvest in New TM Shares in respect of all his entitlement to the Electable Portion in respect of his entire holding of TM Shares to which the Notices of Election relate must complete all the Notices of Election received by him and return the completed Notices of Election to the office of the Share Registrar at such address as may be announced by the Company from time to time, no later than the Expiry Date specified in the Notice of Election.

Notwithstanding the date of receipt by the Share Registrar of the completed Notices of Election, in accordance with Paragraph 6.09 of the Listing Requirements, the Allotment Date of the New TM Shares will occur within eight (8) Market Days from the Expiry Date or such date as may be prescribed by Bursa Securities, provided always that the completed Notices of Election are received by the Share Registrar no later than the Expiry Date. A Notice of Election to participate in the Dividend Reinvestment Scheme in any other form will not be accepted by the Company.

A Notice of Election in respect of any Electable Portion is irrevocable and shall not be withdrawn or cancelled by the submitting Shareholder.

The Company has the discretion and right to accept or reject any Notice of Election that is incomplete, contains errors or is otherwise defective. The Company is under no obligation to correct invalid Notices of Election on behalf of any Shareholder or to provide any reason for rejecting any Notice of Election. Any Notice of Election received after the Expiry Date shall be invalid.

By submitting one or more Notices of Election, the Participating Shareholder is electing to participate in the Dividend Reinvestment Scheme, and unconditionally and irrevocably:

- (i) warrants to the Company that it has the legal right and full power and authority to participate in the Dividend Reinvestment Scheme and that its participation in the Dividend Reinvestment Scheme will not result in a breach of any statute, law or regulation or contractual obligations by which it is bound;
- (ii) acknowledges that the Company may at any time in its absolute discretion determine that the Participating Shareholder's Notice of Election or other form (collectively, "**Form**") is valid, even if the relevant Form is incomplete, contains errors or is otherwise defective;
- (iii) acknowledges that the Company may accept or reject any Form and agrees that the Company need not provide any reason therefor;
- (iv) acknowledges that the Company has not provided and is not obliged to provide the Participating Shareholder with investment advice or any other advice;
- (v) agrees to these Terms and Conditions and agrees not to do any act or thing which would be contrary to the intention or purpose of the Dividend Reinvestment Scheme;

- (vi) submits to the jurisdiction of the Malaysian Courts, in each case, at all times until termination of the Dividend Reinvestment Scheme; and
- (vii) agrees that notwithstanding anything to the contrary, the Terms and Conditions set out herein or otherwise and irrespective of whether an election to exercise the Option to Reinvest has been made, if at any time after the Board has determined that the Dividend Reinvestment Scheme shall apply to any Dividend and before the allotment and issuance of the New TM Shares in respect of the Electable Portion, the Board shall consider that by reason of any event or circumstance (whether arising before or after such determination) or by reason of any matter whatsoever it is no longer expedient or appropriate to implement the Dividend Reinvestment Scheme in respect of the Electable Portion, the Board may, in their absolute discretion and as they deem fit in the interest of the Company and without assigning any reason thereof, cancel the application of the Dividend Reinvestment Scheme in relation to the Electable Portion subject to any requirement or provision imposed by any statute, law or regulation in force in Malaysia, as the case may be. In such event, Shareholders shall receive the Electable Portion in cash in the usual manner from the Dividend Payment Account.

Irrespective of whether an election is made by a Shareholder, a tax voucher will be despatched to all Shareholders. For income tax purposes, a Shareholder will have received a cash distribution equivalent to the amount of the Dividends declared which or part of which may be reinvested in New TM Shares depending on whether they elect to exercise the Option to Reinvest, if applicable. Hence, the election for the Option to Reinvest does not relieve the Shareholder of any income tax obligation (if applicable) and there is no tax advantage to be gained in exercising the Option to Reinvest or otherwise.

An announcement will also be made on the listing of and quotation for the New TM Shares to be issued pursuant to the Dividend Reinvestment Scheme on the Main Market of Bursa Securities.

Shareholders will receive the electable Portion in cash, if they do not expressly elect in writing to exercise the Option to Reinvest by the Expiry Date. As such, Shareholders who wish to receive their Dividends wholly in cash need not take any action with regards to the Notice of Election.

7. EXTENT OF APPLICATION OF DIVIDEND REINVESTMENT SCHEME TO EACH ELECTABLE PORTION

The Board may, at its absolute discretion, determine in respect of any Dividend, whether the Dividend Reinvestment Scheme shall apply and if so whether it is for the whole or a portion of the Dividend. If, in its absolute discretion, the Board has not determined that the Dividend Reinvestment Scheme is to apply to a particular Dividend, such Dividend shall be paid in cash to Shareholders in the usual manner through the Dividend Payment Account.

8. SHARE ENTITLEMENT

By electing to participate in the Dividend Reinvestment Scheme in respect of any Notice of Election received by him, a Shareholder elects to reinvest the Electable Portion to which such Notice of Election relates.

In respect of any Electable Portion, the number of New TM Shares to be allotted and issued to the Participating Shareholder electing to reinvest the whole or, if applicable, part of the Electable Portion in New TM Shares in respect of a Notice of Election shall be calculated in accordance with the following formula:

$$N = \frac{S \times D}{V}$$

Where:

- N = is the number of New TM Shares to be allotted and issued as fully paid-up to the Participating Shareholder in respect of such Notice of Election.
- S = is the number of participating Shares held by the Participating Shareholder as at the Books Closure Date to which such Notice of Election relates.
- D = is the Electable Portion or a part thereof (after deduction of applicable income tax).
- V = is the Issue Price, which, for the purpose of the Dividend Reinvestment Scheme, shall be an amount in RM as determined by the Board based on the adjusted five (5)-Market Day VWAMP immediately prior to the Price Fixing Date after applying a discount of not more than ten percent (10%). The Issue Price may not be less than the par value of TM Shares at the material time.

Any fractional entitlement of New TM Shares computed in accordance with the above formula will be received in cash by the Shareholders in the usual manner through the Dividend Payment Account.

On 26 February 2015, the Board had proposed a final single tier dividend of RM0.134 per TM Share in respect of the financial year ended 31 December 2014 ("**Final Dividend**"), and Shareholders had approved the Final Dividend on 30 April 2015. The Dividend Reinvestment Scheme is applicable to the entire Final Dividend.

The Issue Price of the New TM Shares has been fixed on the Price Fixing Date of 5 May 2015 at RM6.98 per New TM Share.

Example

Assuming a Participating Shareholder holds 1,000 TM Shares as at the Books Closure Date, his maximum share entitlement will be calculated as follows in accordance with the aforementioned formula:

$$\begin{aligned} N &= \frac{S \times D}{V} \\ N &= \frac{1,000 \times \text{RM}0.134}{\text{RM}6.98} \\ N &= 19 \end{aligned}$$

Balance Electable Portion

In respect of any Electable Portion, the Balance Electable Portion in respect of a Notice of Election shall be calculated in accordance with the following formula:

$$\mathbf{B = (S \times D) - (A \times V)}$$

Where:

- B = is the Balance Electable Portion in respect of such Notice of Election relates.
- S = is the number of participating Shares held by the Participating Shareholder as at the Books Closure Date to which such Notice of Election relates.
- D = is the Electable Portion or a part thereof (after deduction of applicable income tax).
- A = is the number of New TM Shares that the Participating Shareholder elects to subscribe in respect the Electable Portion to which such Notice of Election relates.

V = is the Issue Price, which, for the purpose of the Dividend Reinvestment Scheme, shall be an amount in RM as determined by the Board based on the adjusted five(5)-Market Day VWAMP immediately prior to the Price Fixing Date after applying a discount of not more than ten percent (10%). The Issue Price may not be less than the par value of TM Shares at the material time.

Examples

Scenario 1 – If a Participating Shareholder decides to reinvest the entire Electable Portion into New TM Shares

Assuming a Participating Shareholder holds 1,000 TM Shares as at the Books Closure Date and he wishes to subscribe for his maximum share entitlement of 19 New TM Shares calculated based on his entitlement for the Electable Portion as at the Books Closure Date, his Balance Electable Portion will be calculated as follows:

$$\begin{aligned} B &= (S \times D) - (A \times V) \\ B &= (1,000 \times \text{RM}0.134) - (19 \times \text{RM}6.98) \\ B &= (\text{RM}134.00) - (\text{RM}132.62) \\ B &= \text{RM}1.38 \end{aligned}$$

Scenario 2 – If a Participating Shareholder decides to reinvest part of the Electable Portion into New TM Shares

Assuming a Participating Shareholder holds 1,000 TM Shares as at the Books Closure Date and his maximum share entitlement is 19 New TM Shares calculated based on his entitlement for the Electable Portion as at the Books Closure Date. However, he only wishes to subscribe for 10 New TM Shares; hence, his Balance Electable Portion will be calculated as follows:

$$\begin{aligned} B &= (S \times D) - (A \times V) \\ B &= (1,000 \times \text{RM}0.134) - (10 \times \text{RM}6.98) \\ B &= (\text{RM}134.00) - (\text{RM}69.80) \\ B &= \text{RM}64.20 \end{aligned}$$

The percentage shareholding of a Shareholder in the Company will be diluted should he not exercise his Option to Reinvest. However, the extent of the dilution will depend on the number of New TM Shares issued by the Company pursuant to the level of the Option to Reinvest exercised by the other Shareholders.

9. TERMS OF ALLOTMENT

Unless the Board otherwise determines, all New TM Shares allotted under the Dividend Reinvestment Scheme will be allotted as fully paid-up. All such New TM Shares shall upon allotment and issuance, rank *pari passu* in all respects with the existing TM Shares, save and except that the holders of New TM Shares shall not be entitled to any Dividends, rights, allotments, entitlements and/or other distributions, which are declared, made or paid prior to or on the Allotment Date.

As the New TM Shares to be issued pursuant to the Dividend Reinvestment Scheme are prescribed securities, the New TM Shares will be credited directly into the respective Central Depository System accounts of Shareholders. No physical share certificates will be issued.

10. ODD LOTS

A Shareholder who elects to reinvest the Electable Portion in New TM Shares to which his Notice of Election relates may receive such New TM Shares in odd lots. Shareholders who receive odd lots of New TM Shares and wish to trade such odd lots on Bursa Securities should do so on the odd lots market, which allows the trading of odd lots (with a minimum of one (1) TM Share).

11. NOTIFICATION LETTERS TO PARTICIPATING SHAREHOLDERS

TM will within eight (8) Market Days from the Expiry Date or such other period as may be prescribed by Bursa Securities, allot and issue the New TM Shares, despatch notices of allotment to Shareholders (who elect to participate in the Dividend Reinvestment Scheme) by ordinary post at Shareholders' own risk to the addresses shown in Bursa Depository's record and apply for quotation for the New TM Shares, where applicable. An announcement will also be made on the listing of and quotation for the New TM Shares to be issued pursuant to the Dividend Reinvestment Scheme on the Main Market of Bursa Securities. Concurrently on the Allotment Date, the Non-Electable Portion and the Electable Portion not exercised (if applicable) under the Option to Reinvest will be paid to the respective Shareholders in cash. The tax voucher for such Dividend will be despatched to Shareholders who are entitled to such Dividend.

12. COST TO THE PARTICIPATING SHAREHOLDERS

The New TM Shares will be issued free of any brokerage fees and related transaction costs, unless otherwise provided by any statute, law or regulation.

13. CANCELLATION OF APPLICATION OF THE DIVIDEND REINVESTMENT SCHEME

Notwithstanding any other provisions, Terms and Conditions of the Dividend Reinvestment Scheme set out herein or otherwise and irrespective of whether an election to exercise the Option to Reinvest has been made, if at any time after the Board has determined that the Dividend Reinvestment Scheme shall apply to any Dividend and before the allotment and issuance of New TM Shares in respect of the Electable Portion, the Board shall consider that by reason of any event or circumstance (whether arising before or after such determination) or by reason of any matter whatsoever it is no longer expedient or appropriate to implement the Dividend Reinvestment Scheme in respect of the Electable Portion, the Board may, in its absolute discretion and as it deems fit and in the interest of the Company and without assigning any reason thereof, cancel the application of the Dividend Reinvestment Scheme to the Electable Portion subject to any requirement or provision imposed by any statute, law or regulation in force in Malaysia, as the case may be. In such event, the Electable Portion shall be paid in cash to Shareholders in the usual manner through the Dividend Payment Account.

14. MODIFICATION, SUSPENSION AND TERMINATION OF THE DIVIDEND REINVESTMENT SCHEME

Subject to any requirement or provision imposed by any statute, law or regulation in force in Malaysia, as the case may be, the Dividend Reinvestment Scheme may be modified, suspended (in whole or in part) or terminated at any time and from time to time by the Board as it deems fit or expedient by giving notice in writing to all Shareholders in such manner as the Board deems fit, notwithstanding any other provision or the terms and conditions of the Dividend Reinvestment Scheme and irrespective of whether an election to exercise the Option to Reinvest has been made.

In the case of a suspension, the Dividend Reinvestment Scheme will be suspended (in whole or in part, as the case may be) until such time as the Board resolve in its absolute discretion, to recommence or terminate the Dividend Reinvestment Scheme. If the Dividend Reinvestment Scheme is recommended, Participating Shareholders' Notice of Election confirming their participation under the previously suspended Dividend Reinvestment Scheme will be valid and have full force and effect in accordance with these Terms and Conditions and any directions, terms and conditions to Shareholders for such commencement of the Dividend Reinvestment Scheme which may be notified to all Shareholders.

15. GENERAL ADMINISTRATION OF THE DIVIDEND REINVESTMENT SCHEME

The Board may implement the Dividend Reinvestment Scheme in the manner it deems fit in its absolute discretion. The Board has the power to:

- (i) determine procedures, rules and regulations for administration of the Dividend Reinvestment Scheme consistent with these Terms and Conditions, as may be amended or modified from time to time;
- (ii) settle in such manner as it thinks fit, any difficulty, anomaly or dispute (including relating to the interpretation of any provision, regulation or procedure or as to any rights under the Dividend Reinvestment Scheme) which may arise in connection with the Dividend Reinvestment Scheme, whether generally or in relation to any Participating Shareholder or any TM Share and the determination of the Board will be conclusive and binding on all Shareholders and other persons to whom the determination relates;
- (iii) delegate to any one (1) or more persons, for such period and on such conditions as the Board may determine, the exercise of any of its powers or discretion under or in respect of the Dividend Reinvestment Scheme and references to a decision, opinion or determination of the Board include a reference to the decision, opinion or determination of the person or persons to whom the Board has delegated its authority to, for the purposes of administering the Dividend Reinvestment Scheme; and
- (iv) waive strict compliance by the Company or any Shareholder with any of these Terms and Conditions.

16. IMPLICATIONS OF THE CODE AND SHAREHOLDING LIMITS

The attention of all Shareholders is drawn to Section 9 (1) of Part III of the Code and Section 217 of the CMAA. In particular, a Shareholder should note that he may be under an obligation to extend a take-over offer for the remaining TM Shares not already owned by him and persons acting in concert with him (collectively, the "**Affected Parties**"), if:

- (i) by participating in the Dividend Reinvestment Scheme in relation to the reinvestment of the Electable Portion, the Affected Parties has obtained control via the acquisition or holding of, or entitlement to exercise or control the exercise of voting shares or voting rights of 33% or more or such other amount as may be prescribed in the Code, in the Company, howsoever effected; or
- (ii) the Affected Parties holds more than 33% but not more than 50% of the voting shares or voting rights of the Company and acquires, including by participating in the Dividend Reinvestment Scheme in relation to the Electable Portion, more than 2% of the voting shares or voting rights in the Company in any 6-month period.

The statements herein do not purport to be a comprehensive or exhaustive description of all the relevant provisions of, or all implications that may arise under the Code or other relevant legislation or regulations.

Therefore, in the event an obligation to undertake a mandatory offer is expected to arise resulting from a Shareholder's participation in the Dividend Reinvestment Scheme, such Shareholder may wish to consult his adviser(s) in relation to making an application to the Securities Commission Malaysia for a waiver from the obligation to undertake a mandatory offer pursuant to the Code prior to exercising his Option to Reinvest.

Shareholders are also reminded to ensure that their participation will not result in a breach of any restrictions on their respective holding of TM Shares which may be imposed by any contractual obligations of Shareholders, or by statute, law or regulation in force in Malaysia or any other relevant jurisdiction, or by any relevant authorities, as the case may be (unless the requisite approvals under the relevant statute, law or regulation or from the relevant authorities are first obtained) or as prescribed in the Company's Memorandum and Articles of Association.

17. DISCLAIMER

Notwithstanding any other provisions, the Board and the Company including any of its subsidiaries, related and associated companies and its respective directors, officers, employees, agents, affiliates and representatives, shall not, under any circumstance, be held liable for any damage, cost, loss and expense whatsoever and howsoever arising or incurred or suffered by any person including any Shareholder arising out of or in connection with the Dividend Reinvestment Scheme including:

- (i) any obligation of any Shareholder to undertake a mandatory offer as a result of the Dividend Reinvestment Scheme;
- (ii) a breach of any restrictions on any Shareholder's shareholding of TM Shares which may be imposed by the Shareholders' contractual obligations, or by statute, law or regulation in force in Malaysia or any other relevant jurisdiction, or by any relevant authorities; and
- (iii) any losses suffered by any Shareholder due to changes in share prices of TM Shares or the quantum of future Dividend after the implementation of the Dividend Reinvestment Scheme.

18. GOVERNING LAW

The Dividend Reinvestment Scheme Statement, the Dividend Reinvestment Scheme, and the Terms and Conditions thereof shall be governed by, and construed in accordance with the laws of Malaysia.

19. NOTICES AND STATEMENT

Unless otherwise provided in these Terms and Conditions, any notices, documents and statements required to be given by the Company to a Participating Shareholder shall be given in accordance with the provisions of the Memorandum and Articles of Association of the Company.