

**AXIATA GROUP BERHAD  
BYE- LAWS FOR THE  
PERFORMANCE-BASED EMPLOYEE SHARE OPTION AND SHARE SCHEME**

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**1. DEFINITIONS AND INTERPRETATION**

1.1 In these Bye-Laws, the following words and expressions shall bear the following meanings, unless the context otherwise requires.

“Act”	means Companies Act, 1965 as amended from time to time and any re-enactment thereof.
“Affected Employee”	means “Affected Employee” as defined in clause 18.1.
“Aggregate”	means “Aggregate” as defined in clause 3.1.
“Articles”	means the articles of association of the Company as amended from time to time.
“Authorised Nominee”	means a person who is authorised to act as a nominee as specified in accordance with the schedule prescribed under part VIII of the Rules of Bursa Depository.
“Board”	means the board of directors of the Company for the time being.
“Bursa Depository”	means Bursa Malaysia Depository Sdn Bhd (165570-W).
“Bursa Securities”	means Bursa Malaysia Securities Berhad (635998-W).
“Bye-Laws”	means, collectively, the terms and conditions of the Scheme as set forth in these Bye-Laws as amended, modified and/or supplemented from time to time.
“CDS”	means the Central Depository System established, administered and operated by Bursa Depository for the central handling of securities deposited with Bursa Depository.
“CDS Account”	means the account established by Bursa Depository for a depositor for the recording of deposit of securities and dealings in such securities by that depositor of securities.
“Company”	means Axiata Group Berhad (242188-H), a public company limited by shares and incorporated in Malaysia.
“Date of Offer”	means, in respect of an Offer, the date of the letter containing an Offer to be made to a selected Eligible Employee to participate in the Scheme.

“Disciplinary Proceedings”	means proceedings instituted by a Group Company against a Grantee employed by that Group Company for any alleged misbehaviour, misconduct and/or any other act of the Grantee’s deemed to be unacceptable by that Group Company 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.
“Eligible Employee”	means an employee of a Group Company who is selected to be eligible for participation in the Scheme as set forth in clause 2.2, and “Eligible Employees” means any two or more of them.
“Ex-Group Company”	means “Ex-Group Company” as defined in clause 2.4.
“Grantee”	means an Eligible Employee who has accepted an Offer in the manner indicated in clause 28 or clause 35 (as may be applicable in the context of the Bye-Laws), and “Grantees” means any two or more of them.
“Group”	means, collectively, all Group Companies.
“Group Company”	means any one of the Company and the Subsidiaries, and “Group Companies” means any two or more of them.
“KNB”	means Khazanah Nasional Berhad (275505-K).
“Market Day”	means any day between Monday and Friday (both days inclusive) which is not a public holiday, and on which Bursa Securities is open for the trading of securities.
“Nominee Company”	means, in the event that the Selling Flexibility is available, such person that is selected by the Board to be the Nominee Company for the purposes hereof.
“Notice of Exercise”	means the notice that is given by a Grantee to the Company to exercise his Share Option.
“Notice of Vesting”	means the notice that is given by the Company to the Grantees stipulating the vesting date of any Restricted Share Award.
“Offers”	means the Share Option Offer and the Restricted Share Offer collectively and “Offer” shall mean any one of them in the context of the Bye-Laws
“Previous Company”	means “Previous Company” as defined in clause 2.4.
“Record Date”	means, for the purposes of clause 7.1, the date as of the close of business on which shareholders must be registered as members of the Company in order to participate in any dividend, right, allotment or other distribution.

"Restricted Share Award"	means an entitlement to receive new Shares under the Restricted Share Plan pursuant to a contract constituted by an acceptance by the relevant Eligible Employee of the Restricted Share Offer (pursuant to clause 35) in relation to that Restricted Share Award, and "Restricted Share Awards" shall be construed accordingly.
"Restricted Share Offer"	means the offer made in writing by the Board to an Eligible Employee in the manner indicated in clause 34, and "Restricted Share Offers" shall be construed accordingly.
"Restricted Share Plan"	means the plan referred to in Section 2 of these Bye-Laws.
"Restricted Share Award Period"	means, in relation to a Restricted Share Award, the period commencing from that Restricted Share Award Commencement Date and expiring on the Market Day immediately preceding that Restricted Share Award Termination Date (both dates inclusive).
"Restricted Share Award Commencement Date"	means, in respect of a Restricted Share Award, the date fixed by the Board as the date on which the Restricted Share Award Period commences and that Shares under the Restricted Share Award may vest to the Grantee in accordance with these Bye-Laws.
"Restricted Share Award Termination Date"	means, in relation to a Restricted Share Award, the date of which that Restricted Share Award terminates, expires, lapses and/or otherwise ceases to be of any force and effect in accordance with these Bye-Laws.
"Restricted Share Award Price"	means the reference price at which a Grantee shall be allotted new Shares pursuant to the Restricted Share Award as provided in clause 37.1.
"RM"	means the Ringgit, the legal currency of Malaysia.
"SC"	means the Securities Commission established pursuant to the Securities Commission Act 1993.
"Scheme"	means the Axiata Group Berhad Performance-Based Employee Share Option and Share Scheme for the grant of Share Options and/or Restricted Share Awards to selected Eligible Employees upon the terms of these Bye-Laws.
"Scheme Committee"	means the committee established pursuant to clause 8.2.
"Selling Flexibility"	means the arrangement under which KNB will allocate a certain quantum of Shares held by KNB to be set aside in a CDS account with the Nominee Company to facilitate the immediate sale of Shares by a Grantee who has elected to exercise his Share Options in accordance with the terms of the Selling Flexibility.

"Selling Flexibility Pool"	means "Selling Flexibility Pool" as defined in clause 32.2.
"Shares"	means ordinary shares of nominal value RM1.00 each in the capital of the Company (unless otherwise adjusted), and "Share" means any one of them.
"Share Option"	means the right of the Grantee to subscribe for new shares under the Share Option Plan pursuant to the contract constituted by the acceptance (pursuant to clause 28) by the relevant Eligible Employee of the Share Option Offer in relation to that Share Option, and "Share Options" shall be construed accordingly.
"Share Option Offer"	means the offer made in writing by the Board to an Eligible Employee in the manner indicated in clause 27, and "Share Option Offers" shall be construed accordingly.
"Share Option Plan"	means the plan referred to in Section 1 of these Bye-Laws.
"Share Option Commencement Date"	means, in respect of a Share Option, the date fixed by the Board as the date on which the Share Option Period commences and that Share Option may be exercised by the Grantee in accordance with these Bye-Laws.
"Share Option Period"	means, in relation to a Share Option, the period commencing from that Share Option's Share Option Commencement Date and expiring on the Market Day immediately preceding that Share Option's Share Option Termination Date (both dates inclusive).
"Share Option Price"	means the price at which a Grantee shall be entitled to subscribe for a new Share pursuant to a Share Option, as provided in clause 30.
"Share Option Termination Date"	means, in relation to a Share Option, the date on which that Share Option terminates, expires, lapses and/or otherwise ceases to be of any force and effect in accordance with these Bye-Laws.
"Subsidiary"	means (subject to clause 2.3) a subsidiary (as defined in the Act) of the Company which is not dormant, and "Subsidiaries" shall be construed accordingly.

1.2 In these Bye-Laws, unless the context otherwise requires:

- (a) any reference to a statutory provision or an applicable law shall include a reference to:
  - (i) any and all subsidiary legislation made from time to time under that provision or law;
  - (ii) any and all listing requirements, policies and/or guidelines of Bursa Securities 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 the SC);
  - (iii) 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 Share Option or Restricted Share Award (as may be applicable) offered and accepted within the duration of the Scheme; and
  - (iv) any past statutory provision (as from time to time modified or re-enacted) which such provision has directly or indirectly replaced;
- (b) any reference to a clause is a reference to a clause of these Bye-Laws;
- (c) the headings to the provisions are for convenience only, and shall not be taken into account in the interpretation of these Bye-Laws;
- (d) any word importing:
  - (i) the singular meaning includes the plural meaning and vice versa; and
  - (ii) the masculine gender includes the feminine gender and vice versa;
- (e) any liberty or power which may be exercised, and/or any determination which may be made, under these Bye-Laws:
  - (i) by the Board may be exercised in the Board's sole discretion; and
  - (ii) by the Scheme Committee may be exercised in the Scheme Committee's sole discretion, but subject always to the Board's power to overrule any decision of the Scheme Committee;
- (f) if an event is to occur on a stipulated day which is not a Market Day, then the stipulated day shall 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 expiry of the Scheme then the stipulated day shall be taken to be the last Market Day of the Scheme's tenure;
- (g) any reference to a corporation being associated with another corporation shall be construed to mean that the first corporation beneficially owns at least 20% of the equity capital of the other corporation, or vice versa; and
- (h) in the event of any change in the name of the Company from its present name, all references to "Axiata Group Berhad" in these Bye-Laws and all other documents pertaining to the Scheme shall be deemed to be references to the Company's new name.

- 1.3 This Scheme shall be known as the “Axiata Group Berhad Performance-Based Employee Share Option and Share Scheme”.

## 2. ELIGIBILITY AND OFFER

- 2.1 Subject to clause 2.2, Eligible Employees may be selected from time to time and at any time for the purposes of this Scheme by the Board. Each selection of Eligible Employees made by the Board shall be separate and independent from any other selection previously or later made by the Board.

- 2.2 No person shall be selected to be an Eligible Employee unless that person, as of any Date of Offer:

- (a) has attained the age of eighteen years;
- (b) has entered into a full-time or fixed-term contract of employment with, and is on the payroll of, a Group Company and whose service has been confirmed;
- (c) is not a non-executive or independent director of the Company; and
- (d) has fulfilled any other eligibility criteria which has been determined by the Board at its absolute discretion, as the case may be.

For the avoidance of doubt, the Board may determine any other eligibility criterion for the purposes of selecting an Eligible Employee at any time and from time to time, in the Board's sole discretion.

- 2.3 Subject to these Bye-Laws and to any applicable law, the Board shall have the absolute discretion, at any time and from time to time, to extend the benefit of this Scheme to any employee of any company which is not a Group Company but which is a subsidiary of or is associated with a Group Company, and deem such an employee to be an Eligible Employee and such a company to be a Group Company, in the situation where such an employee had at any time (whether before or after the coming into force of these Bye-Laws) been seconded from any Group Company to that company.

- 2.4 The Board shall have the absolute discretion to extend (or not) the benefit of this Scheme to an employee in any of the following circumstances:

- (a) an employee who is in the employment of a corporation which is not a Group Company (“**Previous Company**”) but which subsequently becomes a Group Company as a result of a restructuring, an acquisition, a merger, a disposal, a divestment or other exercise involving the Company and/or any Group Company;
- (b) an employee who was employed in a Previous Company and is subsequently transferred from that Previous Company to a Group Company; or
- (c) where:
  - (i) a corporation that was a Group Company ceases to be a Group Company (“**Ex-Group Company**”); and
  - (ii) an employee of that Ex-Group Company is re-employed by another Group Company.

- 2.5 In the case where an employee is transferred, from a Group Company to a corporation which is not a Group Company, that employee may, at the absolute discretion of the Board, continue to be entitled to all of his rights in respect of his Share Option or his Restricted Share Award (as may be applicable), subject to these Bye-Laws.

- 2.6 Eligibility under this Scheme does not confer on any Eligible Employee any claim, right to participate in, or any other right whatsoever under, this Scheme, and an Eligible Employee does not acquire or have any right over, or in connection with, any Share Option or Restricted Share Award under this Scheme unless an Offer has been made by the Board to that Eligible Employee and that Eligible Employee has accepted the Offer in accordance with the terms of the Offer and these Bye-Laws.
- 2.7 An Eligible Employee is eligible to participate in either or both of the Share Option Plan and Restricted Share Plan.
- 2.8 Notwithstanding anything to the contrary, an Eligible Employee or Grantee may participate at any time in another employee share scheme or share option scheme of any other corporation, whether or not a Group Company, unless the Board otherwise determines in its absolute discretion.
- 2.9 Without prejudice to the generality of clauses 27.3 and 34.3 (as may be applicable), any Offer made by the Board that has not been accepted yet, shall become void, of no effect and incapable of acceptance upon any of the following events occurring:
- (a) the offeree's death;
  - (b) the offeree ceasing to be an employee of any Group Company, otherwise than pursuant to his resignation from employment;
  - (c) the offeree giving notice of his resignation from employment;
  - (d) the offeree being adjudged a bankrupt; or
  - (e) the corporation which employs the offeree ceasing to be a Group Company.
- 2.10 For the avoidance of doubt, no Share Option or Restricted Share Award may be granted to any person who is a director of the Company or a person connected to a major shareholder or director of the Company (within the meaning of the Main Market Listing Requirements of Bursa Securities), unless the specific grant of that Share Option or Restricted Share Award, and the related allotment of new Shares pursuant to that Share Option or Restricted Share Award, to that person shall have previously been approved by the Company in general meeting.
- 2.11 The Board may in its absolute discretion revoke or suspend the nomination of any Group Company at any time and from time to time, whereupon the employees of such corporation shall henceforth cease to be eligible for any Offer or grant of Share Options or Restricted Share Award under this Scheme, provided that any Share Option or Restricted Share Award already granted shall not be affected by such revocation or suspension and shall continue to be exercisable or may vest in accordance with the provisions of these Bye-Laws.

### **3. MAXIMUM AMOUNT OF SHARES AVAILABLE UNDER THIS SCHEME**

3.1 The maximum amount of Shares which may be:

- (i) offered for subscription and allotted on the exercise of the total amount of Share Options under this Scheme; and
- (ii) allotted upon the vesting of Shares under a Restricted Share Award,

(collectively referred to as "**Aggregate**") shall not be more than 7% of the issued and paid-up ordinary share capital of the Company at any point of time during the duration of this Scheme as provided in clause 11.

3.2 In the event the Aggregate exceeds the 7% limit referred to in clause 3.1 as a result of the Company purchasing its own Shares in accordance with the provisions of the Act and/or reducing its issued and paid-up ordinary share capital, all Offers, Share Options and Restricted Share Awards granted prior to the said variation of the issued and paid-up ordinary share capital of the Company shall remain valid and exercisable and may vest in accordance with the provisions of this Scheme as if that purchase and/or reduction had not occurred.

3.3 The Company shall, during the duration of this Scheme as provided in clause 11, keep available sufficient unissued Shares in the authorised share capital of the Company to satisfy all outstanding Share Options and Restricted Share Awards.

### **4. BASIS OF ALLOTMENT**

4.1 The aggregate number of Shares that may be offered and allotted to any one of the Eligible Employees under this Scheme at any time shall be at the absolute discretion of the Board, after taking into account such criteria as may be determined by the Board in its sole discretion (subject always to these Bye-Laws and any applicable law). Notwithstanding the foregoing, not more than 50% of the Shares available under this Scheme shall be allocated, in aggregate, to Eligible Employees who are directors of the Company or any Group Company or who are in senior management. In addition, not more than 10% of the Shares available under this Scheme shall be allocated to any individual Eligible Employee who, either singly or collectively with his associates (as defined under the relevant applicable law), holds 20% or more of the issued and paid-up share capital of the Company.

4.2 For the avoidance of doubt, the Board shall have absolute discretion in determining whether the new Shares available for subscription and/or allotment under this Scheme are to be offered to the Eligible Employees via:

- (a) one single Share Option or Restricted Share Award (as the case may be) at a time determined by the Board; or
- (b) several Share Options or Restricted Share Awards (as the case may be) where the Offer for the subscription or allotment of the number of new Shares comprised in those Share Options and/or Restricted Share Awards is staggered or made in several tranches at such times determined by the Board.



- 4.3 In the event the Board decides that the Offer for the subscription and/or allotment of any number of new Shares is to be staggered:
- (a) the number of Share Options, the number of new Shares to be offered in each Share Option and the timing of the subscriptions for the same shall be decided by the Board at its absolute discretion and each Share Option shall be separate and independent from the others.
  - (b) the number of Restricted Share Awards, the number of new Shares to be offered in each Restricted Share Award and the timing for the vesting of the same shall be decided by the Board at its absolute discretion and each Restricted Share Award shall be separate and independent from the others.

## **5. ALTERATION IN SHARE CAPITAL**

- 5.1 If the Board so decides (but not otherwise), in the event of any alteration in the capital structure of the Company during the duration of the Scheme, whether by way of capitalisation of profits or reserves, rights issues, bonus issues, capital reduction, capital repayment, sub-division or consolidation of capital, or otherwise howsoever taking place, such corresponding alterations (if any) may be made to the Share Option Plan and/or the Restricted Share Plan.
- 5.2 With respect to the Share Option Plan, alterations may be made in:
- (a) the number of Shares comprised in an Share Option in so far as they are unexercised;
  - (b) the Share Option Price; and/or
  - (c) the method and/or manner of the exercise of the Share Option.
- 5.3 With respect to Restricted Share Plan, alterations may be made in:
- (a) the number of Shares comprised in a Restricted Share Award; and/or
  - (b) the method and/or manner in the vesting of the Shares under a Restricted Share Award.
- 5.4 The alterations as set out in clauses 5.2 and 5.3 shall be in such a manner as to give the Grantee a fair and reasonable Share Option and/or Restricted Share Award entitlement, as certified in writing (other than for adjustments made pursuant to a bonus issue) by the external auditor or adviser (which must be a principal adviser under the SC's Guidelines on Principal Advisers for Corporate Proposals) of the Company (acting as an expert and not as an arbitrator) as being in its opinion fair and reasonable and such certification shall be final and binding in all respects, provided that:
- (a) any adjustment to the Share Option Price shall be rounded down to the nearest RM0.01, and no adjustment to the Share Option Price shall be made which would result in the Shares to be issued on the exercise of the Share Option being issued at a discount to the nominal value, and if such an adjustment would but for this provision have so resulted, the Share Option Price payable shall be the nominal value of the Share;

- (b) upon any adjustment being made pursuant to this clause 5, the Board shall notify the Grantee (or his personal representatives, where applicable) in writing of the adjusted Share Option Price, the adjusted number of Shares comprised in the Share Option and/or Restricted Share Award, and/or the revised maximum number of Shares and/or percentage of the total Shares comprised in:
  - (i) the Share Options, that may be exercised at any time or in any period; and/or
  - (ii) the Restricted Share Awards, that may vest at any time or in any period.
- (c) in the event that a fraction of a Share arising from the adjustments referred to in this clause 5 would otherwise be required to be issued upon the exercise of a Share Option by the Grantee or vesting of Shares under a Restricted Share Award, the Grantee's entitlement shall be rounded down to the nearest whole number.

Unless otherwise determined by the Board, the adjustments pursuant to this clause 5 shall be effective on the day immediately following the book closure date for the event giving rise to that adjustment.

5.5 Notwithstanding anything to the contrary, the provisions of this clause 5 shall not apply where the alteration in the capital structure of the Company arises from:

- (a) any issue of new Shares or other securities as consideration (or part consideration) for an acquisition of any other securities, assets or business;
- (b) any special issue 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;
- (c) any private placement or restricted issue of new Shares or other securities by the Company;
- (d) any implementation of a Share buy-back arrangement by the Company under the Act;
- (e) any issue of warrants, convertible loan stocks or other instruments by the Company that gives a right of conversion into Shares or other securities, and any issue of new Shares or other securities arising from the exercise of any conversion rights attached to such convertible securities; or
- (f) any issue of new Shares upon the exercise of Share Options granted under this Scheme or vesting of Shares under a Restricted Share Award.

## **6. DISCIPLINARY PROCEEDINGS**

- 6.1 For the avoidance of doubt, 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 Board may in its discretion suspend any one or more of the Grantee's rights in respect of any Share Option and/or Restricted Share Award then held by him, pending the outcome of such Disciplinary Proceedings, provided always that:
- (a) (for the avoidance of doubt) 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 Grantee's rights in respect of any Share Option and/or Restricted Share Award then held by him shall remain unaffected (and where that Share Option and/or Restricted Share Award had been suspended, the suspension shall be lifted);
  - (b) in the event the Disciplinary Proceedings result in a dismissal or termination of service of such Grantee, the Share Options and/or Restricted Share Award held by that Grantee 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
  - (c) in the event that the Disciplinary Proceedings result in a demotion of the Grantee to a lower category of employment, the numbers of Shares comprised in the Share Option and/or Restricted Share Award held by that Grantee which are unexercised and/or unvested (as the case may be) at that time may be reduced by the Board in its sole discretion; but

in any case and notwithstanding anything to the contrary, 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 Board shall have the sole right to determine, at its discretion, whether or not the Grantee may continue to exercise his Share Options or whether or not the Shares under the Restricted Share Award may continue to vest and, if so, to impose such limits, terms and conditions as it deems appropriate, in respect of such exercise or vesting (regardless of anything previously determined in respect of his Share Options and/or Restricted Share Award).

## **7. RANKING OF SHARES**

- 7.1 The new Shares to be allotted and issued pursuant to this Scheme shall, upon allotment and issue, rank *pari passu* in all respects with the then existing issued Shares of the Company, provided that if there is any right to participate in any right, allotment or any distribution, the new Shares shall rank *pari passu* with the then existing Shares only if the relevant allotment date of such new Shares is before the Record Date for that right, allotment or distribution.

## **8. ADMINISTRATION**

- 8.1 This Scheme shall be administered by the Board. Subject to these Bye-Laws, the Board may, for the purpose of administering this Scheme, do all acts and things and enter into any transaction, agreement, deed, document or arrangement, and make such rules and regulations, impose such terms and conditions, appoint any adviser, agent, trustee or nominee to facilitate the implementation and operation of this Scheme, and/or delegate all or any part of its powers or duties relating to this Scheme which the Board may in its discretion consider to be necessary or desirable for giving full effect to this Scheme. Unless otherwise expressly provided, where these Bye-Laws provide that any discretion is to be exercised by the Board, that discretion may be exercised by the Board in its absolute discretion.

- 8.2 Without prejudice to clause 8.1, the Board may establish a committee for the purposes of administering the Scheme, including (without limitation), doing all acts and things and enter into any transaction, agreement, deed, document or arrangement, and make such rules and regulations, and impose such terms and conditions, which are to be done by the Board under these Bye-Laws, and to this end the Board may determine all matters pertaining to this committee, including (without limitation) its composition, duties, powers and limitations. For the avoidance of doubt, the Board is entitled to delegate to such committee any right, discretion, power and/or authority which the Board has under and for the purposes of these Bye-Laws.

## **9. MODIFICATION AND/OR AMENDMENT OF THESE BYE-LAWS**

- 9.1 The terms and conditions of these Bye-Laws and this Scheme may from time to time be modified and/or amended by resolution of the Board, except that (unless expressly provided in these Bye-Laws) no such modification and/or amendment shall be made which would either prejudice the rights then accrued to any Grantee without his prior written consent or which would alter to the advantage of the Grantee in respect of any provision of these Bye-Laws without the prior approval of the Company's members in a general meeting.

## **10. LIQUIDATION OF COMPANY**

- 10.1 Upon the receipt of a court order of the winding-up of the Company, all unexercised or partially exercised Share Options and/or unvested Shares under a Restricted Share Award shall lapse and be null and void and of no further force and effect, and this Scheme shall terminate.

## **11. DURATION OF THIS SCHEME**

- 11.1 This Scheme shall be in force for a period of eight years commencing from 16 April 2009, being the date upon which the Company has fully complied with the provisions of the Listing Requirements of Bursa Securities in relation to the initial Long Term Performance-Based Share Option Scheme. All Share Options, whether or not exercisable, and (if exercisable) even where unexercised, shall forthwith lapse upon the expiry of the Scheme. All unvested Shares under the Restricted Share Awards which are not vested shall forthwith lapse upon the expiry of the Scheme.

## **12. RETENTION PERIOD**

- 12.1 The new Shares allotted and issued pursuant to the exercise of any Share Option or upon the vesting of Shares under a Restricted Share Award under this Scheme will not be subjected to any retention period.

## **13. COSTS AND EXPENSES OF SCHEME**

- 13.1 All administrative costs and expenses incurred in relation to this Scheme, including but not limited to the costs and expenses relating to the allotment and issue of the new Shares upon the exercise of any Share Option or vesting of Shares under a Restricted Share Award, shall be borne by the Company.
- 13.2 For the avoidance of doubt, all other costs, fees, levies, charges, and/or taxes (including, without limitation, income taxes) that are incurred by an allottee of new Shares pursuant or relating to the exercise of any Share Option or vesting of Shares under a Restricted Share Award, and any holding or dealing of such new 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 one or more of such costs, fees, levies, charges and/or taxes.

#### **14. COMPENSATION**

- 14.1 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 this Scheme which he might otherwise have enjoyed, whether such compensation is claimed by way of damages for wrongful dismissal, other breach of contract or by way of compensation for loss of office.
- 14.2 No Eligible Employee or Grantee, or legal or personal representative therefore, shall bring any claim, action or proceeding against the Company, the Board or any other party for any compensation, loss or damages whatsoever and howsoever arising from:
- (a) the suspension of his rights to exercise his Share Options, his Share Options being not exercisable for any reason whatsoever, and/or his Share Options ceasing to be valid pursuant to the provisions of these Bye-Laws; and/or
  - (b) the suspension of the vesting of Shares under a Restricted Share Award, his Shares under a Restricted Share Award not vesting for any reason whatsoever, and/or his Restricted Share Award ceasing to be valid pursuant to the provisions of these Bye-Laws.

#### **15. DISPUTES**

- 15.1 In the event of a dispute between the Board, and an Eligible Employee or a Grantee, as to any matter or thing of any nature arising hereunder, the Board shall determine such dispute or difference by a written decision (without the obligation to give any reason for the same) given to the Eligible Employee or Grantee, as the case may be. The said decision of the Board shall be final and binding on the parties.

#### **16. INSPECTION OF AUDITED ACCOUNTS**

- 16.1 All Grantees shall be entitled to inspect a copy of the latest audited accounts of the Company, which shall be made available at the registered office of the Company during normal business hours on any working day of the Company.

#### **17. DIVESTMENTS OF SUBSIDIARIES**

- 17.1 If a Grantee is in the employment of a company which ceases to be a Group Company due to a subsequent disposal or divestment (in whole or in part) from the Group resulting in a subsequent holding of 50% or less of the equity of that company by another Group Company, then such Grantee:
- (a) will remain entitled to exercise all exercisable but unexercised Share Options which were granted to him under this Scheme within such time period determined by the Board, failing which the right of such Grantee to subscribe for that number of the new Shares or any part thereof granted under such exercisable but unexercised Share Options shall automatically lapse upon the expiration of the said time period and be null and void and of no further force and effect; and/or
  - (b) will remain entitled to receive those Shares which have vested under the Restricted Share Awards granted to him under this Scheme,
- but shall not be eligible to any grant of further Share Options and/or Restricted Share Awards under this Scheme.

## **18. ACQUISITIONS OF SUBSIDIARIES**

18.1 Notwithstanding anything to the contrary, but subject to clause 2.4, in the case of an employee of a Previous Company, such an employee ("**Affected Employee**"):

- (a) will be entitled to continue to exercise all such unexercised rights or options that were granted to him under the Previous Company's employee share scheme or employee share option scheme in accordance with the bye-laws of that Previous Company's employee share scheme or employee share option scheme, but he shall not, upon that Previous Company becoming a Group Company, be eligible to participate for further rights or options under such Previous Company's employee share scheme or employee share option scheme unless permitted by the Board; and
- (b) (subject to the approval of the Board) may be eligible to participate in this Scheme only for remaining duration of this Scheme;

provided that, notwithstanding anything to the contrary, the number of new Shares that may be offered to such an Affected Employee under clause 18.1(b) will always be subject to the discretion of the Board.

## **19. SCHEMES OF ARRANGEMENT**

19.1 Notwithstanding clause 31 or clause 38 (as may be applicable), in the event of any application being made to the court for approval of a compromise or arrangement between the Company and its members proposed for the purposes of, or in connection with, a scheme of arrangement and/or 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, the Board may at its discretion determine that a Grantee may be entitled to:

- (i) exercise all or any part of the unexercised Share Options of the Grantee (including those Share Options that are not yet exercisable in accordance with clause 31.6), and/or
- (ii) receive all or any part of the Shares under a Restricted Share Award that remain unvested in accordance with clause 38.6,

commencing from the date upon which the application is so made to the court and ending on the date immediately prior to the date on which the scheme is approved (or on any other date specified by the Board in its sole discretion) after which all Share Options, whether or not exercisable and all unvested Shares under the Restricted Share Awards, shall forthwith lapse.

## **20. THE ARTICLES**

20.1 Notwithstanding the terms and conditions contained in these Bye-Laws, if a situation of conflict should arise between these Bye-Laws and the Articles, the provisions of the Articles shall prevail at all times.

## **21. SCHEME NOT A TERM OF EMPLOYMENT**

21.1 This Scheme shall not form part of, constitute or in any way be construed as any term or condition of employment of any Eligible Employee or Grantee. This Scheme shall not confer or be construed to confer on any Eligible Employee or Grantee any special right or privilege over and above the Eligible Employee's or Grantee's terms and conditions of employment under which that Eligible Employee or Grantee is employed.

## **22. DISCLAIMER OF LIABILITY**

- 22.1 Notwithstanding any provision contained herein, and subject to all applicable laws, the Board, the Company, KNB and/or the Nominee Company, shall not, under any circumstance, be held liable for any damages, cost, loss and expense whatsoever and howsoever arising in any event, including but not limited to the Company's delay in allotting and issuing the Shares or in applying for or procuring the listing of the Shares on Bursa Securities, and/or any matter under the Selling Flexibility.

## **23. NOTICE**

- 23.1 Any notice under the Scheme required to be given to or served upon an Eligible Employee or Grantee shall be deemed to be sufficiently given, served or made if it is given, served or made by hand, by electronic mail, by facsimile transmission and/or by letter sent via ordinary post addressed to the Eligible Employee or Grantee at his place of employment, to his electronic mail address, at his last facsimile transmission number known to the Company, or to his last-known address. Any notice served by hand, by facsimile, by electronic mail 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, (if by facsimile transmission) is transmitted with a confirmed log print-out for the transmission indicating the date, time and transmission of all pages, (if by electronic mail) the dispatch of the electronic mail, and (if by post) three days after postage.
- 23.2 Any notice under the Scheme required to be given to or served upon the Board or the Scheme Committee by an Eligible Employee or Grantee 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 Board may have stipulated for this purpose).

## **24. MULTIPLE JURISDICTIONS**

- 24.1 In order to facilitate the making of any Offer and/or grant of Share Options and Restricted Share Awards (and/or the benefit thereof) under this Scheme, the Board may provide for such special terms to apply to Offers and/or Share Options and Restricted Share Awards to Grantees who are employed by a Group Company in a particular jurisdiction, or who are nationals of any particular jurisdiction, that is outside Malaysia, as the Board may consider necessary or appropriate to accommodate differences in applicable law, tax policy or custom. Moreover, the Board may approve such supplements to or amendments, restatements or alternative versions of, the Scheme as it may consider necessary or appropriate for such purposes, without thereby affecting the terms of the Scheme as they are 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 this Scheme. No such special terms, supplements, amendments or restatement, however, shall include any provision that is inconsistent with the terms of this Scheme as then in effect unless this Scheme could have been amended to eliminate such inconsistency.

## **25. SEVERABILITY**

- 25.1 Any term, condition, stipulation, and/or provision in these Bye-Laws which is illegal, void, prohibited or unenforceable shall be ineffective to the extent of such illegality, voidness, prohibition or unenforceability, but the same shall not invalidate or render illegal, void or unenforceable any other term, condition, stipulation, provision contained in these Bye-Laws.

## **26. GOVERNING LAW**

- 26.1 The Scheme, these Bye-Laws, and all Offers, Share Options and Restricted Share Awards made and granted and actions taken under the Scheme shall be governed by and construed in accordance with the Malaysian law.

## **SECTION 1**

### **SHARE OPTION PLAN**

#### **27. SHARE OPTION OFFER**

27.1 The Board may, during the duration of the Scheme as provided in clause 11, make one or more Share Option Offers to any Eligible Employee, whom the Board may in its absolute discretion select, to subscribe during the Share Option Period for new Shares in accordance with the terms of this Scheme. Each Share Option Offer made to any Eligible Employee by the Board shall be separate and independent from any previous or later Share Option Offer made by the Board to that Eligible Employee.

27.2 Subject always to these Bye-Laws:

- (a) nothing shall prevent the Board from making more than one Share Option Offer to any Eligible Employee; and
- (b) the number of new Shares which may be offered for subscription to an Eligible Employee pursuant to a Share Option Offer shall be at the discretion of the Board and, subject to any adjustment that may be made under these Bye-Laws, shall be not be less than 100 Shares and shall always be in multiples of 100 Shares.

The numbers of Shares so offered for subscription 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.

27.3 A Share Option Offer may be made upon such terms and conditions as the Board may decide from time to time. Each Share Option 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, except that in the case where an Eligible Employee is not a resident in Malaysia, the Share Option Offer for the benefit of that non-resident Eligible Employee may be in favor of (and be accepted by) any person who represents, is a nominee of, is an agent of, and/or is a trustee of, that Eligible Employee. For the avoidance of doubt, the restriction in this clause 27.3 shall apply to any person who represents, is a nominee of, is an agent of and/or is a trustee of that Eligible Employee, to the extent where any assignment, transfer or disposal thereby is in favor of any person other than the Eligible Employee.

#### **28. ACCEPTANCE OF SHARE OPTION OFFER**

28.1 A Share Option Offer shall be valid for a period of one month (or such other period as may be determined by the Board) from the date of that Share Option Offer. Any acceptance of that Share Option Offer must be made by the person to whom that Share Option Offer is made within that period by written notice to the Board (in such form as may be prescribed by the Board), accompanied by a payment to the Company of the sum of RM1.00 as a consideration for acceptance of that Share Option Offer. If that Share Option Offer is not accepted in this manner, that Share Option Offer shall, upon the expiry of the prescribed period, automatically lapse and shall be null and void and of no effect and the new Shares that would have been comprised in such Share Option Offer may, at the discretion of the Board, be offered to other Eligible Employees in accordance with these Bye-Laws.



28.2 At the time of the acceptance of the Share Option Offer in accordance with clause 31.1, the Eligible Employee shall indicate in the prescribed written notice whether he elects to participate in the Selling Flexibility (if such Selling Flexibility is available) in respect of the Shares for which the Share Options are to be exercised. In the event a Grantee elects to participate in the Selling Flexibility and if such Selling Flexibility is made available by the Company and KNB, the Share Options shall be exercised by that Grantee in accordance with clause 32. If a Grantee does not elect to participate in Selling Flexibility, the Share Options shall be exercised by that Grantee in accordance with clause 31. In the absence of any such indication, it shall be deemed that the Grantee has not elected for Selling Flexibility. No Grantee shall participate in the Selling Flexibility unless he has a CDS Account with the Nominee Company.

## **29. NON-TRANSFERABILITY OF THE SHARE OPTION**

29.1 Subject to clause 33.3, a Share Option is personal to the Grantee thereof, and cannot be assigned, encumbered, transferred to otherwise disposed of in any manner whatsoever, except that in the case where an Eligible Employee is not a resident in Malaysia, the Share Option that is for the benefit of that non-resident Eligible Employee may then be held and its rights exercised by or in favor of any person who represents, is a nominee of, is an agent of, and/or is a trustee of, that Eligible Employee. For the avoidance of doubt, the restriction in this clause 29.1 shall apply to any person who represents, is a nominee of, is an agent of and/or is a trustee of that Eligible Employee, to the extent where any assignment, transfer or disposal thereby is in favor of any person other than the Eligible Employee.

## **30. SHARE OPTION PRICE**

30.1 The price at which the Grantee is entitled to subscribe for a Share that is the subject of a Share Option shall be the weighted average market price of the Shares for the five Market Days immediately preceding the Date of Offer, but shall not in any event be lower than the nominal value of the Shares.

## **31. EXERCISE OF SHARE OPTION BY GRANTEE**

31.1 Subject to these Bye-Laws, and to clause 31.6 in particular, a Share Option can be exercised by the Grantee, to the extent that the right to subscribe for the new Shares comprised in the Share Option shall have become exercisable in accordance with the terms of the Share Option and these Bye-Laws:

- (a) during his employment with a Group Company (unless otherwise expressly provided under these Bye-Laws); and
- (b) within the Share Option Period;

and not otherwise, during the normal business hours of the Company on such days and/or during such periods as the Board may decide for the purposes of exercises of Share Options hereunder, provided that no Share Option shall be exercised beyond the expiry of the duration of this Scheme as provided for in clause 11. The Share Option may be exercised in respect of all of the Shares, or in respect of any part of the Shares, to the extent that the right to exercise shall have become exercisable (but not otherwise) that are the subject of the Share Option, such part being in multiples of and no less than 100 Shares. A partial exercise of a Share Option which has become exercisable shall not preclude the Grantee from exercising the Share Option (where exercisable) in respect of the balance of the Shares comprised in that Share Option.

- 31.2 Every Notice of Exercise must be in the form prescribed by the Board from time to time, and must be accompanied by a remittance (calculated in accordance with the provisions of clauses 5 and 30, as applicable) for the full amount of the subscription monies for the new Shares in respect of which the Notice of Exercise is given. Within eight Market Days from the receipt by the Company of the Notice of Exercise (duly completed) and full remittance from the Grantee of the said subscription monies, the Company shall:
- (a) allot and issue such number of new Shares to the Grantee (subject to and in accordance with the provisions of the Articles and all applicable laws); and
  - (b) dispatch notices of allotment to the Grantee accordingly.

In any case, the Company will apply to Bursa Securities for the listing of and quotation for all the new Shares to be allotted pursuant to this Scheme and will use its best endeavors to obtain permission for such listing and quotation.

- 31.3 The new Shares to be issued pursuant to the exercise of a Share Option under this Scheme shall be credited directly into the CDS Account of the Grantee or his Authorised Nominee (as the case may be), and no physical share certificates will be issued and delivered to the Grantee or his Authorised Nominee (as the case may be). The Grantee shall provide the Board with his CDS Account number or the CDS Account number of his Authorised Nominee (as the case may be) in the Notice of Exercise.

- 31.4 A Share Option shall:

- (a) to the extent that it shall not have been exercised upon the expiry of the Share Option Period; or
- (b) as the case may be, to the extent that it shall not have become exercisable at all under this Scheme for any reason whatsoever (including, without limitation, by reason of the Board determining that a Share Option shall not be exercisable at all, pursuant to clause 31.6);

lapse and become null and void (unless extended at any time and from time to time by the Board in its sole discretion).

- 31.5 Notwithstanding anything to the contrary, in the event of any take-over offer being made for the issued share capital of the Company or any other corporate proposal (including but not limited to a selective capital reduction exercise), being undertaken whereby all of the issued share capital of the Company is to be acquired (or all of the issued share capital of the Company ends up in the hands of one or more sponsor of such proposal), whether by way of a general offer or otherwise, the Board may in its sole discretion unilaterally decide:
- (a) to alter any Share Option Period applicable in respect of a Share Option, whether by shortening or lengthening the same;
  - (b) to alter any Share Option Commencement Date and/or Share Option Termination Date;
  - (c) to fix any Share Option Commencement Date and/or Share Option Termination Date; and/or
  - (d) to alter the terms of any Share Option;

but in the absence of any such decision by the Board, upon any such take-over offer or corporate proposal becoming or being declared unconditional, the Grantee shall be entitled, within one month from the date on which such take-over offer or corporate proposal becomes or is declared unconditional (or such shorter period expiring on the day immediately prior to the date on which the offer or proposal is to expire or to complete, if such period is shorter than the said one-month period), to exercise in full or in part all unexercised Share Options, including those Share Options that have not yet become exercisable in accordance with clause 31.6, provided that if during such period a party becomes entitled or bound to exercise the rights of compulsory acquisition under the provisions of any applicable law, and gives notice to the Company and/or any member of the Company that it intends to exercise such rights on a specified date, the Share Option shall remain exercisable by the Grantee until the day immediately prior to that specified date, but no later.

- 31.6 Notwithstanding clause 31.1, all Share Options that are granted under this Scheme shall be exercisable only if the Board determines that the Share Option is exercisable (and if so, determines the extent to which the Share Option is exercisable) in accordance with such criteria as the Board may fix at any time and from time to time in its sole discretion, and (as the case may be) subject to such limits in numbers of Shares and times of exercise as may be determined by the Board also in its sole discretion. For the avoidance of doubt, no Share Option shall be exercisable unless the same shall have been determined by the Board to be exercisable pursuant to this clause 31.6. In this regard, the Board may (without prejudice to the generality of the foregoing) impose such conditions precedent as the Board thinks fit in respect of the exercise of any Share Option in whole or in part. In respect of any year during the duration of the Scheme, the Board shall make the relevant determinations for the purposes of this clause 31.6 that are applicable to that year and notify Grantees of the same.

## **32. SELLING FLEXIBILITY**

- 32.1 Subject to the approval of KNB, the Company may (but shall not be obliged to) make available from time to time the Selling Flexibility to Grantees.
- 32.2 In the event Selling Flexibility is made available and a Grantee has, in accordance with clause 28.2, elected to participate in Selling Flexibility, the following provisions shall apply:
- (a) KNB shall set aside a pool ("**Selling Flexibility Pool**") of Shares in a CDS account with the Nominee Company. The number of Shares that KNB shall set aside hereunder shall be as determined by KNB in consultation with the Board.
  - (b) Upon a Notice of Exercise being given in accordance with clause 31.1, and subject to there being a sufficient number of Shares in the Selling Flexibility Pool, the Nominee Company shall be irrevocably authorised and instructed to sell the number of Shares in respect of which the Notice of Exercise is given at any price that is not equal to or less than the Share Option Price.
  - (c) The proceeds from the sale of the said Shares (if sold) shall be first received by the Nominee Company, and such proceeds (after deduction for all transaction costs and the aggregate Share Option Price for the number of the said Shares, which are accordingly remitted to the Nominee Company and the Company as appropriate) shall be released by the Nominee Company to the Grantee.
  - (d) Upon the allotment and issue of new Shares pursuant to that Grantee's exercise of his Share Option, such new Shares shall be credited into the Grantee's CDS Account with the Nominee Company, and transferred back to Knob's CDS Account with the Nominee Company.

- (e) If any of the said Shares cannot be sold under this clause 32.2 within two Market Days from the date of the Notice of Exercise, then the Share Options to which that number of unsold Shares relate shall be deemed to not have been exercised by the Grantee, and may be exercisable by the Grantee at a later date within the Share Option Period.

32.3 Notwithstanding anything to the contrary:

- (a) in the event that:
  - (i) there is an insufficient number of Shares in the Selling Flexibility Pool to match a number of Shares comprised in a Notice of Exercise of a Grantee for any purpose under clause 32.2 in respect of that Grantee, the Selling Flexibility shall be deemed to be suspended forthwith; and
  - (ii) the Selling Flexibility is suspended by the Board, and throughout that suspension;the provisions of clause 31 shall apply to such Notice of Exercise of that Grantee; and
- (b) in any case, the Selling Flexibility may be suspended by the Board from time to time and at any time for any reason whatsoever, and the Board may lift any such suspension in its absolute discretion.

32.4 KNB may, in consultation with the Board, prescribe such rules as it thinks fit in respect of the Selling Flexibility and the Selling Flexibility Pool, which rules shall be notified to an Eligible Employee in the Share Option Offer made to him hereunder.

32.5 In these Bye-Laws, all references to "Selling Flexibility" shall only be applicable as and when Selling Flexibility is made available and continues to be in force. In the event such Selling Flexibility is not made available, or is terminated or suspended, the exercise of the Share Options shall be governed in accordance with clause 31.

32.6 In any case where clause 32.2 applies, clauses 31.2 and 31.3 shall not apply.

### **33. TERMINATION OF SHARE OPTIONS**

33.1 In the event of the cessation of employment of a Grantee with a Group Company for whatever reason, prior to the full exercise of a Share Option, such Share 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 if such cessation occurs by reason of:

- (a) retirement on attaining the normal retirement age under the Group's retirement policy;
- (b) retirement before attaining that normal retirement age;
- (c) ill-health, injury, physical or mental disability;
- (d) redundancy or retrenchment, pursuant to the acceptance by that Grantee of a voluntary separation scheme offered by the relevant Group Company; or
- (e) any other circumstance which is acceptable to the Board;

that Grantee's rights in respect of such Share Option shall remain unaffected, subject to these Bye-Laws. In any of the cases of this clause 33.1, the Board may at its sole discretion determine that all or any part of the unexercised Share Options, including those Share Options that are not yet exercisable in accordance with clause 31.6, can be exercisable in accordance with the provisions of these Bye-Laws, and the times or periods at or within which such Share Options may be exercised (provided that no Share Option shall be exercised after the expiry of the Share Option Period).

- 33.2 Subject to clause 33.1, upon the resignation of the Grantee from his employment with the relevant Group Company, a Share Option shall lapse forthwith on the date the Grantee tenders his resignation.
- 33.3 Where a Grantee dies before the expiry of the Share Option Period, the Board may at its discretion determine that all or any part of the unexercised Share Options held by the Grantee, (including those Share Options that are not yet exercisable in accordance with clause 31.6), can be exercisable by the legal or personal representative of that Grantee, and the times or periods at or within which such Share Options may be exercised, provided always that no Share Option shall be exercised after the expiry of the Share Option Period. In this regard, the Board may require the said personal or legal representative to provide evidence satisfactory to the Board of his status as such legal or personal representative.

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## **SECTION 2**

### **RESTRICTED SHARE PLAN**

#### **34. RESTRICTED SHARE OFFER**

34.1 The Board may, during the duration of the Scheme as provided in clause 11, make one or more Restricted Share Offers to any Eligible Employee, whom the Board may in its absolute discretion select, to be allotted during the Restricted Share Award Period new Shares in accordance with the terms of this Scheme. Each Restricted Share Offer made to any Eligible Employee by the Board shall be separate and independent from any previous or later Restricted Share Offer made by the Board to that Eligible Employee.

34.2 Subject always to these Bye-Laws:

- (a) nothing shall prevent the Board from making more than one Restricted Share Offer to any Eligible Employee; and
- (b) the number of new Shares which an Eligible Employee may be entitled pursuant to a Restricted Share Offer shall be at the discretion of the Board and, subject to any adjustment that may be made under these Bye-Laws, shall be not be less than 100 Shares and shall always be in multiples of 100 Shares.

The numbers of Shares so offered for allotment 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.

34.3 A Restricted Share Offer may be made upon such terms and conditions as the Board may decide from time to time. Each Restricted Share 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, except that in the case where an Eligible Employee is not a resident in Malaysia, the Restricted Share Offer for the benefit of that non-resident Eligible Employee may be in favor of (and be accepted by) any person who represents, is a nominee of, is an agent of, and/or is a trustee of, that Eligible Employee. For the avoidance of doubt, the restriction in this clause 34.3 shall apply to any person who represents, is a nominee of, is an agent of and/or is a trustee of that Eligible Employee, to the extent where any assignment, transfer or disposal thereby is in favor of any person other than the Eligible Employee.

#### **35. ACCEPTANCE OF RESTRICTED SHARE OFFER**

35.1 A Restricted Share Offer shall be valid for a period of one month (or such other period as may be determined by the Board) from the date of that Restricted Share Offer. Any acceptance of that Restricted Share Offer must be made by the person to whom that Restricted Share Offer is made within that period by written notice to the Board (in such form as may be prescribed by the Board), accompanied by a payment to the Company of the sum of RM1.00 as a consideration for acceptance of that Restricted Share Offer and his CDS Account number or the CDS Account number of his Authorized Nominee (as the case may be). If that Restricted Share Offer is not accepted in this manner, that Restricted Share Offer shall, upon the expiry of the prescribed period, automatically lapse and shall be null and void and of no effect and the new Shares that would have been allotted in such Restricted Share Offer may, at the discretion of the Board, be offered to other Eligible Employees in accordance with these Bye-Laws.

**36. NON-TRANSFERABILITY OF THE RESTRICTED SHARE AWARD**

- 36.1 Subject to clause 39.3, a Restricted Share Award is personal to the Grantee thereof, and cannot be assigned, encumbered, transferred to otherwise disposed of in any manner whatsoever, except that in the case where an Eligible Employee is not a resident in Malaysia, the Restricted Share Award that is for the benefit of that non-resident Eligible Employee may then be held and its rights exercised by or in favor of any person who represents, is a nominee of, is an agent of, and/or is a trustee of, that Eligible Employee. For the avoidance of doubt, the restriction in this clause 36.1 shall apply to any person who represents, is a nominee of, is an agent of and/or is a trustee of that Eligible Employee, to the extent where any assignment, transfer or disposal thereby is in favor of any person other than the Eligible Employee.

**37. RESTRICTED SHARE AWARD PRICE**

- 37.1 The reference price at which the Grantees shall be allotted new Shares pursuant to a Restricted Share Award will be based on the fair value of the Shares on the Date of Offer, but shall not in any event be lower than the nominal value of the Shares.

**38. ALLOTMENT OF SHARES**

- 38.1 The Shares to be allotted under a Restricted Share Award shall vest to the Grantee in accordance with the terms of the Restricted Share Award and these Bye-Laws:

(a) during his employment with a Group Company (unless otherwise expressly provided under these Bye-Laws); and

(b) within the Restricted Share Award Period;

and not otherwise, during the normal business hours of the Company on such days and/or during such periods as the Board may decide for the purposes of vesting of the Restricted Share Awards, provided that no Shares under a Restricted Share Award shall vest beyond the expiry of the duration of this Scheme as provided for in clause 11. The Shares under a Restricted Share Award shall vest in multiples of and no less than 100 Shares.

- 38.2 Every Notice of Vesting must be in the form prescribed by the Board from time to time and will stipulate the vesting date for the Restricted Share Award. Within eight Market Days from the vesting date stipulated in the Notice of Vesting, the Company shall:

(a) allot and issue such number of new Shares to the Grantee (subject to and in accordance with the provisions of the Articles and all applicable laws); and

(b) dispatch notices of allotment to the Grantee accordingly.

In any case, the Company will apply to Bursa Securities for the listing of and quotation for all the new Shares to be allotted pursuant to this Scheme and will use its best endeavors to obtain permission for such listing and quotation.

- 38.3 The new Shares to be issued pursuant to the vesting of a Restricted Share Award under this Scheme shall be credited directly into the CDS Account of the Grantee or his Authorised Nominee (as the case may be), and no physical share certificates will be issued and delivered to the Grantee or his Authorised Nominee (as the case may be). The Grantee shall provide the Board with his CDS Account number or the CDS Account number of his Authorised Nominee (as the case may be) when accepting any Restricted Share Offer in accordance to clause 35.1. Any change to his CDS Account number or the CDS Account number of his Authorised Nominee will need to be made in writing to the Board or the Scheme Committee.

38.4 To the extent Shares under Restricted Share Award have not vested upon expiry of the Restricted Share Award Period or vest at all under the Scheme for any reason whatsoever (including, without limitation, by reason of the Board determining that a Restricted Share Award shall not vest at all, pursuant to clause 38.6 the Restricted Share Award shall lapse and become null and void (unless extended at any time and from time to time by the Board in its sole discretion).

38.5 Notwithstanding anything to the contrary, in the event of any take-over offer being made for the issued share capital of the Company or any other corporate proposal (including but not limited to a selective capital reduction exercise), being undertaken whereby all of the issued share capital of the Company is to be acquired (or all of the issued share capital of the Company ends up in the hands of one or more sponsor of such proposal), whether by way of a general offer or otherwise, the Board may in its sole discretion unilaterally decide:

- (a) to alter any Restricted Share Award Period applicable in respect of a Restricted Share Award, whether by shortening or lengthening the same;
- (b) to alter any Restricted Share Award Commencement Date and/or Restricted Share Award Termination Date;
- (c) to fix any Restricted Share Award Commencement Date and/or Restricted Share Award Termination Date; and/or
- (d) to alter the terms of any Restricted Share Award;

but in the absence of any such decision by the Board, upon any such take-over offer or corporate proposal becoming or being declared unconditional, all shares under the Restricted Share Award which have not vested in accordance to clause 38.6 shall vest in full, provided that if during such period a party becomes entitled or bound to exercise the rights of compulsory acquisition under the provision of any applicable law, and gives notice to the Company and/or any member of the Company that it intends to exercise such rights on a specific date, the shares vested under the Restricted Share Award will be issued and allotted prior to the specific date.

38.6 Notwithstanding clause 38.1, all Shares under Restricted Share Awards that are granted under this Scheme shall vest only if the Board determines that Shares under Restricted Share Awards are able to vest (and if so, determines the extent to which Shares under Restricted Share Awards will vest) in accordance with such criteria as the Board may fix at any time and from time to time in its sole discretion, and (as the case may be) subject to such limits in numbers of Shares and times of vesting as may be determined by the Board also in its sole discretion. For the avoidance of doubt, no Shares under Restricted Share Awards shall vest unless the same shall have been determined by the Board to be able to vest pursuant to this clause 38.6. In this regard, the Board may (without prejudice to the generality of the foregoing) impose such conditions precedent as the Board thinks fit in respect of the vesting of any Share under a Restricted Share Award. In respect of any year during the duration of the Scheme, the Board shall make the relevant determinations for the purposes of this clause 38.6 that are applicable to that year and notify Grantees of the same.



### **39. TERMINATION OF RESTRICTED SHARE AWARD**

39.1 In the event of the cessation of employment of a Grantee with a Group Company for whatever reason, prior to the vesting of Shares under a Restricted Share Award, such Restricted Share Award or the balance thereof, as the case may be, shall forthwith cease to be valid without any claim against the Company, provided always that if such cessation occurs by reason of:

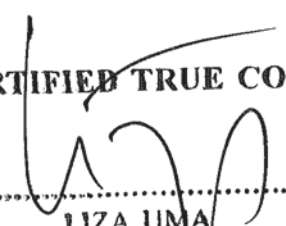
- (a) retirement on attaining the normal retirement age under the Group's retirement policy;
- (b) retirement before attaining that normal retirement age;
- (c) ill-health, injury, physical or mental disability;
- (d) redundancy or retrenchment, pursuant to the acceptance by that Grantee of a voluntary separation scheme offered by the relevant Group Company; or
- (e) any other circumstance which is acceptable to the Board;

that Grantee's rights in respect of such Restricted Share Award shall remain unaffected, subject to these Bye-Laws. In any of the cases of this clause 39.1, the Board may at its sole discretion determine that all or any part of the unvested Shares under the Restricted Share Award, can vest in accordance with the provisions of these Bye-Laws, and the times or periods at or within which such Shares under the Restricted Share Awards may vest (provided that no Shares under Restricted Share Awards shall vest after the expiry of the Restricted Share Award Period).

39.2 Subject to clause 39.1, upon the resignation of the Grantee from his employment with the relevant Group Company, a Restricted Share Award shall lapse forthwith on the date the Grantee tenders his resignation.

39.3 Where a Grantee dies before the expiry of the Restricted Share Award Period, the Board may at its discretion determine that all or any part of the unvested Shares under the Restricted Share Awards held by the Grantee, can vest to the legal or personal representative of that Grantee, and the times or periods at or within which such Shares under the Restricted Share Awards may vest, provided always that no Shares under the Restricted Share Awards may vest after the expiry of the Restricted Share Award Period. In this regard, the Board may require the said personal or legal representative to provide evidence satisfactory to the Board of his status as such legal or personal representative.

**CERTIFIED TRUE COPY**

  
.....  
**LIZA UMA**  
**(BC/L/1716)**  
**Advocate & Solicitor**  
**Kuala Lumpur**

**Axiata Group Berhad**  
**(242188-H)**

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**Supplemental Deed**

(In Relation To Clause 11.1 Of The Bye-Laws For  
The Performance-Based Employee Share Option And Share Scheme)

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**1. Supplemental Deed**

1.1 This Supplemental Deed is made on 10 JUNE 2014 by Axiata Group Berhad ("Company"), a public company limited by shares incorporated under the Companies Act, 1965 and having its registered office at Level 5, Axiata Centre, 9, Jalan Stesen Sentral 5, Kuala Lumpur Sentral, 50470 Kuala Lumpur, Malaysia.

1.2 Whereas this Supplemental Deed is made on the following premise:

- (a) The Company had on 16 April 2009 established the Scheme for Eligible Employees for a period of 8 years commencing 16 April 2009.
- (b) The Company wishes to execute this Supplemental Deed for the purpose of extending the duration of the Scheme on the terms and conditions set forth herein.

**2. Definitions And Interpretation**

2.1 Unless otherwise expressly defined in this Supplemental Deed, all words and expressions used in this Supplemental Deed shall bear the same meanings as those respectively assigned them under the Bye-Laws.

**3. Clause 11.1**

3.1 Clause 11.1 of the Bye-Laws is amended by substituting the word "eight" with the word "ten".

**4. Effective Date**

4.1 This Supplemental Deed shall be effective upon:

- (a) the approval of the Company's shareholders for the execution of this Supplemental Deed being obtained in a general meeting; and
- (b) the execution of this Supplemental Deed by the Company.

**5. Miscellaneous**

5.1 Save for any addition, modification, and/or variation contained herein, all terms and conditions contained in or subsisting in relation to the Bye-Laws shall remain in full force and effect. The Bye-Laws and this Supplemental Deed shall be read and construed as one instrument, and be enforceable as if the terms of this Supplemental Deed were repeated in the Bye-Laws by way of addition or substitution as the case may be.

5.2 In the event of any conflict or inconsistency between the provisions of this Supplemental Deed and the terms of the Bye-Laws, the provisions of this Supplemental Deed shall prevail.

5.3 This Supplemental Deed shall be governed by and construed in accordance with Malaysian law.

In witness whereof the Company executes this Supplemental Deed:

The common seal of  
Axiata Group Berhad  
(242188-H)  
is affixed in the presence of



A handwritten signature in black ink, appearing to read 'Jamaludin'.

.....  
Director  
Name: **DATO' SRI JAMALUDIN IBRAHIM**  
**Managing Director/President &**  
**Group Chief Executive Officer**

A handwritten signature in black ink, appearing to read 'Ghazzali'.

.....  
Director/Secretary  
Name: **TAN SRI GHAZZALI SHEIKH ABDUL KHALID**  
**Director**