

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt about the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

Bursa Malaysia Securities Berhad ("**Bursa Securities**") has not perused this Circular prior to its issuance as Bermaz Auto Berhad ("**BERMAZ**") has been selected by Bursa Securities as one of the eligible listed issuers under the Green Lane Policy. Bursa Securities takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness, and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.



BERMAZ AUTO BERHAD
(Registration No. 201001016854 (900557-M))
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE FOLLOWING:-

- (I) **PROPOSED ESTABLISHMENT OF A NEW EMPLOYEES' SHARE SCHEME ("PROPOSED ESS"); AND**
- (II) **PROPOSED GRANTING OF BERMAZ SHARES PURSUANT TO THE PROPOSED ESS TO THE EXECUTIVE DIRECTORS OF BERMAZ ("PROPOSED GRANTING TO DIRECTORS")**

(THE PROPOSED ESS AND THE PROPOSED GRANTING TO DIRECTORS ARE COLLECTIVELY REFERRED TO AS THE "PROPOSALS")

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Principal Adviser



AmInvestment Bank

AmInvestment Bank Berhad
(Registration No. 197501002220 (23742-V))
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The resolutions for the Proposals will be tabled at the Extraordinary General Meeting ("**EGM**") of BERMAZ, which will be conducted on a virtual basis through live streaming and online voting via Remote Participation and Electronic Voting ("**RPEV**") facilities hosted at <https://meeting.boardroomlimited.my> (Domain Registration No. with MYNIC - D6A357657) (Meeting Platform) from 12th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia ("**Broadcast Venue**") on Thursday, 5 October 2023 at 12.30 p.m. or immediately following the conclusion or adjournment (as the case may be) of the Company's 13th Annual General Meeting to be convened, whichever is later, for the purpose of considering the Proposals, together with the Form of Proxy, are enclosed in this Circular.

This Circular, Notice of EGM together with the Form of Proxy and the Administrative Details for the EGM can be viewed and downloaded from BERMAZ's website at www.bauto.com.my or the Bursa Securities' website at www.bursamalaysia.com. Shareholders/proxy(ies) will not be allowed to be physically present at the Broadcast Venue on the day of the EGM. Please follow the procedures set out in the Administrative Details for the EGM in order to register, participate and vote remotely via the RPEV facilities.

If you wish to appoint a proxy to participate and vote remotely via the RPEV facilities on your behalf at the EGM, you may deposit the hard copy of the Form of Proxy with the Share Registrar of the Company at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan or via electronic means through the Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> (Please follow the procedures stipulated in the Administrative Details for the EGM) not less than forty-eight (48) hours before the time appointed for holding of the meeting or at any adjournment thereof.

This Circular is dated 28 August 2023

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular:-

Act	: Companies Act 2016
AmBank Group	: AMMB Holdings Berhad (Registration No. 199101012723 (223035-V)) and its group of companies
AmInvestment Bank or Principal Adviser	: AmInvestment Bank Berhad (Registration No. 197501002220 (23742-V))
BERMAZ or Company	: Bermaz Auto Berhad (Registration No. 201001016854 (900557-M))
BERMAZ Group or Group	: Collectively, BERMAZ and its subsidiaries
BERMAZ Share(s)	: Ordinary share(s) in BERMAZ
Board	: Board of Directors of BERMAZ, as may be constituted from time to time
Bursa Depository	: Bursa Malaysia Depository Sdn Bhd (Registration No. 198701006854 (165570-W))
Bursa Securities	: Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
ByLaws	: The rules, terms and conditions of the Proposed ESS and shall include any amendments or variations made thereto from time to time, the draft of which is set out in Appendix I of this Circular
Circular	: This circular to shareholders dated 28 August 2023 in relation to the Proposals
Constitution	: The constitution of BERMAZ, including any amendments thereto that may be made from time to time
Director(s)	: A natural person who holds a directorship in the Company, whether in an executive or non-executive capacity, within the meaning of Section 2(1) of the Act and Section 2(1) of the Capital Markets and Services Act, 2007
EGM	: Extraordinary general meeting
Eligible Person(s)	: Executive Directors of the Company, Directors and employees of the Group who fulfill the conditions of eligibility as stipulated in the ByLaws
EPS	: Earnings per share
ESS Award(s)	: An Award made in writing by the ESS Working Committee to an Eligible Person from time to time during the ESS Period or Extended ESS Period (as the case may be) to participate in the ESS Option and/or Share Grant in the manner stipulated in the ByLaws
ESS Award Date	: The ESS Option Award Date and/or Share Grant Award Date (as the case may be)

DEFINITIONS (CONT'D)

- ESS Exercise Price** : The price at which an ESS Participant shall be entitled to subscribe for new and/or existing BERMAZ Shares by exercising his/her ESS Option as determined in accordance with the ByLaws
- ESS Option(s)** : The right of an ESS Participant to subscribe for new and/or existing BERMAZ Shares under the Proposed ESS pursuant to the contract constituted by the selected Eligible Person's acceptance of an ESS Award in the manner as indicated in the ByLaws
- ESS Working Committee** : The working committee to implement and administer the Proposed ESS in accordance to the ByLaws comprising senior management personnel of BERMAZ Group and other persons as may be determined or identified from time to time by the Nomination and Remuneration Committee and approved by the Board and governed by the ByLaws
- ESS Participant** : The selected Eligible Person who has duly accepted the offer made in writing by the ESS Working Committee to him/her to participate in the ESS Award made pursuant to the Proposed ESS in accordance with the terms stipulated in the ByLaws
- ESS Period** : The period of the Proposed ESS as set out in the ByLaws which when implemented, shall be in force for a period of 5 years from the date on which the Proposed ESS comes into force
- Executive Director** : A natural person who is a Director in a full time executive capacity and is involved in the day-to-day management of the Company
- Existing ESS** : Existing Employees' Share Scheme of BERMAZ which took effect on 19 November 2018 and expiring on 18 November 2023
- Existing Option(s)** : Share options granted but unexercised and/or not vested under the Existing ESS
- Existing Share Grant(s)** : Shares granted but not vested under the Existing ESS
- Extended ESS Period** : The extended period of the Proposed ESS where the Board shall have the sole discretion upon recommendation of the ESS Working Committee to extend in writing the tenure of the ESS Period of up to another 5 years and shall not in aggregate exceed 10 years from the date on which the Proposed ESS comes into force or such longer period as may be permitted by Bursa Securities and/or any other relevant authorities
- Listing Application** : The additional listing application to Bursa Securities in relation to the Proposed ESS
- Listing Requirements** : Main Market Listing Requirements of Bursa Securities and any Guidance Notes issued in relation thereto
- LPD** : 31 July 2023, being the latest practicable date prior to the printing of this Circular
- Major Shareholder(s)** : A person who has an interest or interests in one or more voting shares in a corporation and the number or aggregate number of those shares, is:
- (a) 10% or more of the total number of voting shares in the corporation; or

DEFINITIONS (CONT'D)

(b) 5% or more of the total number of voting shares in the corporation where such person is the largest shareholder of the corporation.

For the purpose of this definition, “**interest**” shall have the meaning of “**interest in shares**” given in Section 8 of the Act

Maximum Scenario	:	Assuming as at LPD, no further options or share grants will be granted under the Existing ESS and all the 2,664,800 Existing Options and 1,130,100 Existing Share Grants are fully exercised and vested into new BERMAZ Shares before the implementation of the Proposed ESS
Minimum Scenario	:	Assuming as at LPD, no further options or share grants will be granted under the Existing ESS, none of the 2,664,800 Existing Options are exercised but all the 1,130,100 Existing Share Grants are fully vested into new BERMAZ Shares before the implementation of the Proposed ESS
NA	:	Net assets
Option Price	:	The price at which an ESS Participant of the Proposed ESS shall be entitled to subscribe for or acquire BERMAZ Share(s) upon exercise of the ESS Option(s), as initially determined and as may be adjusted, pursuant to the provisions of the ByLaws
Proposals	:	Collectively, the Proposed ESS and Proposed Granting to Directors
Proposed ESS	:	Proposed establishment and implementation of an employees' share scheme, comprising the ESS Options and Share Grant, of up to three percent (3%) of the total number of issued shares of BERMAZ (excluding treasury shares, if any) at any point in time over the ESS Period or Extended ESS Period (as the case may be) for the Eligible Persons
Proposed Granting to Directors	:	Proposed granting of BERMAZ Shares pursuant to the Proposed ESS to the Executive Directors of BERMAZ
RM and sen	:	Ringgit Malaysia and sen respectively
Share Grant(s)	:	A share grant plan which entitles ESS Participants to receive new or existing BERMAZ Shares at no consideration or the equivalent cash value of such Shares or any combination thereof
Share Grant Award(s)	:	The award of Share Grant
Share Grant Price	:	The reference price of the BERMAZ Shares to be granted pursuant to the Share Grant Award
Shareholder(s)	:	Shareholder(s) of BERMAZ
Termination Date	:	The effective date of termination of the Proposed ESS
VWAP	:	Volume weighted average market price

Unless specifically referred to, words denoting the singular shall include the plural and vice versa and words denoting the masculine gender shall include the feminine and neuter genders and vice versa. References to persons shall include corporations, unless otherwise specified.

All references to “you” in this Circular are to the Shareholders.

DEFINITIONS (CONT'D)

Any reference to time of day in this Circular is a reference to Malaysian time, unless otherwise stated.

Any reference in this Circular to the provisions of any statute, rules, regulation or rules of stock exchange shall (where the context admits) be construed as a reference to the provisions of such statute, rules, regulation or rules of stock exchange (as the case may be) in Malaysia as modified by any written law or (if applicable) amendments to the statute, rules, regulation or rules of stock exchange for the time being in force.

Certain statements in this Circular may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by the Board after due enquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Circular should not be regarded as a representation or warranty that BERMAZ's plans and objectives will be achieved.

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BERMAZ AUTO BERHAD
(Registration No. 201001016854 (900557-M))
(Incorporated in Malaysia)

Registered Office
12th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan, Malaysia

28 August 2023

Board of Directors

Tan Sri Dato' Sri Yeoh Choon San (Executive Chairman)
Dato' Lee Kok Chuan (Group Chief Executive Officer/Executive Director)
Datuk Syed Hisham Bin Syed Wazir (Senior Independent Non-Executive Director)
Dato' Kalsom Binti Abd. Rahman (Independent Non-Executive Director)
Puan Adibah Khairiah Binti Ismail @ Daud (Independent Non-Executive Director)
Mr Martin Giles Manen (Independent Non-Executive Director)
Dato' Wan Kamaruzaman Bin Wan Ahmad (Non-Independent Non-Executive Director)

To: The Shareholders

Dear Sir/Madam,

- (I) PROPOSED ESS; AND**
- (II) PROPOSED GRANTING TO DIRECTORS**

(COLLECTIVELY REFERRED TO AS THE "PROPOSALS")

1. INTRODUCTION

On 3 August 2023, AmInvestment Bank, had on behalf of the Board, announced that the Company proposed to establish a new Proposed ESS which comprises:-

- a) an option plan which will entitles an Eligible Person, upon exercise granted options, to subscribe for new and/or acquire existing BERMAZ Shares during the ESS Period or Extended ESS Period (as the case may be) at a pre-determined price; and
- b) a share grant plan which entitles an Eligible Person to receive new and/or existing BERMAZ Shares at no consideration and/or the equivalent cash value of such BERMAZ Shares or combination thereof.

collectively, of up to three percent (3%) of the total number of issued BERMAZ Shares (excluding treasury shares, if any) at any point in time throughout the Proposed ESS.

On 7 August 2023, AmInvestment Bank, on behalf of the Board, announced that the Listing Application in relation to the Proposed ESS had been submitted to Bursa Securities.

Pursuant to the Proposed ESS, the Company is also undertaking the Proposed Granting to Directors.

Subsequently, on 18 August 2023, AmInvestment Bank had, on behalf of the Board, announced that Bursa Securities had vide its letter dated 17 August 2023, granted its approval for the listing of such number of new BERMAZ Shares to be issued pursuant to the ESS Award in relation to the Proposed ESS, representing up to 3% of the total number of issued BERMAZ Shares (excluding treasury shares, if any) at any point in time over the ESS Period or Extended ESS Period (as the case may be) on the Main Market of Bursa Securities.

The approval of Bursa Securities is subject to the conditions as set out in Section 5 of the Circular.

THE PURPOSE OF THE CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSALS AND TO SET OUT THE VIEW AND RECOMMENDATION OF THE BOARD AS WELL AS TO SEEK YOUR APPROVAL FOR THE RESOLUTIONS IN RELATION TO THE PROPOSALS WHICH WILL BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF EGM AND THE FORM OF PROXY ARE ENCLOSED TOGETHER WITH THE CIRCULAR. THE CIRCULAR, THE NOTICE OF EGM TOGETHER WITH THE FORM OF PROXY AND THE ADMINISTRATIVE DETAILS FOR THE EGM CAN BE VIEWED AND DOWNLOADED FROM BERMAZ'S WEBSITE AT WWW.BAUTO.COM.MY OR THE BURSA SECURITIES' WEBSITE AT WWW.BURSAMALAYSIA.COM.

YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THE CIRCULAR BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSALS AT THE FORTHCOMING EGM.

2. DETAILS OF THE PROPOSALS

2.1 Proposed ESS

The Proposed ESS will be administered by a working committee to be established, comprising the ESS Working Committee and governed by the ByLaws. The ESS Working Committee will have sole discretion in administering the Proposed ESS including prescribing financial and/or performance criteria and/or such other conditions as it may deem fit. The ESS Awards will be granted to the Eligible Persons under the Proposed ESS in accordance with the provisions of the ByLaws. The composition of the ESS Working Committee has yet to be determined at this juncture.

The principal features of the Proposed ESS are as follows:-

(i) ESS Options

Subject to provisions of the ByLaws, the ESS Options will involve granting of ESS Options to Eligible Persons to subscribe for new and/or acquire existing BERMAZ Shares at a pre-determined price. Upon acceptance, the ESS Options will be granted and vested to the ESS Participants over the ESS Period or Extended ESS Period (as the case may be).

(ii) Share Grants

Subject to provisions of the ByLaws, the Share Grants entail a share grant to Eligible Persons which upon acceptance, entitle ESS Participants to receive on vesting date, fully paid BERMAZ Shares and/or their equivalent cash value or combinations thereof or any other methods as may be permitted by any relevant laws or authorities (as amended from time to time), without any cash consideration payable by the ESS Participants. As such, no proceeds would be raised by the Company pursuant to the Share Grants. The Share Grant will be vested to the ESS Participants over the ESS Period or Extended ESS Period (as the case may be).

For avoidance of doubt, pursuant to the establishment of the Proposed ESS, the ESS Working Committee will have sole discretion in granting of the ESS Awards to the Eligible Persons.

2.2 Mode of settlement

Subject to the prevailing legislations and the Listing Requirements, the ESS Working Committee will have the flexibility and sole discretion in determining the mode of settlement of the ESS Awards by way of:-

- (i) issuance of new BERMAZ Shares;
- (ii) transfer of BERMAZ Shares held in treasury (if any);
- (iii) acquisition of existing BERMAZ Shares from the market;
- (iv) payment of the equivalent cash value of such new BERMAZ Shares and/or existing BERMAZ Shares;
- (v) any other mode of satisfaction that may be permitted by the Act and Listing Requirements (as amended from time to time or any re-enactment thereof); or
- (vi) a combination of any of the above.

In determining the various mode of settlement, the ESS Working Committee will take into account factors such as the funding considerations, the number of BERMAZ Shares to be delivered, the prevailing market price of the BERMAZ Shares and the cost to the Company as well as the dilutive effects on the Company's capital base.

2.3 Quantum

The maximum number of BERMAZ Shares to be allotted and issued pursuant to the Proposed ESS shall not at any point in time in aggregate exceed three percent (3%) of the total number of issued shares of the Company (excluding treasury shares).

2.4 Eligibility

Subject to provisions of the ByLaws and at the sole discretion of the ESS Working Committee, the following persons may be eligible to participate in the Proposed ESS if as at the ESS Award Date, he/she fulfils the following eligibility criteria:-

- in respect of an employee, he/she:
 - (i) has attained the age of eighteen (18) years and is not an undischarged bankrupt or subject to any bankruptcy proceedings;
 - (ii) is employed on a full-time basis and is on the payroll of any company of the Group (excluding dormant subsidiaries) and his/her employment has been confirmed for employees of the Group;
 - (iii) is under an employment contract for a fixed duration and has been in the employment of any company in the Group (which are not dormant) for such period as may be determined by the ESS Working Committee for employees of the Group; and/or
 - (iv) falls within any other eligibility criteria as may be determined by the ESS Working Committee from time to time at its sole discretion, whose decision shall be final and binding.
- in respect of an Executive Director of the Company and/or a Director of the subsidiary(s), he/she:

- (i) has attained the age of 18 years and is not an undischarged bankrupt or subject to any bankruptcy proceedings; and
- (ii) fulfils any other eligibility criteria as may be set by the ESS Working Committee from time to time.

provided always that the selection of any of the abovementioned persons for participation in the Proposed ESS shall be at the sole discretion of the ESS Working Committee and the decision of the ESS Working Committee shall be final and binding. In determining the eligibility of an Eligible Person to participate in the Proposed ESS, the ESS Working Committee may take into account amongst other factors, designation, role, function, length of service and/or contribution to the relevant company within the Group, and/or such other factors that the ESS Working Committee may at its sole discretion deem fit.

The specific allocation of ESS Awards granted under the Proposed ESS to any of the Eligible Persons who is a Director, chief executive, major shareholder of the Company or a person connected with such a Director, chief executive or major shareholder of the Company (if any) must have been approved by the Shareholders at a general meeting, unless such approval is no longer required under the Listing Requirements. They shall not participate in the deliberation or discussion of their own allocation and shall also abstain from voting on resolutions pertaining to their own ESS Awards at Board meetings and/or general meetings of the Company (where applicable).

For avoidance of doubt, the ESS Working Committee may from time to time at its sole discretion determine any other eligibility criteria and/or waive any of the conditions of the eligibility as set out above, for the purposes of selecting an Eligible Person. In the event that the Eligible Person is a member of the ESS Working Committee, such Eligible Person shall not participate in the deliberation or discussion of his/her own allocation of the ESS Awards.

2.5 Maximum allowable allocation and basis of allocation

The allocation of BERMAZ Shares to an Eligible Person pursuant to the Proposed ESS shall be determined entirely at the sole discretion of the ESS Working Committee at such time as it deems appropriate.

Notwithstanding the foregoing, subject to any adjustments which may be made in accordance with the provisions of the ByLaws, the total number of ESS Awards that may be granted to an Eligible Person shall be subject to the following:-

- (i) the Eligible Person does not participate in the deliberation or discussion of his/her own allocation and the allocation to any persons connected with him/her;
- (ii) no allocation of more than 70% of the total ESS Awards will be made in aggregate to the Directors and/or senior management of the Group; and
- (iii) no allocation of more than 10% of the total ESS Awards will be made to any Eligible Person who, either singly or collectively through persons connected with them, hold 20% or more of the total number of issued shares of the Company (excluding treasury shares, if any).

The ESS Working Committee shall also have the sole discretion in determining (i) whether the granting of the ESS Awards shall be awarded in one (1) single award, or staggered over the duration of the Proposed ESS; and/or (ii) whether the ESS Awards, are subject to any vesting period and if so, to determine the vesting conditions including whether such vesting conditions are subject to performance targets (if any).

As at the LPD, the ESS Working Committee has yet to ascertain any performance target that must be achieved prior to the vesting of an ESS Award to an ESS Participant.

2.6 Duration of the Proposed ESS

The Proposed ESS, when implemented, shall be in force for a period of 5 years from the effective date. Within 30 days prior to the expiry of the first 5 years of the Proposed ESS, the Board shall have the sole discretion, upon recommendation of the ESS Working Committee, to extend in writing the tenure of the ESS Period of up to another 5 years and shall not in aggregate exceed 10 years from the effective date or such longer period as may be permitted by Bursa Securities and/or any other relevant authorities. Such Extended ESS Period shall be implemented in accordance with the provisions of the ByLaws, save for any amendment and/or change to the relevant statutes and/or regulations then in force.

Unless otherwise required by the relevant authorities, no further approvals from the Shareholders of the Company shall be required for the extension of the ESS Period and the Company shall serve appropriate notices to the ESS Participants and/or make the necessary announcement(s) to Bursa Securities and/or any other relevant authorities (if any) within 30 days prior to the expiry of the first 5 years of the Proposed ESS or such other period as may be stipulated by Bursa Securities and/or any other relevant authorities.

Notwithstanding anything to the contrary, on expiry of the Proposed ESS, all unexercised ESS Options and/or unvested Share Grants shall lapse and be deemed cancelled and be null and void.

2.7 Pricing

Subject to any adjustments in accordance with the provisions of the ByLaws, the price of the BERMAZ Shares pursuant to the Share Grant and the exercise price of the ESS Option will be fixed based on a discount of not more than 10% of the 5-day VWAP of the BERMAZ Shares immediately preceding the ESS Award Date (or such other basis as the relevant authorities may permit).

2.8 Alteration of share capital and adjustment

In the event of any alteration in the capital structure of the Company during the ESS Period or Extended ESS Period (as the case may be) (whether by way of a rights issue, bonus issue or other capitalization issue, consolidation or subdivision of BERMAZ Shares or reduction or any other variation of capital being effected but excluding any cancellation of capital which is lost or unrepresented by available assets), the ESS Working Committee may, at its sole discretion, determine whether to make adjustment(s) to the followings:-

- (i) in respect of the ESS Options, the ESS Exercise Price, the number of unexercised ESS Options and/or the number of new Shares or existing Shares to be issued and/or acquired by an ESS Participant from the exercise of the ESS Options (as the case may be); and/or
- (ii) in respect of the Share Grant, the Share Grant Price and/or the number of BERMAZ Shares comprised in the unvested Share Grants.

Any such adjustments shall be made in accordance with the provisions of the ByLaws.

2.9 Ranking of new BERMAZ Shares pursuant to the Proposed ESS

The new BERMAZ Shares to be allotted and issued pursuant to the exercise of the ESS Options and/or pursuant to the vesting of the Share Grants will be subject to the provisions of the Constitution and will, upon allotment and issuance, rank *pari passu* in all respects with the existing BERMAZ Shares, save and except that the new BERMAZ Shares so issued will not be entitled to any dividends, rights, allotments and/or other distributions that may be declared, made or paid to Shareholders, the entitlement date of which is prior to the date of allotment and issuance of the new BERMAZ Shares to the ESS Participants. If the Share Grants granted is satisfied via a transfer of existing BERMAZ Shares, ESS Participants will not be entitled to any entitlement attached to such BERMAZ Shares in

respect of which the entitlement date is prior to the effective date of the transfer of such BERMAZ Shares to the ESS Participants.

The Share Grants shall not carry any rights to vote at any general meeting of BERMAZ. The ESS Participant will not in any event be entitled to any dividends, rights, allotments and/or other distributions in respect of his/her unexercised ESS Options and/or unvested BERMAZ Shares.

2.10 Utilisation of proceeds

No proceeds will be received by the Company pursuant to the Share Grants as the ESS Participants will not be required to pay for the BERMAZ Shares that may be issued and/or transferred to them.

Proceeds to be received by BERMAZ pursuant to the exercise of ESS Options will depend on, *inter-alia*, the number of ESS Options granted and exercised at the relevant point in time and the ESS Exercise Price, which are not determinable at this juncture. Any proceeds from the exercise of ESS Options are expected to be used for working capital requirements of the Group.

Pending the utilisation of proceeds raised as and when the ESS Options are exercised by the ESS Participants, the Company may place such proceeds in deposits with financial institutions or short-term money market instruments as it deems fit.

2.11 Retention period

The BERMAZ Shares to be allotted and issued or transferred pursuant to the Proposed ESS will not be subject to any retention period or restriction on transfer, save as otherwise provided in the Constitution, the Listing Requirements, the ByLaws or unless the ESS Working Committee at its sole discretion stipulates otherwise.

The expression "retention period" means the period in which the BERMAZ Shares allotted and issued or transferred pursuant to the Proposed ESS must not be sold, transferred, assigned or otherwise disposed of by an ESS Participant.

2.12 Fees, costs and expenses

All fees, costs and expenses incurred in relation to the administration and management of the Proposed ESS including but not limited to the fees, costs and expenses relating to the grant, vesting, allotment and issue and/or transfer of the BERMAZ Shares pursuant to the exercise or vesting of any ESS Award shall be borne by the Company. Notwithstanding this, the ESS Participant shall bear any fees, costs and expenses incurred in relation to his/her acceptance of an ESS Award and exercise of the ESS Option, opening and maintaining of his/her central depository system account and sale of the BERMAZ Shares in the market.

For information purposes, the estimated expenses for the Proposed ESS amounts to approximately RM0.2 million.

2.13 Amendment, variation and/or modification to the Proposed ESS

Subject to the compliance with the Listing Requirements and/or the requirements of any other relevant authorities and their approvals being obtained (if required), the ESS Working Committee may at any time and from time to time recommend to the Board any additions or amendments to or deletions of the ByLaws as it shall in its discretion think fit and the Board shall have the power by resolution to add, amend or delete all or any of the ByLaws upon such recommendation provided always that no additions or amendments to or deletions of the ByLaws shall be made which will:-

- (i) increase the number of BERMAZ Shares available under the ESS beyond the maximum number of BERMAZ Shares available without prior approval of the Shareholders in a general meeting;
- (ii) prejudice any rights of the Shareholders without their prior approval in a general meeting; or
- (iii) alter to the advantage of any Eligible Person in respect of any matters which are required to be contained in the ByLaws by virtue of the Listing Requirements, without the prior approval of the Shareholders in a general meeting unless allowed otherwise by the provisions of the Listing Requirements.

2.14 Termination of the Proposed ESS

Subject to compliance with the Listing Requirements and any other relevant authorities, the Proposed ESS may be terminated by the Company at any time before the expiry of the ESS Period or Extended ESS Period (as the case may be) provided that the Company shall immediately announce to Bursa Securities the:-

- (i) effective date of termination of the Proposed ESS;
- (ii) number of ESS Options exercised and/or the Share Grants vested; and
- (iii) reasons for termination of the Proposed ESS.

Notwithstanding anything to the contrary, all unvested and/or unexercised ESS Options and/or unvested Share Grants shall lapse and shall be null and void on the Termination Date.

2.15 Listing of and quotation for the new BERMAZ Shares to be issued pursuant to the Proposed ESS

An application shall be made to Bursa Securities for the listing of and quotation for such number of new BERMAZ Shares, representing up to three percent (3%) of the total number of issued BERMAZ Shares (excluding treasury shares), to be issued pursuant to the Proposed ESS on the Main Market of Bursa Securities. The approval of Bursa Securities is subject to the conditions as set out in Section 5 of this Circular.

2.16 Fund raising exercise in the past 12 months

For information purposes, there has been no fund raising exercise carried out by the Company in the past 12 months prior to the LPD.

2.17 Proposed Granting to Directors

Pursuant to the Proposed ESS, approval from the Shareholders are also sought in accordance with the Listing Requirements, for the ESS Working Committee to offer and grant specific allocations of the ESS Awards to the following Executive Directors of the Company as Eligible Persons, subject always to such terms and conditions and/or adjustments which may be made in accordance with the provisions of the ByLaws and the allocation of the ESS Awards as stated in Section 2.5 above:-

Name	Designation	Proposed specific allocation of awards
Tan Sri Dato' Sri Yeoh Choon San	Executive Chairman	1,200,000
Dato' Lee Kok Chuan	Group Chief Executive Officer/Executive Director	1,000,000
Total		2,200,000

Details of the interests of the abovementioned Eligible Persons are set out under Section 7 below.

3. RATIONALE FOR THE PROPOSED ESS

The Board believes that the Proposed ESS will act as an incentive plan to give an opportunity to the Eligible Persons to directly participate in the equity of the Company which will align the interests of the Eligible Persons with the objectives of the Group to create sustainable value enhancement for Shareholders. Accordingly, the Proposed ESS is intended to:-

- (i) continue the Company's efforts to recognise, reward, retain and motivate Eligible Persons whose contributions are important to the Group;
- (ii) attract prospective skilled and experienced employees to the Group by making the total compensation package more competitive;
- (iii) motivate Eligible Persons towards better performance through greater productivity and loyalty;
- (iv) create a greater sense of dedication and belonging of Eligible Persons as they will be able to participate directly in the long-term development and growth of the Group;
- (v) reinforce pay for performance to achieve a balance between retention and value creation; and
- (vi) foster an ownership culture within the Group by aligning the interests of Eligible Persons with the interests of shareholders of the Company.

The objective of the ESS Award under the Proposed ESS is to accord the Company flexibility in determining the mode/manner of rewarding its Executive Directors, Directors and employees of the Group at the relevant point in time which will take into account various factors, among others, the dilutive effect arising from the issuance of new BERMAZ Shares to the earnings and funding requirements of the Group.

4. EFFECTS OF THE PROPOSED ESS

As at the LPD, BERMAZ has an Existing ESS in place. The proforma effects of the Proposed ESS are set out in the ensuing sections after taking into consideration the following:-

Minimum Scenario : Assuming as at LPD, no further options or share grants will be granted under the Existing ESS, none of the 2,664,800 Existing Options are exercised but all 1,130,100 Existing Share Grants are fully vested into new BERMAZ Shares before the implementation of the Proposed ESS

Maximum Scenario : Assuming as at LPD, no further options or share grants will be granted under the Existing ESS, and all the 2,664,800 Existing Options and 1,130,100 Existing Share Grants are fully exercised and vested into new BERMAZ Shares before the implementation of the Proposed ESS

4.1 Share Capital

The Proposed ESS is not expected to have any immediate effect on the existing share capital of BERMAZ. However, the share capital of the Company will increase progressively depending on the number of new BERMAZ Shares that may be issued or treasury shares are transferred, as the case may be, pursuant to the Proposed ESS. Nevertheless, there will be no effect on the share capital of the Company if the ESS Awards granted under the

Proposed ESS are satisfied via transfer of existing BERMAZ Shares and/or settled in cash to the relevant ESS Participants.

For illustration purposes, the proforma effects of the Proposed ESS on the share capital of BERMAZ are shown in the table below:-

	Minimum Scenario		Maximum Scenario	
	No. of BERMAZ Shares ('000)	RM ('000)	No. of BERMAZ Shares ('000)	RM ('000)
Issued shares as at the LPD ⁽¹⁾	1,169,283	621,873	1,169,283	621,873
Issuance of new BERMAZ Shares pursuant to the Existing ESS	1,130	2,360	3,795	3,678
	1,170,413	624,233	1,173,078	625,551
Maximum number of new Shares to be issued under the Proposed ESS (i.e. 3% of the total number of issued BERMAZ Shares, excluding treasury shares) ⁽²⁾	35,112	32,631	35,192	32,705
Enlarged issued share capital	1,205,525	656,864	1,208,270	658,256

Notes:

(1) After excluding 3,448,800 treasury shares.

(2) Assuming the ESS Exercise Price and Share Grant Price are RM1.83 which represents a discount of approximately 10.0% to the 5-day VWAP of BERMAZ Shares immediately preceding the LPD of RM2.03 for each BERMAZ Share.

4.2 Substantial shareholders' shareholdings

The Proposed ESS will not have any effect on the shareholdings of BERMAZ's substantial shareholders unless they are ESS Participants in the Proposed ESS themselves and until and unless new BERMAZ Shares are issued or treasury shares are transferred, as the case may be, to the ESS Participants. Any potential effects on their shareholdings will depend on the number of new BERMAZ Shares to be issued or treasury shares transferred pursuant to the ESS Award at the relevant point in time.

In the event that the existing BERMAZ Shares are transferred and/or equivalent cash value is paid to ESS Participants as a mode of settlement for the ESS Award, there will be no impact on the shareholdings of BERMAZ's substantial shareholders.

4.3 NA and Gearing

Save for the potential impact of the MFRS 2 on "Share-Based Payment" issued by the Malaysian Accounting Standards Board ("**MFRS 2**"), the Proposed ESS is not expected to have any immediate effect on the NA and NA per BERMAZ Share of the Group until such time the new BERMAZ Shares are issued and/or treasury shares are transferred, as the case may be, in connection with the exercise of ESS Options and/or upon vesting Share Grants. Any potential effects on the NA and NA per Share of BERMAZ Group will depend on the actual number of BERMAZ Shares to be issued arising from the exercise of ESS Options and/or upon vesting of Share Grants, as well as the ESS Exercise Price.

The Proposed ESS is not expected to have any material effect on the BERMAZ Group's gearing level.

4.4 Earnings and EPS

The Proposed ESS is not expected to have any immediate material effect on the earnings and EPS of the BERMAZ Group until such time when the ESS Options and/or Share Grants are exercised and/or granted (as the case may be). In accordance with the MFRS 2, the Proposed ESS will result in a change to the earnings of the Group over the period from the grant date to the vesting date of the ESS Options and/or Share Grants (as the case may be).

However, the potential effect of the Proposed ESS on the future earnings and EPS of the Group cannot be determined at this juncture as it will depend on, amongst others, the number of ESS Options and/or Share Grants exercised and/or granted and the various factors that affect the fair value of the ESS Options and/or Share Grants at the relevant point in time.

The Board has taken note of the potential effect of the Proposed ESS on the earnings of the Group and will take proactive measures to manage the earnings impact in the granting of ESS Options and/or Share Grants.

4.5 Convertible Securities

As at the LPD, the Company does not have any convertible securities in issue save for the 2,664,800 Existing Options and 1,130,100 Existing Share Grants in issue pursuant to the Existing ESS.

5. APPROVALS REQUIRED AND CONDITIONALITY

The Proposed ESS is subject to the following approvals being obtained:-

- (i) Bursa Securities for the listing of and quotation for such number of new BERMAZ Shares, representing up to 3% of the total number of issued BERMAZ shares to be issued pursuant to the Proposed ESS, which was obtained vide its letter dated on 17 August 2023, subject to inter-alia, the following conditions:-

No.	Condition	Status of Compliance
1.	BERMAZ is required to submit a confirmation to Bursa Securities of full compliance of the Proposed ESS pursuant to paragraph 6.43(1) of the Listing Requirements and stating the effective date of implementation;	To be complied
2.	AmInvestment Bank is required to furnish Bursa Securities with certified true copy of the resolution passed by the Shareholders in general meeting approving the Proposed ESS;	To be complied
3.	BERMAZ must comply with paragraph 8.19 of the Listing Requirement pertaining to the implementation of the Proposed ESS; and	To be complied
4.	BERMAZ is required to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the Proposed ESS, as at the end of each quarter together with a detailed computation of the listing fees payable.	To be complied

- (ii) the approval of the Shareholders at the forthcoming EGM to be convened for the Proposed ESS; and
- (iii) any other relevant authorities and/or parties, if required.

The Proposed ESS is not conditional upon any other corporate exercise of the Company.

6. OUTSTANDING PROPOSALS ANNOUNCED BUT PENDING COMPLETION

As at the LPD, there are no other outstanding corporate exercises which have been announced by the Company but pending completion.

7. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED WITH THEM

None of the Directors, Major Shareholders, chief executive of BERMAZ and/or persons connected with them are deemed to have any interest, direct and/or indirect, in the Proposed ESS.

Tan Sri Dato' Sri Yeoh Choon San ("**TSYCS**"), being the Executive Chairman and a deemed major shareholder of BERMAZ, and Dato' Lee Kok Chuan ("**DLKC**"), being the Group Chief Executive Officer/Executive Director and a deemed major shareholder of BERMAZ, are deemed interested in the Proposed Granting to Directors to the extent of their respective allocations as well as the specific allocations to persons connected with them (if any) under the Proposed Granting to Directors. TSYCS and DLKC are referred to as the "**Interested Directors**".

Dynamic Milestone Sdn Bhd ("**DMSB**") is a company of which the Interested Directors are major shareholders and as such is also deemed interested in the Proposed Granting to Directors to the extent of the respective allocations to the Interested Directors as well as the specific allocations to persons connected with them under the Proposed Granting to Directors (if any). DMSB shall be referred to as "**Interested Major Shareholder**".

Accordingly, the Interested Directors have abstained and will continue to abstain from all Board deliberations and voting in respect of their respective allocations of the ESS Awards to themselves as well as the specific allocations to persons connected with them (if any) at the relevant Board meetings of the Company in relation to the Proposed Granting to Directors.

The Interested Directors will also abstain and have undertaken to ensure that persons connected with them (if any) will abstain from voting in respect of their direct and/or indirect shareholdings in BERMAZ on the resolutions pertaining to their respective allocations of the ESS Awards to themselves, as well as the specific allocations to any persons connected with them (if any) pursuant to the Proposed Granting to Directors at the forthcoming EGM to be convened.

The Interested Major Shareholder will abstain from voting in respect of its direct and/or indirect shareholdings (if any) in BERMAZ on the resolutions pertaining to the allocations of the ESS Awards to the Interested Directors, as well as the specific allocations to any persons connected with them (if any) pursuant to the Proposed Granting to Directors at the forthcoming EGM to be convened.

Details of the Interested Directors and Interested Major Shareholder shareholdings in BERMAZ as at the LPD are set out below:-

	Direct		Indirect	
	No. of BERMAZ Shares	% ^(a)	No. of BERMAZ Shares	% ^{(a)(b)}
TSYCS	4,034,600	0.35%	172,811,100	14.82%
DLKC	3,902,625	0.33%	172,811,100	14.82%
DMSB	172,811,100	14.82%	-	-

Notes:-

(a) *Based on the existing number of issued shares of 1,169,283,388 BERMAZ Shares (excluding 3,448,800 treasury shares held by BERMAZ).*

(b) *Deemed interested by virtue of his interest in DMSB.*

Save for the above, none of the other Directors and major shareholders of BERMAZ and/or persons connected with them (if any) are interested in the Proposed Granting to Directors.

8. DIRECTORS' STATEMENT AND RECOMMENDATION

The Board, having considered all aspects of the Proposed ESS (including but not limited to the rationale and effects of the Proposed ESS), is of the opinion that the Proposed ESS is in the best interest of the Group.

In view that the Interested Directors are deemed interested to the extent of the proposed specific allocations to them and/or persons connected with them (if any) pursuant to the Proposed Granting to Directors, the Interested Directors have abstained and will continue to abstain from expressing any opinion and recommendation on the proposed specific allocations to them and/or persons connected with them (if any) pursuant to the Proposed Granting to Directors.

Having considered all aspects of the Proposals (including but not limited to the rationale and proforma / illustrative effects of the Proposed ESS), the Board (save for the Interested Directors who have abstained from expressing any opinion and recommendation insofar as their respective allocations and the specific allocations to any persons connected with them (if any) under the Proposed Granting to Directors is concerned) is of the opinion that the Proposed Granting to Directors is in the best interests of BERMAZ Group.

Accordingly, the Board (save for the Interested Directors who have abstained from expressing any opinion and recommendation insofar on their respective allocations and the specific allocations to persons connected with them (if any) under the Proposed Granting to Directors is concerned) recommends that you vote in favour of the resolutions pertaining to the Proposed Granting to Directors to be tabled at the forthcoming EGM.

9. ESTIMATED TIME FRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to all relevant approvals being obtained, BERMAZ expects to implement the Proposed ESS by the end of 2023 after the expiry of the Existing ESS.

10. EGM

The resolutions for the Proposals will be tabled at the EGM of BERMAZ, which will be conducted on a virtual basis through live streaming and online voting via Remote Participation and Electronic Voting ("RPEV") facilities hosted at <https://meeting.boardroomlimited.my> (Domain Registration No. with MYNIC - D6A357657) (Meeting Platform) from 12th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia ("Broadcast Venue") on Thursday, 5 October 2023 at 12.30 p.m. or immediately following the conclusion or adjournment (as the case may be) of the Company's 13th Annual General Meeting to be convened, whichever is later, for the purpose of considering the Proposals, together with the Form of Proxy, are enclosed in this Circular.

This Circular, Notice of EGM together with the Form of Proxy and the Administrative Details for the EGM can be viewed and downloaded from BERMAZ's website at www.bauto.com.my or the Bursa Securities' website at www.bursamalaysia.com. Shareholders/proxy(ies) will not be allowed to be physically present at the Broadcast Venue on the day of the EGM. Please follow the procedures set out in the Administrative Details for the EGM in order to register, participate and vote remotely via the RPEV facilities.

If you wish to appoint a proxy to participate and vote remotely via the RPEV facilities on your behalf at the EGM, you may deposit the hard copy of the Form of Proxy with the Share Registrar of the Company at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan or via electronic means through the Boardroom

Smart Investor Portal at <https://investor.boardroomlimited.com>. (Please follow the procedures stipulated in the Administrative Details for the EGM) not less than forty-eight (48) hours before the time appointed for holding of the meeting or at any adjournment thereof.

11. FURTHER INFORMATION

You are requested to refer to the enclosed appendices in this Circular for further information.

Yours faithfully
For and on behalf of the Board of
BERMAZ AUTO BERHAD

TAN SRI DATO' SRI YEOH CHOON SAN
Executive Chairman

**BERMAZ AUTO BERHAD
REGISTRATION NO. 201001016854 (900557-M)**

**BERMAZ AUTO EMPLOYEES’ SHARE SCHEME 2023
COMPRISING SHARE SCHEME OPTIONS AND SHARE GRANT PLAN**

1 DEFINITIONS AND INTERPRETATIONS

1.1 In these ByLaws, except where the context otherwise requires, the following terms shall have the following meanings:

Term	Meaning
Act	Companies Act 2016
Adviser	Any person who is eligible to act as a principal adviser that fulfils the requirements as set out in the Guidelines on Submission of Corporate and Capital Market Product Proposals as well as Chapter 7A of the Licensing Handbook issued by the Securities Commission Malaysia
Auditor	Shall have the meaning given in Section 2 of the Act and shall be the external auditors for the time being of the Company or such other external auditors licensed by the Audit Oversight Board of Malaysia as may be nominated or approved by the Board for the purpose of carrying out such matter as required under these ByLaws
Authorised Nominee	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
Award Letter	A letter of offer to an Eligible Person issued pursuant to an offer made by the ESS Working Committee under Part B or Part C (as the case may be) of these ByLaws to participate in the ESS
Board	Board of Directors of the Company, as may be constituted from time to time
Bursa Depository	BURSA MALAYSIA DEPOSITORY SDN BHD [Registration No. 198701006854 (165570-W)]
Bursa Securities	BURSA MALAYSIA SECURITIES BERHAD [Registration No. 200301033577 (635998-W)]
ByLaws	The rules, terms and conditions of the ESS as set out herein, and shall include any amendments or variations made thereto from time to time
CDS	Central Depository System as governed under SI(CD)A
CDS Account	A Central Depository System account established by Bursa Depository for a Depositor for the recording of deposits of securities and dealings in such securities by the Depositor

APPENDIX I – DRAFT BYLAWS (CONT'D)

Term	Meaning
Company	BERMAZ AUTO BERHAD [Registration No. 201001016854 (900557-M)] and where the context admits, includes its successors-in-title
Constitution	The constitution of the Company, including any amendments thereto that may be made from time to time
Date of Expiry	The last day of the duration of the ESS pursuant to ByLaw 6.1 hereof
Depositor	A holder of a CDS Account
Director	Has the same meaning as given in Section 2(1) of the Capital Markets and Services Act 2007 and being a natural person that: <ul style="list-style-type: none"> (a) occupies or acts in the position of a director; (b) is in accordance with whose directions or instructions of the directors of a corporation are accustomed to act; or (c) is an alternate or substitute director, in the Group
Effective Date	The date on which the ESS comes into force as provided in ByLaw 6.1
Eligible Person	Executive Directors of the Company, Directors and employees of the Group who fulfil the conditions of eligibility as stipulated in ByLaw 7
Entitlement Date	The date as at the close of business on which the names of the shareholders must appear on the Company's record of depositors in order to participate in any dividends, rights, allotments or other distributions
ESS Option(s)	The right of an ESS Option Participant to subscribe for new and/or acquire existing Shares, a component of the ESS as more particularly set out in Part B of these ByLaws
ESS Option Award	The grant of such number of ESS Options to an ESS Option Participant to subscribe for the Shares at the ESS Option Exercise Price in the manner and subject to the terms and conditions provided in these ByLaws
ESS Option Award Date	The date of which an ESS Option Award is awarded to an Eligible Person pursuant to an Award Letter
ESS Option Exercise Price	The price at which an ESS Option Participant shall be entitled to subscribe for new and/or acquire existing Shares by exercising his/her ESS Options as may be determined in accordance with ByLaw 35
ESS Option Participant	An Eligible Person who has accepted a grant of ESS Option Award in accordance with the terms of the ESS

APPENDIX I – DRAFT BYLAWS (CONT'D)

Term	Meaning
ESS	The Bermaz Auto Employees' Share Scheme 2023 comprising the ESS Option and the Share Grant on the terms as set out in these ByLaws
ESS Award(s)	An Award made in writing by the ESS Working Committee to an Eligible Person from time to time during the ESS Period or Extended ESS Period (as the case may be) to participate in the ESS Option and/or Share Grant in the manner stipulated in the ByLaws
ESS Award Date	The ESS Option Award Date and/or Share Grant Award Date (as the case may be)
ESS Participant	The ESS Option Participant and/or the Share Grant Participant (as the case may be)
ESS Period	The period of the ESS as set out in ByLaw 6
ESS Working Committee	The working committee to implement and administer the ESS in accordance with these ByLaws, comprising Senior Management and other persons as may be determined or identified from time to time by the Nomination and Remuneration Committee and approved by the Board, governed by these ByLaws
Executive Director	A natural person who is a Director in a full time executive capacity and is involved in the day-to-day management of the Company
Exercise Period	The specific period or periods within the ESS Period or Extended ESS Period (as the case may be) during which the ESS Option may be exercised by an ESS Option Participant, as may be determined by the ESS Working Committee subject to ByLaw 6
Extended ESS Period	The extended period of the ESS as set out in ByLaw 6
Government	The Government of Malaysia
Group	The Company and its Subsidiaries which are not dormant
Listing Requirements	The Main Market Listing Requirements of Bursa Securities and any Guidance Notes issued in relation thereto
Market Days	Any days on which Bursa Securities is open for trading in securities
Maximum Allowable Allocation	The Maximum Shares that can be allocated to an ESS Participant as stipulated in ByLaw 8
Maximum Shares	The maximum number of Shares to be issued pursuant to the ESS as stipulated in ByLaw 5
Person(s) connected	Has the meaning given to "person(s) connected" in Paragraph 1.01 of the Listing Requirements

APPENDIX I – DRAFT BYLAWS (CONT'D)

Term	Meaning
Registered Office	The registered address of the Company being 12 th Floor, Menara Symphony, No.5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia.
RM and sen	Ringgit Malaysia and sen, respectively
Rules of Bursa Depository	The Rules of Bursa Depository as issued pursuant to the SI(CD)A
Senior Management	Such employees as the ESS Working Committee may determine to be senior management of the Group
Shares	Ordinary shares in the Company
Share Grant(s)	A share grant plan which entitles ESS Participants to receive new or existing BERMAZ Shares at no consideration or the equivalent cash value of such Shares or any combination thereof
Share Grant Award(s)	The award of Share Grant
Share Grant Award Date	The date of which a Share Grant Award is awarded to an ESS Participant pursuant to an Award Letter
Share Grant Participant	Eligible Person who has accepted the Share Grant Award in accordance with the terms of the ESS
Share Grant Price	The reference price of the BERMAZ Shares to be granted pursuant to the Share Grant Award
SI(CD)A	Securities Industry (Central Depositories) Act 1991
Subsidiary(s)	Subsidiary companies of the Company within the meaning of Section 4 of the Act which are not dormant and shall include subsidiary companies which are existing as at the Effective Date and those which are incorporated or acquired at any time during the ESS Period or Extended ESS Period (as the case may be) but exclude subsidiary companies which have been divested in the manner provided for in ByLaw 23.2 and which is determined by the ESS Working Committee at its sole discretion from time to time to be a corporation participating under the ESS in accordance with ByLaw 7
Vesting Conditions	The conditions, which are determined and imposed by the ESS Working Committee, required to be fulfilled by an ESS Participant to the satisfaction of the ESS Working Committee before the ESS Option and/or Share Grant are capable of being vested onto the ESS Participant pursuant to the terms of these ByLaws
Vesting Date	The date on which all or some of the Shares of the Company are vested to the ESS Participants over the ESS Period or Extended ESS Period (as the case may be) pursuant to the ESS Award at the sole discretion of the ESS Working Committee

1.2 In these ByLaws:

- (a) any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision and any listing requirements, policies and/or guidelines of Bursa Securities and/or any other relevant regulatory authority (whether or not having the force of law);
- (b) any reference to a statutory provision shall include that provision as from time to time modified or re-enacted whether before or after the date of these ByLaws so far as such modification or re-enactment applies or is capable of applying to any ESS Award during the ESS Period or Extended ESS Period (as the case may be) and accepted prior to the Date of Expiry and shall include also any past statutory provision (as from time to time modified or re-enacted) which such provision has directly or indirectly been replaced;
- (c) words denoting the singular shall include the plural and references to gender shall include both genders and the neuter;
- (d) any discretion or power which may be exercised or any determination which may be made hereunder by the ESS Working Committee and/or the Board may be exercised at the ESS Working Committee's and/or the Board's sole discretion and that the ESS Working Committee and/or the Board shall not be required to give any reason therefore except as may be required by the relevant authorities. In addition, the Board shall have the final authority to make any decision or determination pursuant to these ByLaws and may override any decision made by the ESS Working Committee as it deems fit;
- (e) the headings and sub-headings in these ByLaws are inserted for convenience only and shall not be taken into account in the interpretation of these ByLaws;
- (f) if an event occurs on a stipulated day which is not a Market Day, then the stipulated day will be taken to be the first Market Day after that day provided always if such date shall fall beyond the Date of Expiry, then the stipulated day shall be taken to be the preceding Market Day; and
- (g) any reference to the Company and/or other person shall include a reference to the successors-in-title and permitted assigns.

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PART A: GENERAL PROVISIONS OF THE ESS

2 NAME OF THE ESS

This ESS shall be known as the “Bermaz Auto Employees’ Share Scheme 2023” and shall comprise the ESS Option and the Share Grant.

3 THE OBJECTIVES OF THE ESS

The establishment of this ESS is primarily serves to align the interest of the Eligible Persons to the performance of the Group. As such, the ESS is established to achieve the objectives as set out below:

- (a) continue the Company’s efforts to recognise, reward, retain and motivate Eligible Persons whose contributions are important to the Group;
- (b) attract prospective skilled and experienced employees to the Group by making the total compensation package more competitive and attractive;
- (c) motivate Eligible Persons towards better performance through greater productivity and loyalty;
- (d) create a greater sense of dedication and belonging of Eligible Persons as they will be able to participate directly in the long-term development and growth of the Group;
- (e) reinforce pay for performance to achieve a balance between retention and value creation; and
- (f) foster an ownership culture within the Group by aligning the interests of Eligible Persons with the interests of shareholders of the Company.

4 APPLICATION OF PART A

Unless otherwise expressly provided, the provisions of this Part A shall apply generally to the ESS Option and the Share Grant.

5 MAXIMUM NUMBER OF SHARES AVAILABLE UNDER THE ESS

5.1 The total number of the Shares to be issued under the ESS (including any unvested and/or unexercised ESS Options and/or unvested Share Grants) shall not in aggregate be more than 3% of the total number of issued Shares of the Company (excluding treasury shares, if any) at any one time during the ESS Period or Extended ESS Period (as the case may be) (“**Maximum Shares**”). The ESS Working Committee has the sole discretion to determine whether the total number of the Shares which may be made available under the ESS shall be staggered over the duration of the ESS.

5.2 Notwithstanding the provision of ByLaw 5.1 above or any other provisions contained herein, in the event the aggregate number of the Shares awarded exceeds the Maximum Shares at any point in time as a result of the Company:

- (a) purchasing or cancelling its own Shares in accordance with the provisions of the Act and/or its Constitution; or
- (b) undertaking any corporate proposal resulting in reduction of its total number of issued Shares,

no further ESS Awards shall be granted until such aggregate number of the Shares (excluding treasury shares, if any) already awarded falls below the Maximum Shares. Any ESS Award granted prior to the adjustment of the issued share capital and/or Shares of the Company shall remain valid and exercisable in accordance with the provisions of this ESS.

- 5.3 Notwithstanding the above, the Company may implement more than one (1) ESS during the ESS Period or Extended ESS Period (as the case may be) provided that the aggregate Shares available for issuance under the ESS (including any unvested and/or unexercised ESS Options and/or unvested Share Grants) are not more than 3% of its total number of issued Shares (excluding treasury shares, if any) at any one time.
- 5.4 For the avoidance of doubt, any unexercised ESS Options or unvested Share Grants which become null and void under ByLaw 11.1 shall lapse and cease to be valid. Subsequently, the number of Shares comprised in such unexercised ESS Options or unvested Share Grants shall be reinstated and continue to be available under the ESS.
- 5.5 The ESS Working Committee will use all reasonable efforts to ensure that the Company has available and sufficient Shares to satisfy the ESS Awards made during the ESS Period or Extended ESS Period (as the case may be).

6 DURATION AND TERMINATION OF THE ESS

- 6.1 The effective date for the implementation of the ESS shall be such date to be determined and announced by the Board following full compliance with all relevant requirements of the Listing Requirements including the following ("**Effective Date**"):
- (a) submission to Bursa Securities of the final copy of the ByLaws together with a letter of compliance pursuant to paragraphs 2.12 and 6.42 of the Listing Requirements and a checklist showing compliance with Appendix 6E of the Listing Requirements;
 - (b) receipt of approval from Bursa Securities for the listing of the new Shares, if any, to be issued under the ESS;
 - (c) procurement of the shareholders' approval for the ESS at an extraordinary general meeting;
 - (d) receipt of approval from any other relevant authorities for the ESS (if any); and
 - (e) fulfilment of all conditions attached to the above approvals, if any.

The ESS, when implemented, shall be in force for a period of 5 years from the Effective Date ("**ESS Period**"). Within 30 days prior to the Date of Expiry, the Board shall have the sole discretion, upon recommendation of the ESS Working Committee, to extend in writing the tenure of the ESS Period of up to another 5 years and shall not in aggregate exceed 10 years from the Effective Date or such longer period as may be permitted by Bursa Securities and/or any other relevant authorities ("**Extended ESS Period**"). Such Extended ESS Period shall be implemented in accordance with the terms of these ByLaws, save for any amendment and/or change to the relevant statutes and/or regulations then in force.

Unless otherwise required by the relevant authorities, no further approvals from the shareholders of the Company shall be required for the Extended ESS Period and the Company shall serve appropriate notices on each ESS Participant and/or make any necessary announcements to any parties and/or Bursa Securities (if required) within 30 days prior to the Date of Expiry or such other period as may be stipulated by Bursa Securities.

- 6.2 The Company shall submit, through its Adviser and no later than 5 Market Days after the Effective Date of the implementation of these ByLaws, a confirmation to Bursa Securities of the full compliance of ByLaw 6.1 above stating the Effective Date of implementation of the ESS,

APPENDIX I – DRAFT BYLAWS (CONT'D)

together with a certified true copy of the relevant resolution(s) passed by the shareholders of the Company in the general meeting approving the ESS.

6.3 The ESS Awards can only be made during the ESS Period or the Extended ESS Period (as the case may be) before the Date of Expiry.

6.4 Subject to ByLaw 6.5, the Company may at any time during the ESS Period or the Extended ESS Period (as the case may be), terminate the ESS and, upon expiry of the notice period stipulated in ByLaw 6.5, shall immediately announce to Bursa Securities the:

- (a) effective date of termination of the ESS (“**Termination Date**”);
- (b) number of ESS Options exercised and the Shares vested; and
- (c) reasons for termination of the ESS.

6.5 Prior to the termination of the ESS pursuant to ByLaw 6.4, the Company shall provide 30 days’ notice of such intention to all the ESS Participants and may at its sole discretion, prior to the Termination Date, undertake the followings:

- (a) to permit the ESS Participants to exercise any vested but unexercised ESS Options; and/or
- (b) subject to ByLaw 11.1, to vest any unvested Shares in the Share Grant Awards to the ESS Participants.

6.6 Notwithstanding anything to the contrary, all unexercised ESS Options and/or unvested Share Grants shall be deemed terminated and be null and void on the Date of Expiry or on the Termination Date pursuant to ByLaw 6.4.

6.7 On the Date of Expiry or in the event of termination as stipulated in ByLaw 6.4, the following provisions shall apply:

- (a) no further ESS Award shall be made by the ESS Working Committee from the Date of Expiry or Termination Date (as the case may be);
- (b) all ESS Award which has yet to be accepted by Eligible Persons shall automatically lapse on the Date of Expiry or Termination Date (as the case may be);
- (c) any ESS Award which has yet to be vested or exercised (whether fully or partially) granted under the ESS shall be deemed cancelled and be null and void on the Date of Expiry or Termination Date (as the case may be); and
- (d) no prior approval or consent from the shareholders of the Company is required for the non-extension or early termination of the ESS.

7 ELIGIBILITY

7.1 Subject to ByLaws 7.2, 7.3 and 7.4 below, the following persons will be eligible to participate in the ESS if at the ESS Award Date, the following eligibility criteria is fulfilled:

- (a) in respect of an employee, he/she:
 - (i) has attained the age of 18 years and is not an undischarged bankrupt or subject to any bankruptcy proceedings;
 - (ii) is employed on a full-time basis and is on the payroll of by any company in the Group (excluding dormant subsidiaries) and his/her employment has been confirmed;

- (iii) is under an employment contract for a fixed duration and has been in the employment of any company in the Group for such period as may be determined by the ESS Working Committee; and/or
 - (iv) falls within any other eligibility criteria as may be determined by the ESS Working Committee from time to time at its sole discretion, whose decision shall be final and binding.
- (b) in respect of an Executive Director of the Company and/or a Director of the Subsidiary(s), he/she:
- (i) has attained the age of 18 years and is not an undischarged bankrupt or subject to any bankruptcy proceedings; and
 - (ii) fulfils any other eligibility criteria as may be set by the ESS Working Committee from time to time.

PROVIDED ALWAYS THAT the selection of any of the abovementioned persons for participation in the ESS shall be at the sole discretion of the ESS Working Committee and its decision shall be final and binding. In determining the eligibility of an Eligible Person to participate in the ESS, the ESS Working Committee may take into account among other factors, designation, role, function, length of service and/or contribution to the relevant companies within the Group, and/or such other factors that the ESS Working Committee may at its sole discretion deem fit.

- 7.2 Subject to these ByLaws and/or to any applicable regulatory requirements, where a person has or had anytime (whether before or after the Effective Date) been seconded from the companies within the Group to a company which is not part of the Group, such seconded person shall, unless otherwise determined by the ESS Working Committee at its sole discretion, be eligible to be considered for participation in the ESS, and for the purpose of these ByLaws, reference to “Eligible Person” shall include the seconded person.
- 7.3 For the avoidance of doubt, a person who attains the prescribed retirement age but is offered to continue to serve the Group on a full-time basis, but not as a consultant, shall be treated as an employee of the Group. However, the following persons are not Eligible Persons and do not qualify for participation in the ESS:
- (a) subject to ByLaw 23 below and the relevant prevailing laws and regulations, a person whose company has ceased to be within the Group unless otherwise determined by the ESS Working Committee;
 - (b) a Non-Executive Director of the Company unless otherwise determined by the ESS Working Committee but subject to the relevant prevailing laws and regulations;
 - (c) a Director or an employee of a subsidiary within the Group which is dormant unless otherwise determined by the ESS Working Committee but subject to the relevant prevailing laws and regulations; or
 - (d) an Eligible Person who represents the Government, Government institutions or Government employees who are in the public service as defined under Article 132 of the Federal Constitution.
- 7.4 If the Eligible Person is:
- (a) a director, major shareholder, chief executive of the Company or a holding company of the Company; or

- (b) a person connected to such director, major shareholder, chief executive of the Company or a holding company of the Company,

the specific ESS Award made by the Company to such Eligible Person must first be approved by the shareholders of the Company at a general meeting, unless such approval is no longer required under the Listing Requirements. In addition, such Eligible Person shall not participate in the deliberation or discussion of his/her own allocation.

- 7.5 Unless otherwise determined by the ESS Working Committee at its sole discretion, an ESS Participant under the ESS shall not be precluded from participating in any other share issuance scheme, share grant scheme, or share scheme which may be implemented by any other company within the Group during the ESS Period or Extended ESS Period (as the case may be). For the avoidance of doubt, in the event the ESS Participant is transferred to another company within the Group which has its own share issuance scheme, share grant scheme or share scheme, such ESS Participant is entitled, at the sole discretion of the ESS Working Committee, to continue participating in the ESS in accordance with these ByLaws.
- 7.6 An Eligible Person may be eligible to participate in either or both the Share Grant and/or the ESS Options, as may be determined by the ESS Working Committee at its sole discretion.
- 7.7 Eligibility under the ESS does not confer on an Eligible Person a claim or right to participate in or any rights whatsoever under the ESS and an Eligible Person does not acquire or have any rights over or in connection with the ESS Options or the Shares in the Share Grant comprised herein unless an ESS Award pursuant to an Award Letter has been made by the ESS Working Committee to the Eligible Person and the Eligible Person has duly accepted the ESS Award in accordance with the terms and conditions as set out in the Award Letter.
- 7.8 Notwithstanding anything to the contrary in these ByLaws and subject always to ByLaws 16 and 17, the ESS Working Committee may at its sole discretion, but subject to compliance with the Listing Requirements, the Act and/or any other applicable laws (as the case may be), waive any of the eligibility criteria set out in ByLaw 7. The eligibility and number of the ESS Awards to be awarded to an Eligible Person under the ESS shall be at the sole discretion of the ESS Working Committee and its decision shall be final and binding.

8 MAXIMUM ALLOWABLE ALLOCATION AND BASIS OF ALLOCATION

- 8.1 Subject to ByLaw 5 and any adjustments which may be made under these ByLaws, the aggregate number of the Shares that may be allocated to any of the Eligible Persons who are entitled to participate in the ESS shall be on the basis set out in ByLaw 8.2 subject always to the following main parameters (“**Maximum Allowable Allocation**”):
 - (a) the Eligible Persons do not participate in the deliberation or discussion of their own allocation and those of persons connected with them;
 - (b) no allocation of more than 70% of the total ESS Awards shall be made in aggregate to the Executive Directors and/or Senior Management; and
 - (c) no allocation of more than 10% of the Maximum Shares will be made to any Eligible Person who, either singly or collectively through persons connected with them, hold 20% or more of the total number of issued shares of the Company (excluding treasury shares, if any),

provided always that it is in accordance with the Listing Requirements or the requirements of any other relevant authorities as may be amended from time to time.

- 8.2 The basis for determining the aggregate number of the Shares that may be offered and/or allocated under the ESS to an Eligible Person shall be at the sole discretion of the ESS Working Committee after taking into consideration, among others, the provisions of the Listing Requirements or other applicable regulatory requirements prevailing during the ESS Period or

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- Extended ESS Period (as the case may be) relating to the ESS and after taking into consideration the seniority, job grading, performance, annual appraised performance, length of service and/or contribution to the Group by the Eligible Person as well as the Maximum Allowable Allocation and/or such other matters as the ESS Working Committee may deem fit.
- 8.3 Subject to ByLaw 16, the ESS Working Committee may at its sole discretion and pursuant to ByLaw 15, amend or vary and/or include or preclude any basis or criteria which is applied in granting an ESS Award to and Eligible Person including the Maximum Allowable Allocation for which it shall deem necessary to introduce during the ESS Period or Extended ESS Period (as the case may be) provided that these bases are not in conflict with the relevant Listing Requirements and other applicable regulatory requirements.
- 8.4 An Eligible Person who holds more than one (1) position within the Group shall only be entitled to the Maximum Allowable Allocation of a certain category which will be determined at the sole discretion of the ESS Working Committee.
- 8.5 The ESS Working Committee may at its sole discretion make more than one (1) ESS Award to an Eligible Person provided that the aggregate number of ESS Awards so offered throughout the entire ESS Period or Extended ESS Period (as the case may be) do not exceed the Maximum Allowable Allocation that such Eligible Person may be entitled to.
- 8.6 The ESS Working Committee shall not be obliged in any way to award, grant or vest to any Eligible Person any ESS Options and/or Share Grant Awards. The decision shall be at the sole discretion of the ESS Working Committee and shall be final and binding.
- 8.7 The allocation of the ESS Options and the Share Grant Awards pursuant to the ESS shall be verified by the ESS Working Committee and approved by the Nomination and Remuneration Committee as being in compliance with the criteria set out in these ByLaws (where relevant) at the end of each financial year of the Company. A statement by the Nomination and Remuneration Committee, verifying such allocation, shall be included in the Company's annual report.
- 8.8 The ESS Working Committee may at its sole discretion determine whether granting of the ESS Award to an Eligible Person will be in one (1) single grant or staggered over the ESS Period or Extended ESS Period (as the case may be) and/or whether the ESS Award is subject to any vesting period and if so, to determine the Vesting Conditions including whether such Vesting Conditions are subject to any performance target.
- 8.9 If an Eligible Person is a member of the ESS Working Committee, such Eligible Person shall not participate in the deliberation or discussion of his/her allocations as well as persons connected with them, if any.
- 8.10 Prior to the ESS Award being awarded in accordance with these ByLaws, the ESS Working Committee shall set out the basis of the award, identifying the category or grant of the Eligible Persons and the Maximum Allowable Allocation that may be awarded.
- 8.11 In the case of a promotion, an ESS Participant shall continue to be entitled to hold all unvested ESS Options and/or Share Grants as well as to exercise any unexercised ESS Options vested to him/her. The Maximum Allowable Allocation that may be awarded to such ESS Participant shall be based on the corresponding threshold to which he/she is promoted, subject always to the sole discretion of the ESS Working Committee and the Maximum Shares.
- 8.12 In the case of a demotion, subject to the sole discretion of the ESS Working Committee, an ESS Participant may continue to be entitled to exercise any unexercised ESS Options vested to him/her. The number of unvested ESS Options and/or Share Grants held by the ESS Participant may however be reduced to the corresponding threshold to which he/she is demoted and such other terms or conditions may be imposed at the sole discretion of the ESS Working Committee.

9 RIGHTS ATTACHED TO ESS AWARDS AND THE NEW SHARES

- 9.1 The ESS Options and/or the Share Grant Awards (as the case may be) shall not carry any right to vote at any general meeting of the Company or rank for any distributions in the event of any voluntary or involuntary liquidation or dissolution of the Company until and unless such Shares have been issued, allotted and credited into the CDS Account of the ESS Participant.
- 9.2 An ESS Participant shall not be entitled to any dividends, right or other entitlements on his/her unvested or unexercised ESS Options and/or unvested Share Grant Awards (as the case may be) until and unless such Shares have been issued, allotted and credited into the CDS Account of the ESS Participant.
- 9.3 The new Shares to be allotted upon the vesting and exercise of the ESS Options and/or vesting of Shares pursuant to the Share Grant Awards (as the case may be, if any), shall upon allotment and issuance rank *pari passu* in all respects with the existing Shares save and except that they shall not be entitled to any dividends, rights, allotments and/or other distributions declared, the Entitlement Date of which is prior to the date of allotment of and issuance of the said new Shares. In the event that any existing Shares and/or treasury Shares are to be transferred upon the vesting and exercise of the ESS Options and/or vesting of Shares pursuant to the Share Grant Awards, the existing Shares and/or treasury Shares shall be transferred together with all dividends, rights, allotments and/or other distributions declared, made or paid to the shareholder of the Company, the Entitlement Date of which is on or after the date the Shares are credited into the CDS Account of the relevant ESS Participants.
- 9.4 The new Shares and/or existing Shares to be issued and/or transferred (as the case may be, if any) to the ESS Participants pursuant to the ESS will be subject to the provisions of the Constitution and any other applicable regulatory requirements.

10 NON-TRANSFERABILITY

- 10.1 An ESS Option and/or Share Grant Award (as the case may be) is personal to the ESS Participant and, prior to the allotment and/or transfer of the Shares to the ESS Participant to which the ESS Award relates, shall not be transferred, charged, assigned, pledged or otherwise disposed of (in whole or in part) in any manner whatsoever.
- 10.2 Unless permitted under these ByLaws, an ESS Award shall not be transferred, assigned, disposed of or subject to any encumbrances by the ESS Participant and any attempt to do so shall result in the automatic cancellation of the ESS Award.

11 TERMINATION AND CLAWBACK

- 11.1 Upon occurrence of one or more of the following events prior to (i) the full vesting of the ESS Award (including prior to the acceptance of an ESS Award by an Eligible Person), or (ii) issue and allotment of new Shares or credit of existing and/or treasury Shares into the ESS Participant's CDS Account pursuant to the exercise of any ESS Option and/or the vesting of Shares in any Share Grant Award (as the case may be), such ESS Award or the balance thereof that remained unvested, not issued and allotted/ transferred or unexercised (as the case may be), shall forthwith cease to be valid without any claim whatsoever against the Company:
- (a) resignation, termination or cessation of employment of an Eligible Person or ESS Participant, for any reason;
 - (b) expiry, termination or cessation of a contract of service of an Eligible Person or ESS Participant, for any reason;
 - (c) resignation, retirement or removal of an Executive Director of the Company, for any reason;

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- (d) the company which employs an Eligible Person or ESS Participant ceasing to be part of the Group; or
 - (e) without prejudice to the provisions of ByLaw 33.1, an Eligible Person or ESS Participant is subject to disciplinary proceedings and the employment of the Eligible Person or ESS Participant is terminated.
- 11.2 Notwithstanding ByLaw 11.1 above, the ESS Working Committee may, at its sole discretion, by notice in writing, stipulate the duration or period at or within which such unvested ESS Award shall vest all or in part (provided that no ESS Award shall vest after the Date of Expiry) or permit such issue and allotment of new Shares/ transfer of existing Shares and/or treasury Shares pursuant to the ESS Award if such cessation occurs by reason of:
- (a) retirement upon or after attaining the retirement age under the Group's retirement policy;
 - (b) retirement before attaining the normal retirement age with the consent of his/her employer;
 - (c) redundancy or retrenchment pursuant to the acceptance by that ESS Participant or a voluntary separation scheme offered by a company within the Group;
 - (d) resignation, retirement or removal of Director of a Subsidiary, for any reason, save where such resignation, retirement or removal was due to the breach of duty, gross negligence or wilful misconduct of such Director;
 - (e) transfer to any company outside the Group at the direction of the Company;
 - (f) ill-health, injury, physical or mental disability;
 - (g) death, in which event ByLaw 11.2 shall apply *mutatis mutandis* to the ESS Participant's legal or personal representatives as if they were the ESS Participant; or
 - (h) any other circumstances which are acceptable to the ESS Working Committee at its sole discretion.
- 11.3 Unless otherwise agreed in writing by the ESS Working Committee at its sole discretion, upon the resignation of the ESS Participant from his/her employment or contract of service with the Group, any ESS Options and/or Share Grant Awards which are unexercised and/or unvested (as the case may be), shall lapse forthwith on the date the ESS Participant tenders his/her resignation.
- 11.4 In the event bankruptcy proceeding being commenced against an ESS Participant, the ESS Award shall be suspended pending the outcome of the bankruptcy proceedings. The ESS Award shall immediately become void and of no further force and effect upon the ESS Participant being adjudicated a bankrupt. If the bankruptcy proceeding is withdrawn, the suspension shall be lifted at the sole discretion of the ESS Working Committee and the ESS Award shall accordingly be re-vested to the said ESS Participant.
- 11.5 For the avoidance of doubt, in the event of the liquidation or winding up of the Company in accordance with ByLaw 29 or termination of the ESS in accordance with ByLaw 6.4, all unexercised or unvested or partially unexercised or partially unvested ESS Options and Share Grant Awards shall lapse and cease to be valid.
- 11.6 Subject to the provisions of ByLaw 11, the ESS Award shall cease to be valid without any claim whatsoever against the Company upon the occurrence of any event as set out in ByLaw 11 which results in the ESS Participant being deprived of the beneficial ownership of the ESS Award.

- 11.7 Upon the termination of the ESS Award pursuant to ByLaw 11, the ESS Participant shall have no right to compensation or damages or any claim whatsoever against the Group for any loss of any right or benefit under the ESS which he/she might otherwise have enjoyed, whether for wrongful dismissal or breach of contract or loss of office or otherwise howsoever arising from his/her ceasing to hold office or employment or under a contract of service or from the suspension of his/her right to the ESS Award ceasing to be valid.

12 ALTERATION OF SHARE CAPITAL

- 12.1 Notwithstanding any provisions in these ByLaws and subject to any applicable laws and the Listing Requirements, in the event of any alteration in the capital structure of the Company prior to the Date of Expiry, whether by way of a rights issue, bonus issue or other capitalisation issue, consolidation or subdivision of the Shares or reduction of capital or any other variation of capital being effected but excluding any cancellation of capital which is lost or unrepresented by available assets, the ESS Working Committee may at its sole discretion in good faith, determine whether:

- (a) in respect of the ESS Options, the ESS Option Exercise Price, the number of unexercised ESS Options and/or the number of new Shares or existing Shares to be issued and/or acquired from the exercise of the ESS Options (as the case may be); and/or
- (b) in respect of the Share Grant, the Share Grant Price and/or the number of Shares to be vested in the unvested Share Grants,

shall be adjusted.

- 12.2 The following provisions shall apply in relation to an adjustment which is made pursuant to ByLaw 12.1:

- (a) any adjustment to the ESS Option Exercise Price and/or Share Grant Price shall be rounded up to the nearest 1 sen; and
- (b) in determining an ESS Participant's entitlement to subscribe for new and/or acquisition of existing Shares (as the case may be) and/or number of Shares to be vested pursuant to the ESS Award, any fractional entitlements will be disregarded.

- 12.3 ByLaw 12.1 shall not be applicable where an alteration in the capital structure of the Company arises from any of the following:

- (a) an issue of new Shares or other securities convertible into Shares or rights to acquire or subscribe for the Shares in consideration or part consideration for an acquisition of any other securities, assets or business by the Group;
- (b) a special issue of new Shares to Bumiputera investors nominated by the Ministry of International Trade and Industry, Malaysia and/or other government authority to comply with the Government policy on Bumiputera capital participation;
- (c) a private placement/ restricted issue of new Shares by the Company;
- (d) an issue of new Shares arising from the exercise of any conversion rights attached to securities convertible to Shares or upon exercise of any other rights including warrants and/or convertible loan stocks (if any) issued by the Company;
- (e) an issue of new Shares upon the exercise of ESS Option or upon vesting of Share Grant Award (as the case may be, if any) pursuant to the ESS;

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- (f) a share buy-back arrangement by the Company, pursuant to Section 127 of the Act and the cancellation of all or a portion of the Shares pursuant to the relevant provisions of the Act; and/or
 - (g) an issue of further ESS Options or Share Grant Awards to Eligible Persons under these ByLaws.
 - 12.4 In the event that the Company enters into any scheme of arrangement or reconstruction pursuant to Part 3, Division 7, Subdivision 2 of the Act, ByLaw 12.1 shall be applicable in respect of such parts of the scheme involving any alteration in the capital structure of the Company.
 - 12.5 An adjustment pursuant to ByLaw 12.1 shall be made according to the following terms:
 - (a) in the case of a rights issue, bonus issue or other capitalisation issue, on the next Market Day immediately following the Entitlement Date in respect of such issue; or
 - (b) in the case of a consolidation or subdivision of Shares or reduction of capital, on the next Market Day immediately following the date on which the consolidation or subdivision or capital reduction becomes effective, or such period as may be prescribed by Bursa Securities.
 - 12.6 Save for any alteration in the capital structure of the Company during the ESS Period or Extended ESS Period (as the case may be) arising from bonus issues, subdivision or consolidation of shares, all adjustments must be confirmed in writing by an Adviser or Auditor, acting as an expert and not as an arbitrator, to be in their opinion fair and reasonable. Such confirmation shall be final and binding on all parties.
 - 12.7 The Board shall be guided by the adjustments as provided in the Schedule of these ByLaws in determining the adjustments to be made pursuant to ByLaw 12.
 - 12.8 Upon any adjustment being made, the ESS Working Committee shall, as soon as reasonably practicable after such adjustment is made, give notice in writing to the ESS Participant (or his/her duly appointed personal or legal representatives, as the case may be), to inform him/her of the adjustment and the event giving rise thereto.
 - 12.9 Notwithstanding the other provisions referred to in the Schedule of these ByLaws, in any circumstances where the ESS Working Committee considers that adjustments to the ESS Option Exercise Price, Share Grant Price and/or the number of Shares to be issued or vested in respect of the ESS Option and/or the Share Grant Award as provided for under the provisions hereof should not be made, or should be or should not be calculated on a different basis or different date or that adjustments to the ESS Option Exercise Price, Share Grant Price and/or the number of Shares to be issued or vested in respect of the ESS Option and/or the Share Grant Award should be made notwithstanding that no adjustment is required under the provisions hereof, the Company may appoint an Adviser and/or an Auditor to consider whether for any reasons whatsoever the adjustment calculation or determination to be made (or the absence of an adjustment calculation or determination) is appropriate or inappropriate (as the case may be). If such Adviser and/or Auditor shall consider the adjustment calculation or determination to be inappropriate, the adjustments shall be modified or nullified (or an adjustment calculation or determination made even though not required to be made) in such manner as may be considered by such Adviser and/or Auditor to be in their opinion appropriate and shall be final and binding on all parties.
- 13 QUOTATION OF NEW SHARES**
- 13.1 If at the time of allotment of the new Shares pursuant to the exercise of an ESS Option and/or allotment of new Shares pursuant to a Share Grant Award (as the case may be, if any), the existing issued ordinary shares of the Company are quoted on Bursa Securities, the Company shall make an application to Bursa Securities for its permission for the listing of and quotation

for the new Shares so allotted in accordance with ByLaws 37.1 and/or 41.1 (as the case may be).

- 13.2 The Company and the ESS Working Committee shall not under any circumstances be held liable for any costs, losses, expenses and damages whatsoever and however relating to the delay on the part of the Company in allotting and issuing the Shares or in procuring Bursa Securities to list the Shares for which the ESS Participant is entitled to.

14 RETENTION PERIOD

- 14.1 The new Shares to be allotted and issued and/or existing Shares to be transferred to an ESS Participant pursuant to the ESS will not be subjected to any retention period unless otherwise stated in the ESS Award as may be determined by the ESS Working Committee at its sole discretion from time to time. The expression "retention period" shall mean the period in which the Shares are awarded and issued and/or transferred to the ESS Participant pursuant to the ESS must not be sold, transferred, assigned or otherwise disposed of by the ESS Participant. However, ESS Participant is encouraged to hold the Shares as an investment rather than to realise immediate gains from disposal.
- 14.2 Notwithstanding ByLaw 14.1 above, the ESS Working Committee shall be entitled at its sole discretion to prescribe or impose, in relation to the ESS Award, any terms and conditions relating to the retention period or restriction on transfer (if applicable) as the ESS Working Committee deems fit.

15 ADMINISTRATION

- 15.1 The ESS shall be administered by the ESS Working Committee. The Board shall have the sole discretion as it deems fit to approve, rescind and/or revoke the appointment of any person in the ESS Working Committee at any point in time during the ESS Period or ESS Extended Period (as the case may be), and the Board shall not be required to provide any reason for its decisions, except as may be required by the relevant authorities.
- 15.2 The ESS Working Committee shall be vested with such powers and duties as are conferred upon it by the Board to administer the ESS in such manner as it shall at its sole discretion deem fit.
- 15.3 Without limiting the generality of ByLaw 15.2, the ESS Working Committee may, for the purpose of administering the ESS, do all acts and things, rectify any error in the ESS Award, enter into any transactions, agreements, deeds, documents or arrangements, and make rules, regulations or impose terms and conditions or delegate part of its power relating to the ESS which the ESS Working Committee may at its sole discretion consider to be necessary or desirable for giving full effect to the ESS, including the powers to:
- (a) subject to the provisions of these ByLaws, construe and interpret the ESS and the ESS Award granted under it, to define the terms therein and to recommend to the Board to establish, amend and revoke rules and regulations relating to the ESS and its administration. The ESS Working Committee in the exercise of this power may correct any defects, supply any omission, or reconcile any inconsistency in the ESS or in any agreement providing for the ESS Award in a manner and to the extent it shall deem necessary to expedite and make the ESS fully effective;
 - (b) determine all questions of policy and expediency that may arise in the administration of the ESS and generally exercise such powers and perform such acts as are deemed necessary and/or expedient to promote the best interests of the Group; and
 - (c) do all acts and things, rectify any errors in the ESS Award, execute all documents and delegate any of its powers and duties relating to the ESS as it may at its discretion consider necessary or desirable for giving effect to the ESS.

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- 15.4 In implementing the ESS, the ESS Working Committee may at its sole discretion decide that the ESS Award be satisfied by the following methods:
- (a) issuance of new Shares;
 - (b) transfer of the Company's treasury shares;
 - (c) acquisition of existing Shares from the market;
 - (d) payment of the equivalent cash value of such new Shares and/or existing Shares;
 - (e) any other methods as may be permitted by the Act and the Listing Requirements, as amended from time to time and any re-enactment thereof; or
 - (f) a combination of any of the above.
- 15.5 Any decision or determination of the ESS Working Committee made pursuant to the provisions of the ESS (other than a matter to be certified and/or approved by the Auditors and/or Advisers) shall, in the absence of any manifest of error, be final, binding and conclusive (including for the avoidance of doubt, any decision pertaining to any dispute as to the interpretation of the ESS or any rule, regulation or procedure hereunder or as to any rights under the ESS). The ESS Working Committee shall not be required to furnish any reason for any decision or determination made by it except as may be required by the relevant authorities.
- 15.6 Neither the ESS nor the ESS Award shall impose on the Company, the Board, or the ESS Working Committee or any of its members any liability whatsoever in connection with:
- (a) the lapse of any ESS Award pursuant to any provision of these ByLaws;
 - (b) the failure or refusal by the ESS Working Committee to exercise, or the exercise by the ESS Working Committee of, any discretion under the ESS; and/or
 - (c) any decision or determination of the ESS Working Committee made pursuant to any provision of these ByLaws.

16 AMENDMENT AND/OR MODIFICATION TO THE ESS

- 16.1 Subject to compliance with the Listing Requirements, any other applicable regulatory requirements and approvals being obtained from such relevant authorities (where applicable), the ESS Working Committee may at any time and from time to time recommend to the Board any additions or amendments to or deletions of these ByLaws as it shall at its sole discretion think fit and the Board shall have the power by resolution to add to, amend or delete all or any of these ByLaws upon such recommendation **PROVIDED ALWAYS THAT** no additions or amendments to or deletions of these ByLaws shall be made which will:
- (a) increase the number of the Shares available under the ESS beyond the Maximum Shares set out in ByLaw 5 above without the prior approval of the Company's shareholders in a general meeting;
 - (b) prejudice any rights of the shareholders of the Company without the prior approval of the Company's shareholders in a general meeting; or
 - (c) alter to the advantage of any ESS Participant in respect of any matters which are required to be contained in these ByLaws by virtue of Appendix 6E of the Listing Requirements, without the prior approval of the Company's shareholders in a general meeting unless allowed otherwise by the provisions of the Listing Requirements.

APPENDIX I – DRAFT BYLAWS (CONT'D)

- 16.2 Any amendments/ modifications to these ByLaws shall not contravene any of the provisions stipulated under the Listing Requirements and/or any other relevant regulatory authority in relation to share issuance schemes and/or share grant schemes.
- 16.3 Upon amending and/or modifying all or any of the provisions of the ESS, the Company shall as soon as reasonably practicable after the effective date of the amendments caused to be submitted to Bursa Securities the amended ByLaws and a confirmation letter in the form required under the Listing Requirements that the said amendment and/or modification complies and does not contravene any of the provisions of the Listing Requirements on share issuance schemes and/or share grant schemes (as the case may be) and the Rules of Bursa Depository.
- 16.4 The ESS Working Committee shall as soon as reasonably practicable after any amendment and/or modification made pursuant to these ByLaws notify the ESS Participants in writing of any amendment and/or modification made pursuant to these ByLaws.

17 DISPUTES AND ERRORS AND OMISSIONS

- 17.1 In the event of any dispute or difference arising between the ESS Working Committee and an Eligible Person or an ESS Participant, as to any matter or thing of any nature arising hereunder, the ESS Working Committee shall determine such dispute or difference by a written decision (without the obligation to give any reason thereof) to the Eligible Person or the ESS Participant (as the case may be) **PROVIDED THAT** where the dispute or difference is raised by a member of the ESS Working Committee, the said member shall abstain from deliberating and voting in respect of the decision of the ESS Working Committee in that instance. The decision of the ESS Working Committee shall be final and binding and no person shall be entitled to dispute any decision or certification which is stated to be final and binding under these ByLaws.
- 17.2 Notwithstanding anything herein to the contrary, any costs and expenses incurred in relation to any dispute or difference or appeal brought by an Eligible Person or ESS Participant to the ESS Working Committee shall be solely borne by the Eligible Person or ESS Participant.
- 17.3 If the ESS Working Committee discovers or determines that the number of Shares allotted, issued, transferred or vested to any ESS Participant on any occasion is incorrect in consequence of an error or omission, the ESS Working Committee may at its sole discretion do all such acts and things to rectify such error or omission.

18 THE ESS NOT A TERM OF EMPLOYMENT OR CONTRACT OF SERVICE

The ESS shall not form part of or constitute or in any way be construed as a term or condition of employment or contract of service of any Eligible Person. This ESS shall not confer or be construed to confer on an Eligible Person any special rights or privileges over the Eligible Person's terms and conditions of employment or contract of service in the Group nor any rights in addition to any compensation or damages that the Eligible Person may be normally entitled to arising from the cessation of such employment or contract of service. The terms of employment or contract of service of an Eligible Person shall not be affected by his/her participation or non-participation in the ESS.

19 COSTS AND EXPENSES

All fees, costs and expenses incurred in relation to the administration and management of the ESS including but not limited to the fees, costs and expenses relating to the grant, vesting, allotment and issue and/or transfer of the Shares pursuant to the exercise or vesting of any ESS Option or Share Grant Award shall be borne by the Company. Notwithstanding this, the ESS Participant shall bear any fees, costs and expenses incurred in relation to his/her acceptance of an ESS Award and exercise of the ESS Option, opening and maintaining of his/her respective CDS Account and sale of the Shares in the market.

20 CONSTITUTION

Notwithstanding the terms and conditions contained in these ByLaws, if a situation of conflict should arise between these ByLaws and the Constitution, the provisions of the Constitution shall prevail at all times save and except where such provisions of these ByLaws are included in compliance with the Listing Requirements and/or any other regulatory requirements.

21 INSPECTION OF AUDITED ACCOUNTS

All ESS Participants are entitled to inspect the latest audited accounts of the Company during the normal office hours on any working day at the Registered Office of the Company from Mondays to Fridays (excluding public holidays) during normal office hours and a soft copy of the same shall also be made available on the websites of Bursa Securities and the Company.

22 TRANSFER FROM OTHER COMPANIES TO THE GROUP

22.1 In the event that:

- (a) a Director of a subsidiary or an employee who was previously employed or under a contract of service in a company which is not within the Group and is subsequently transferred from such company to any company within the Group; or
- (b) a Director of a subsidiary or an employee who was previously in the employment or under a contract of service with a company which subsequently becomes a member of the Group as a result of a restructuring exercise or otherwise involving the Company and/or any company within the Group;

(the first mentioned company in (a) and (b) above are hereinafter referred to as the “**Previous Company**”), such a Director or an employee of the Previous Company (“**the Affected Director/ Employee**”), subject to ByLaw 6, will be eligible to participate in the ESS only for the remaining duration of the ESS Period or Extended ESS Period (as the case may be), if the Affected Director/ Employee becomes an “Eligible Person” within the meaning under these ByLaws, subject always to the ESS Working Committee's sole discretion.

22.2 For the avoidance of doubt, in the event of any acquisition of any company into the Group pursuant to part (b) above as a subsidiary pursuant to Section 4 of the Act, the Directors and employees of such company on the date such company becomes a subsidiary of the Group (provided that such subsidiary is not dormant), shall be eligible to participate in the ESS at the sole discretion of the ESS Working Committee.

23 DIVESTMENT FROM THE GROUP

23.1 If an ESS Participant who held office or was in employment or under a contract of service with a company which ceases to be a company within the Group due to a subsequent disposal or divestment (in whole or in part) from the Group, the ESS Working Committee may at its sole discretion permit the vesting of any unvested ESS Options and/or Share Grants and/or the exercise of the unexercised ESS Options within such period as may be prescribed by the ESS Working Committee pursuant to such disposal or divestment from the Group, and such unvested and/or unexercised ESS Options and/or unvested Share Grants (as the case may be) held by the ESS Participant shall automatically lapse and become null and void upon the expiry of the prescribed period. All unvested and/or unexercised ESS Options and/or unvested Share Grants which are not permitted by the ESS Working Committee to be vested and/or exercised shall automatically lapse and become null and void upon such disposal or divestment from the Group.

23.2 For the purpose of ByLaw 23.1, a company shall be deemed to be divested from the Group in the event that such company would no longer be a subsidiary of the Company pursuant to Section 4 of the Act.

24 TAKEOVER AND DISPOSAL OF ASSETS

24.1 Subject to the provisions of any applicable statutes, rules, regulations and/or conditions issued by the relevant regulatory authorities, in the event of:

- (a) a take-over offer being made for the Company, under the Malaysian Code on Take-Overs and Mergers 2016 and Rules on Take-overs, Mergers and Compulsory Acquisitions (or any replacement thereof), to acquire all the Shares of the Company (or such part thereof not at the time held by the person making the take-over offer (“**Offeror**”) or any persons acting in concert with the Offeror); or
- (b) the Offeror becoming entitled or bound to exercise the right of compulsory acquisition of the Shares under the provisions of any applicable statutes, rules and/or regulations and gives notice to the ESS Participants that it intends so to exercise such rights on a specific date (“**Specified Date**”); or
- (c) the Company disposes of all or substantially all of its assets and the disposal becomes unconditional (i.e., the Company undertakes a “major disposal” as defined under the Listing Requirements);

the ESS Working Committee may at its sole discretion to the extent permitted by law permit the vesting of the ESS Awards and the ESS Participants will be entitled to within such period as may be determined by the ESS Working Committee to subscribe and/or exercise all or any of his/her ESS Awards and the Directors of the Company shall use their best endeavours to procure that such a general offer be extended to the new Shares that may be issued and/or existing Shares to be vested pursuant to the ESS Awards under these ByLaws.

24.2 In the event that the ESS Participants elect not to exercise some or all of the ESS Options held by him/her, and in accordance with ByLaw 24.1, the unexercised ESS Options shall automatically be terminated and lapse on the date prescribed by the ESS Working Committee and be null and void and of no further force and effect notwithstanding that the ESS Award vesting date has not commenced or has not expired.

25 SCHEME OF ARRANGEMENT, AMALGAMATION AND RECONSTRUCTION

25.1 Notwithstanding ByLaws 37 and 39, in the event the court sanctions a compromise or arrangement between the Company and its shareholders proposed for the purposes of, or in connection with, a scheme or arrangement and reconstruction of the Company or its amalgamation with any other company, the ESS Working Committee may at its sole discretion decide whether an ESS Participant shall—

- (a) be vested with all or any of his/her unvested ESS Awards; and/or
- (b) be entitled to subscribe and/or exercise all or any of his/her unexercised ESS Awards,

at any time commencing from the date upon which the compromise or arrangement is sanctioned by the court and ending on the date upon which the compromise or arrangement becomes effective.

25.2 Upon vesting as provided in ByLaw 25.1, an ESS Participant may subscribe and/or exercise the ESS Awards notwithstanding that such subscription or exercise may take place after the date upon which the compromise or arrangement becomes effective **PROVIDED ALWAYS THAT** it is within the ESS Period or Extended ESS Period (as the case may be).

25.3 No ESS Award shall be vested to an ESS Participant after the date upon which the compromise or arrangement becomes effective. The decision of the ESS Working Committee shall be final and binding.

26 NO COMPENSATION

26.1 No Eligible Person shall be entitled to any compensation for damages whatsoever arising from the termination of the ESS Awards or the ESS pursuant to the provisions of these ByLaws.

26.2 Notwithstanding any provisions of these ByLaws:

- (a) the ESS shall not confer on any person any legal or equitable right or other rights under any other law (other than those constituting the ESS) against the Company or any company within the Group, directly or indirectly, or give rise to any course of action in law or in equity or under any other law against any company within the Group;
- (b) no ESS Participants or his/her legal representative (as the case may be) shall bring any claim, action or proceeding against any company of the Group, the ESS Working Committee or any other party for compensation, loss or damages whatsoever and howsoever arising from the suspension/ cancellation of his/her rights to his/her ESS Awards or his/her ESS Awards ceasing to be valid pursuant to the provisions of these ByLaws; and
- (c) the Company, the Board (including Directors of the Company that had resigned but were on the Board during the duration of the ESS) or the ESS Working Committee shall in no event be liable to the ESS Participants or his/her legal representative (as the case may be) or any other person or entity for any third party claim, loss of profits, loss of opportunity, loss of savings or any punitive, incidental or consequential damage, including without limitation lost profits or savings, directly or indirectly arising from the breach or non-performance of these ByLaws or any loss suffered by reason of any change in the price of the Shares or from any other cause whatsoever whether known or unknown, contingent, absolute or otherwise, whether based in contract, tort, equity, indemnity, breach of warranty or otherwise and whether pursuant to common law, statute, equity or otherwise, even if any company of the Group, the Board or the ESS Working Committee has been advised of the possibility of such damage.

27 TAXES

All costs, fees, levies, charges and/or taxes (including, without limitation, income tax), if any, arising from the acceptance and vesting of the Shares pursuant to the Share Grant Awards and/or exercising of the ESS Options under the ESS shall be borne by the ESS Participants for his/her own account and the Company shall not be liable for any one or more of such costs, fees, levies, charges and/or taxes.

28 DISCLOSURES IN ANNUAL REPORT

The Company will make such disclosures in its annual report for as long as the ESS continues in operation as from time to time required by the Listing Requirements including (where applicable) a statement by the Audit Committee verifying that the allocation of ESS Options and/or Share Grant Awards pursuant to the ESS is in compliance with the provisions of these ByLaws.

29 WINDING UP

All outstanding ESS Options and Share Grant Awards shall be automatically terminated in the event that a resolution is passed or a court order is made for the winding up of the Company.

30 SEVERABILITY

If any time any term, condition, stipulation or provision in these ByLaws is or becomes illegal, void, prohibited or unenforceable in any respect, the same shall be ineffective to the extent of such illegality, voidness, prohibition or unenforceability without invalidating the remaining provisions hereof, and any such illegality, voidness, prohibition or unenforceability shall not

invalidate or render illegal, void or unenforceable any other term, condition, stipulation and provision herein contained.

31 GOVERNING LAW AND JURISDICTION

- 31.1 These ByLaws shall be governed by and construed in accordance with the laws of Malaysia and the ESS Participants shall submit to the exclusive jurisdiction of the Courts of Malaysia in all matters connected with the obligations and liabilities of the parties hereto under or arising out of these ByLaws.
- 31.2 Any proceeding or action shall be instituted or taken in Malaysia and the ESS Participants irrevocably and unconditionally waives any objection on the ground of venue or forum non-convenience or any other grounds.
- 31.3 An ESS Award made to an Eligible Person pursuant to the ESS shall be valid strictly in Malaysia only unless specifically mentioned otherwise by the ESS Working Committee at its sole discretion.

32 NOTICE

- 32.1 Any notice or request which the Company is required to give, or may desire to give, to any Eligible Person or ESS Participant pursuant to the ESS shall be in writing and shall be deemed to be sufficiently given if it is:
- (a) sent by ordinary post by the Company to the Eligible Person or ESS Participant at the last address known to the Company as being his/her address, such notice shall be deemed to have been received 3 Market Days after posting;
 - (b) given by hand to the Eligible Person or ESS Participant, such notice or request shall be deemed to have been received on the date of delivery; and/or
 - (c) sent by electronic media, including but not limited to electronic mail, to the Eligible Person or ESS Participant, such notice or request be deemed to have been received upon confirmation notification received after the sending of notice or request by the Company.

Any change of address of the Eligible Person or ESS Participant shall be communicated in writing to the Company and the ESS Working Committee.

- 32.2 Any certificate, notification, correspondence or other notice required to be given to the Company or the ESS Working Committee shall be properly given if in writing and sent by registered post or delivered by hand (with acknowledgement of receipt) to the Company at its business address at No.7, Jalan Pelukis U1/46, Temasya Industrial Park, Seksyen U1, 40150 Shah Alam, Selangor Darul Ehsan, Malaysia or any other business address which may be notified in writing by the ESS Working Committee from time to time.
- 32.3 Notwithstanding ByLaw 32.1, where any notice is required to be given by the Company or the ESS Working Committee under these ByLaws in relation to matters which may affect all the Eligible Persons or ESS Participants (as the case may be), the Company or the ESS Working Committee may give notice through an announcement to all employees of the Group to be made in such manner deemed appropriate by the ESS Working Committee. Upon the making of such an announcement, the notice to be made under ByLaw 32.1 shall be deemed to be sufficiently given, served or made to all affected Eligible Persons or ESS Participants (as the case may be).

33 DISCIPLINARY PROCEEDINGS

- 33.1 In the event that an ESS Participant is subject to a performance improvement plan (“**PIP**”) or disciplinary proceedings (whether or not such PIP or disciplinary proceedings will give rise to a

dismissal or termination of service), the ESS Working Committee shall have the right at its sole discretion, to suspend the ESS Participant's ESS Award from being vested pending the achievement of the stipulated PIP targets by the ESS Participant or the outcome of such disciplinary proceedings. The ESS Working Committee may at its sole discretion impose such terms and conditions as the ESS Working Committee shall deem appropriate having regard to the nature of the PIP or charges made or brought against the said ESS Participant **PROVIDED ALWAYS THAT:**

- (a) In the event that such ESS Participant shall subsequently achieve the stipulated PIP targets or be found not guilty of the charges which give rise to such disciplinary proceedings, the ESS Working Committee shall reinstate the ESS Participant's rights to continue to hold or be vested his/her ESS Award;
 - (b) in the event the ESS Participant fails to achieve the stipulated PIP targets or disciplinary proceedings result in a recommendation for the dismissal or termination of service of such ESS Participant, the ESS Award shall immediately cease without notice and be null and void and of no further force and effect upon pronouncement of the failure to achieve the stipulated PIP targets or upon the dismissal or termination of service of such ESS Participant notwithstanding that such recommendation may be subsequently challenged by the ESS Participant in any other forum;
 - (c) in the event such ESS Participant only partially achieves the stipulated PIP targets or is found guilty but not dismissed or termination of service is not recommended, the ESS Working Committee shall have the right to determine at its sole discretion whether or not the ESS Participant may continue to hold or be vested his/her ESS Award and/or adjust such number of ESS Awards to be vested as well as to impose such limits, terms and conditions as it deems appropriate, on such vesting; and
 - (d) in the event that no decision can be achieved and/or the disciplinary proceedings cannot be concluded upon the expiry of the ESS Period or Extended ESS Period (as the case may be), the ESS Award shall immediately lapse, and be null and void on the Date of Expiry without any prior notice to the ESS Participants.
- 33.2 The ESS Working Committee may, following the issuance of a warning or caution letter to a ESS Participant by the relevant company within the Group, suspend the ESS Participant's ESS Award from being vested until such time as the ESS Working Committee determines at its sole discretion whether or not the ESS Participant may continue to be vested the Shares under his/her ESS Award and if so, whether to impose such limits, terms and conditions as the ESS Working Committee deems appropriate, on such vesting.
- 33.3 For the purpose of these ByLaws, an ESS Participant shall be deemed to be subject to "disciplinary proceedings" if:
- (a) he/she is suspended from work pending investigation into his/her conduct;
 - (b) he/she is issued with a letter requiring him/her to attend an internal domestic inquiry; or
 - (c) such other instances as the ESS Working Committee may deem as being subject to disciplinary proceedings.

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PART B : ESS OPTIONS

34 AWARD OF ESS OPTIONS

- 34.1 The ESS Working Committee may, at any time during the ESS Period or Extended ESS Period (as the case may be), grant the ESS Option Awards in writing to an Eligible Person (based on the criteria of allocation as set out in ByLaw 7) selected by the ESS Working Committee at its sole discretion.
- 34.2 The actual number of the Shares which may be offered to an Eligible Person shall be at the sole discretion of the ESS Working Committee and, subject to any adjustments that may be made under ByLaw 12, shall not be less than 100 Shares but not more than the Maximum Allowable Allocation and shall always be in multiples of 100 Shares.
- 34.3 An ESS Option Award may be made upon such terms and conditions as the ESS Working Committee may decide from time to time. Each ESS Option Award shall be made in writing and is personal to the Eligible Person and is non-assignable and non-transferable.
- 34.4 The ESS Working Committee may state, among others, the following particulars in the Award Letter (where applicable):
- (a) the ESS Option Award Date;
 - (b) the number of ESS Options that are being offered to the Eligible Person;
 - (c) the number of the Shares which the Eligible Person shall be entitled to upon the vesting and exercise of the ESS Options being offered;
 - (d) the ESS Period or Extended ESS Period (as the case may be);
 - (e) the Exercise Period;
 - (f) the ESS Option Exercise Price;
 - (g) the Validity Period as defined in ByLaw 35.1;
 - (h) the Vesting Conditions (if any/ if applicable), the performance period, service period, vesting period, and vesting dates but in any event such periods and dates shall not be later than the Date of Expiry; and/or
 - (i) any other information deemed necessary by the ESS Working Committee.
- 34.5 Without prejudice to ByLaws 16 and 17, in the event of an error on the part of the Company in stating any of the particulars referred to in ByLaw 34.4, the Company shall issue a supplemental Award Letter, stating the correct particulars referred to in ByLaw 34.4 as soon as reasonably practicable after discovery of the error.
- 34.6 Subject to ByLaw 34.1, nothing herein shall prevent the ESS Working Committee from making more than one (1) ESS Award to an Eligible Person **PROVIDED ALWAYS THAT** the total aggregate number of Shares which may be offered to an Eligible Person (inclusive of the Shares previously offered under the ESS, if any) shall not exceed the Maximum Allowable Allocation of that Eligible Person as set out in ByLaw 8.
- 34.7 In any event, the ESS Working Committee shall have the sole discretion and shall not be obligated to grant any additional ESS Option Awards to an Eligible Person although he/she has not reached the Maximum Allowable Allocation.

APPENDIX I – DRAFT BYLAWS (CONT'D)

- 34.8 Unless otherwise determined by the ESS Working Committee but subject to the applicable laws and ByLaws 11.1 and 11.2, the ESS Option Awards shall automatically lapse and be null and void in the event of death of an Eligible Person prior to his/her acceptance of the ESS Option Awards in the manner set out in ByLaw 35.
- 34.9 After each adjustment following an alteration of the Company's share capital as stipulated in ByLaws 12.1 and 12.2, the Company shall issue a supplemental Award Letter to inform the ESS Option Participants of such adjustment pursuant to ByLaw 12.9 as well as the corresponding adjustments that are made to the ESS Awards (where applicable) as soon as reasonably practicable after such adjustment is made.
- 34.10 The ESS Working Committee shall keep and maintain a register of ESS Option Participants and shall enter the names, addresses and identity card numbers of the ESS Option Participants, the Maximum Allowable Allocation, the number of ESS Options offered, the number of ESS Options exercised, the ESS Option Award Date and the ESS Option Exercise Price and other particulars as may be prescribed under Section 129 of the Act.
- 34.11 Each vested ESS Option shall on payment of the ESS Option Exercise Price be exercisable into one (1) fully issued Share in accordance with the provisions of these ByLaws.
- 34.12 In the event the ESS Working Committee decides that the ESS Option is to be offered on a staggered basis over the ESS Period or Extended ESS Period (as the case may be), the number of ESS Options to be offered in each ESS Option Award shall be decided by the ESS Working Committee at its sole discretion and shall be separate and independent from each other.

35 ACCEPTANCE OF THE AWARD

- 35.1 An ESS Option Award shall be valid for a period of 30 days from the ESS Option Award Date or such period as the ESS Working Committee at its sole discretion may determine ("**Validity Period**"). Acceptance of the said ESS Option Award by an Eligible Person shall be made by way of a written notice from the Eligible Person to the ESS Working Committee in the form prescribed by the ESS Working Committee and accompanied by the payment of RM1.00 only as non-refundable consideration for the acceptance of each ESS Option Award (regardless of the number of Shares comprised therein).
- 35.2 In the event that an Eligible Person fails to accept his/her ESS Option Award or pay the acceptance consideration as set out in ByLaw 35.1 within the Validity Period and in the manner aforesaid, or in the event the Eligible Person becomes a bankrupt prior to his/her acceptance of the ESS Option Award, the ESS Option Award shall be deemed to have lapsed. The ESS Options comprised in such ESS Option Awards may, at the sole discretion of the ESS Working Committee, be re-offered to another Eligible Person.
- 35.3 Upon acceptance of the ESS Option Awards by an Eligible Person, the ESS Option Award will be vested to the ESS Option Participant on the Vesting Date during the ESS Period or Extended ESS Period (as the case may be), subject to the ESS Option Participant fulfilling the Vesting Conditions, if any, as may be determined at the sole discretion of the ESS Working Committee.

36 ESS OPTION EXERCISE PRICE

- 36.1 The ESS Option Exercise Price which will be payable by the ESS Option Participant upon the exercise of the ESS Option shall be based on a discount (as may be determined by the ESS Working Committee) of not more than 10% to the 5 day volume weighted average market price of the Shares transacted on the Bursa Securities immediately preceding the ESS Option Award Date (or such basis as the relevant authorities may permit).
- 36.2 The ESS Option Exercise Price shall be subject to any adjustments provided under ByLaw 12.

37 VESTING CONDITIONS

- 37.1 Subject to ByLaws 6, 7 and 37.2, the ESS Options or such part thereof will only vest to the ESS Option Participant on the Vesting Date if:
- (a) the ESS Option Participant remains in employment with the Group as at the Vesting Date; and
 - (b) the other Vesting Conditions (if any) are fully and duly satisfied by the ESS Option Participant.
- 37.2 The ESS Working Committee may at its sole discretion, by giving notice in writing to the ESS Option Participant, vary or waive any of the terms of the Vesting Conditions, performance period, service period, vesting period or any other conditions.
- 37.3 The ESS Working Committee shall have the sole discretion to determine whether the Vesting Conditions (if any) have been satisfied in full or partial and/or whether any amendment or revision should be made to the Vesting Conditions.
- 37.4 Where the ESS Working Committee has determined that the Vesting Conditions and/or any other stipulated conditions in respect of the ESS Options have been fulfilled or waived (whether fully or partially), the ESS Option Participant shall be notified of such number of the ESS Options to be vested in him/her and the Vesting Date. The decision of the ESS Working Committee on the vesting of the ESS Option on the ESS Option Participant pursuant to these ByLaws shall be final and binding. The ESS Option Participant shall not have any right to exercise any ESS Option prior to the Vesting Date.
- 37.5 Unless otherwise determined by the ESS Working Committee, if the Vesting Conditions are not fulfilled (whether fully or partially) by the ESS Option Participant in accordance with the terms set out in the Award Letter, the ESS Options shall lapse and be null and void. The ESS Working Committee may at its sole discretion re-offer the ESS Options comprised in such ESS Option Award to another Eligible Person.
- 37.6 Unless otherwise determined by the ESS Working Committee but subject to the applicable laws and ByLaws 11.1 and 11.2, the unvested ESS Option Award shall automatically lapse and be null and void in the event of the death of the ESS Option Participant.

38 EXERCISE OF ESS OPTIONS

- 38.1 Except as otherwise determined by the ESS Working Committee at its sole discretion, but subject to the applicable laws and ByLaws 11.1 and 11.2, the ESS Option shall be exercisable by the following person:
- (a) the ESS Option Participant during the ESS Period or Extended ESS Period (as the case may be);
 - (b) in the event the ESS Option Participant's legal incapacity to exercise the ESS Options, the ESS Option Participant's guardian or legal representative acting on behalf of him/her in a fiduciary capacity under the applicable laws and any required court supervision; or
 - (c) in the case of disability or death of the ESS Option Participant, his/her legal representative or his/her estate.
- 38.2 In the event of death of the ESS Option Participant as set out in ByLaw 38.1(c), the legal representative of the deceased ESS Option Participant may, during the ESS Period or Extended ESS Period (as the case may be), exercise the ESS Options which are vested to the deceased ESS Option Participant under the ESS provided that the transmission of the ESS Options from the deceased ESS Option Participant to the legal representative of the deceased

APPENDIX I – DRAFT BYLAWS (CONT'D)

ESS Option Participant must be approved by the ESS Working Committee within the period of 6 months (or such other period as the ESS Working Committee may determine as its sole discretion) from the event of death in accordance with these ByLaws.

- 38.3 Subject to ByLaw 33.1, an ESS Option can be exercised by the ESS Option Participant by notice in the prescribed form to the ESS Working Committee during the Exercise Period in respect of all or any part of the Shares which are vested to him/her under the ESS Option, such part being in multiples of 100 Shares. Any partial exercise of an ESS Option shall not preclude the ESS Option Participant from exercising the ESS Option in respect of the balance of the Shares comprised in the ESS Option. In the event that an ESS Option Participant's balance of ESS Options exercisable in accordance with these ByLaws shall be less than 100 new Shares, the said balance shall, if exercised, be exercised in a single tranche.
- 38.4 Each notice to exercise the ESS Option referred to in ByLaw 38.3 shall be accompanied by a remittance in RM in the form of a telegraphic transfer, bankers' draft or bankers' cheque (drawn and payable in Malaysia) for the total amount payable in respect of the number of the Shares to be subscribed or acquired pursuant to the exercise of the ESS Option based on the ESS Option Exercise Price as set out in ByLaw 36. Any other form of remittance shall be subject to the sole discretion of the ESS Working Committee.
- 38.5 If the ESS Option Participant exercises his/her ESS Options, subject to the fulfilment or waiver (whether fully or partially) of the Vesting Conditions (as the case may be) in accordance with these ByLaws and provided that all relevant information and/or documents are duly and correctly furnished together with the requisite remittance of monies, the Company shall within 8 market days (or such other period as may be prescribed or allowed by Bursa Securities) after the date of receipt of the notice of the exercise of the ESS Options by its share registrar:
- (a) allot and issue and/or transfer such Shares to the ESS Option Participant in accordance with the provisions of the Constitution, the SI(CD)A and the Rules of Bursa Depository;
 - (b) despatch the notice of allotment/transfer to the ESS Option Participant; and
 - (c) make an application for the listing of and quotation for the Shares, if applicable.
- A notice of allotment or notice stating the number of Shares credited into the ESS Option Participant's CDS Account will be issued as soon as reasonably practicable and in any event, not later than 4 market days after the date of listing and quotation of the said Shares. No physical share certificate will be issued to the ESS Option Participant.
- 38.6 All ESS Options to the extent unexercised and/or unvested on the Date of Expiry or Termination Date of the ESS Period or Extended ESS Period (as the case may be) applicable thereto shall lapse.
- 38.7 Any failure to comply with the procedures specified by the ESS Working Committee or to provide relevant information and the remittance of monies required by the Company as set out in the prescribed notice, or inaccuracy in the CDS Account number provided shall result in the notice to exercise being rejected at the sole discretion of the ESS Working Committee. The ESS Working Committee shall inform the ESS Option Participant of the rejection of the prescribed notice as soon as reasonably practicable from the date of rejection and the ESS Option Participant shall not have deemed to have exercised his/her ESS Option in accordance with ByLaw 38.5.
- 38.8 The Company, the Board and the ESS Working Committee shall not under any circumstances be held liable to any person for any costs, losses, expenses, damages or liabilities whatsoever and howsoever arising in the event of any delay on the part of the Company in allotting and issuing or crediting the Shares or in procuring the relevant authorities to list and quote the Shares subscribed for and/or acquired by an ESS Option Participant (as the case may be) or any delay in receipt or non-receipt by the Company of the prescribed notice or for any errors in

APPENDIX I – DRAFT BYLAWS (CONT'D)

any ESS Options or any other matters or dealings which are beyond the control of the Company, the Board and/or the ESS Working Committee.

- 38.9 Each ESS Option shall be subjected to the condition that no Shares shall be vested, issued and/or credited pursuant to the exercise of an ESS Option if such vesting, issue and/or crediting would be contrary to any law, enactment, rule and/or regulation of any legislative or non-legislative body which may be in force during the ESS Period or Extended ESS Period (as the case may be).

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PART C : SHARE GRANT

39 SHARE GRANT AWARDS

- 39.1 The ESS Working Committee may, at its sole discretion any time during the ESS Period or Extended ESS Period (as the case may be), grant a Share Grant Award in writing to any Eligible Person (based on the criteria of allocation as set out in ByLaw 8).
- 39.2 The actual number of Shares which may be granted to an Eligible Person shall be at the sole discretion of the ESS Working Committee and, subject to any adjustments that may be made under ByLaw 12, shall not be less than 100 Shares but not more than the Maximum Allowable Allocation and shall always be in multiples of 100 Shares.
- 39.3 A Share Grant Award may be made upon such terms and conditions as the ESS Working Committee may decide from time to time. Each Share Grant Award shall be made in writing and is personal to the Eligible Person and is non-assignable and non-transferable.
- 39.4 The ESS Working Committee may state the following particulars in the Award Letter (where applicable):
- (a) the Share Grant Price;
 - (b) the number of Shares to be granted to an Eligible Person;
 - (c) the ESS Period or Extended ESS Period (as the case may be);
 - (d) the Share Grant Award Date;
 - (e) the Vesting Conditions (if any/if applicable), the performance period, service period, vesting period, and Vesting Dates but in any event such periods and dates shall not be later than the Date of Expiry; and/or
 - (f) any other information deemed necessary by the ESS Working Committee.
- 39.5 The ESS Working Committee shall notify each Share Grant Participant of the Share Grant Award of such performance targets, performance period, service period, vesting period, Vesting Conditions, Vesting Dates or such other conditions as may be stipulated by the ESS Working Committee and the number of Shares vested onto him/her on the Vesting Dates **PROVIDED THAT** there may be excluded from such notice any information the disclosure of which the ESS Working Committee shall reasonably consider would prejudice confidentiality.
- 39.6 Without prejudice to ByLaws 16 and 17, in the event of an error on the part of the Company in stating any of the particulars referred to in ByLaws 39.4 and/or 39.5, the Company shall issue a supplemental Award Letter, stating the correct particulars referred to in ByLaws 39.4 and/or 39.5 as soon as reasonably practicable after discovery of the error.
- 39.7 Subject to ByLaw 39, nothing herein shall prevent the ESS Working Committee from making more than one (1) Share Grant Award to an Eligible Person **PROVIDED ALWAYS THAT** the total aggregate number of Shares which may be offered to an Eligible Person (inclusive of Shares previously offered under the ESS, if any) shall not exceed the Maximum Allowable Allocation of the Eligible Person as set out in ByLaw 8.
- 39.8 In any event, the ESS Working Committee shall have the sole discretion and shall not be obliged to grant any additional Share Grant Awards to an Eligible Person although he/she has not reached the Maximum Allowable Allocation.

APPENDIX I – DRAFT BYLAWS (CONT'D)

- 39.9 Unless otherwise determined by the ESS Working Committee but subject to the applicable laws and ByLaws 11.1 and 11.2, the Share Grant Awards shall automatically lapse and be null and void in the event of the death of the Eligible Person prior to the acceptance of the Share Grant Awards by the Eligible Person in the manner set out in ByLaw 40.
- 39.10 After each adjustment following an alteration of the Company's share capital as stipulated in ByLaws 12.1 and 12.2, the Company shall issue a supplemental Award Letter to inform the Share Grant Participants of such adjustment pursuant to ByLaw 12.8 as well as the corresponding adjustments that are made to the ESS Awards (where applicable) as soon as reasonably practicable after such adjustment is made.
- 39.11 The ESS Working Committee shall keep and maintain a register of Share Grant Participants and shall enter the names, addresses and identity card numbers of the Share Grant Participants, the Maximum Allowable Allocation, the number of Share Grant Awards granted, the number of Share Grants vested, the Share Grant Award Date and the Share Grant Price and other particulars as may be prescribed under Section 129 of the Act.

40 ACCEPTANCE OF THE SHARE GRANT AWARD

- 40.1 A Share Grant Award shall be valid for a period of 30 days from the Share Grant Award Date or such period as the ESS Working Committee at its sole discretion may determine ("**Validity Period**"). Acceptance of the said Share Grant Award by an Eligible Person shall be made by way of a written notice from the Eligible Person to the ESS Working Committee in the form prescribed by the ESS Working Committee and accompanied by the payment of RM1.00 only as non-refundable consideration for the acceptance of each Share Grant Award (regardless of the number of Shares comprised therein).
- 40.2 In the event that an Eligible Person fails to accept his/her Share Grant Award or pay the acceptance consideration as set out in ByLaw 40.1 within the Validity Period and in the manner aforesaid, or in the event the Eligible Person becomes a bankrupt prior to his/her acceptance of the Share Grant Award, the Share Grant Award shall be deemed to have lapsed. The Shares comprised in such Share Grant Awards may, at the discretion of the ESS Working Committee, be re-offered to another Eligible Person.
- 40.3 Upon acceptance of the Share Grant Awards by an Eligible Person, the Share Grant Award will be vested to the Share Grant Participant on the Vesting Date during the ESS Period or Extended ESS Period (as the case may be), subject to the Share Grant Participant fulfilling the Vesting Conditions (whether fully or partially), if any, as may be determined at the sole discretion of the ESS Working Committee.

41 VESTING CONDITIONS

- 41.1 Subject to ByLaws 6, 7 and 41.2, the Shares comprised in the Share Grant Award or such part thereof will only vest to the Share Grant Participant on the Vesting Dates if:
- (a) the Share Grant Participant remains in employment with the Group as at the Vesting Date; and
 - (b) the other Vesting Conditions (if any) are fully and duly satisfied by the Share Grant Participant.
- 41.2 The ESS Working Committee may at its sole discretion, by giving notice in writing to the Share Grant Participant, vary or waive any of the terms of the Vesting Conditions, performance period, service period, vesting period or any other conditions.
- 41.3 The ESS Working Committee shall have the sole discretion to determine whether the Vesting Conditions (if any) have been satisfied in full or partial and/or whether any amendment or revision should be made to the Vesting Conditions.

- 41.4 Where the ESS Working Committee has determined that the Vesting Conditions and/or any other stipulated conditions in respect of the Share Grant Awards have been fulfilled or waived (whether fully or partially), the Share Grant Participant shall be notified of the number of the Shares to be vested in him/her and the Vesting Date. The decision of the ESS Working Committee on the vesting of the Shares to the Share Grant Participant pursuant to these ByLaws shall be final and binding. The Share Grant Participant shall not have any right to or interest in the Shares comprised in the Share Grant Award granted to him/her prior to the Vesting Date.
- 41.5 Unless otherwise determined by the ESS Working Committee if the Vesting Conditions are not fulfilled (whether fully or partially) by the Share Grant Participant in accordance with the terms set out in the Award Letter, the Share Grant Award shall lapse and be of no value. The ESS Working Committee may at its sole discretion re-offer the Share Grant Award to another Eligible Person.
- 41.6 For the avoidance of doubt, upon acceptance of the Share Grant Award by the Share Grant Participant, the Shares will vest to him/her at no cost subject always to the fulfilment or waiver (whether fully or partially) of the Vesting Conditions and/or any other conditions as stipulated in ByLaw 41.2 (if any).
- 41.7 Unless otherwise determined by the ESS Working Committee but subject to the applicable laws and ByLaws 11.1 and 11.2, the Share Grant Award shall automatically lapse and be null and void in the event of the death of the Share Grant Participant.

42 REFERENCE PRICE

The reference price for the Share Grant Award to be granted shall be based on a discount, as may be determined by the ESS Working Committee at its sole discretion, of not more than 10% to the 5 day volume weighted average market price of the Shares transacted on the Bursa Securities prior to the date of granting of the Share Grant Award to the Share Grant Participant (or such basis as the relevant authorities may permit) ("**Reference Price**").

43 DELIVERY OF THE SHARES

- 43.1 In respect of the Shares which are vested onto a Share Grant Participant pursuant to ByLaw 41 and provided that all relevant information and/or documents are duly and correctly furnished, the Company shall as soon as reasonably practicable following the Vesting Date:
- (a) allot and issue and/or transfer such Shares to the Share Grant Participant in accordance with the provisions of the Constitution, the SI(CD)A and the Rules of Bursa Depository;
 - (b) despatch the notice of allotment/transfer to the Share Grant Participant;
 - (c) make an application for the listing of and quotation for the Shares, if applicable; and/or
 - (d) remit the cash equivalent to the Reference Price of the Shares as set out in the Share Grant Award to the Share Grant Participant.

A notice of allotment or notice stating the number of Shares credited into the Share Grant Participant's CDS Account will be issued as soon as reasonably practicable and in any event, not later than 4 market days after the date of listing and quotation of the said Shares. No physical share certificate will be issued to the Share Grant Participant.

- 43.2 All Share Grant Awards to the extent unvested on the expiry or earlier termination of the ESS Period or Extended ESS Period (as the case may be) applicable thereto shall lapse.
- 43.3 The Company, the Board and the ESS Working Committee shall not under any circumstances be held liable to any person for any costs, losses, expenses, damages or liabilities whatsoever

and howsoever arising and whether directly or indirectly in the event of any delay on the part of the Company in crediting the Shares or in procuring the relevant authorities to list and quote the Shares vested in a Share Grant Participant (as the case may be) or any delay in receipt or non-receipt by the Company of the notice or for any errors in any Share Grant Awards or any other matters or dealings which are beyond the control of the Company, the Board and/or the ESS Working Committee.

- 43.4 Every Share Grant Award shall be subjected to the condition that no Shares shall be vested and/or credited pursuant to a Share Grant Award if such vesting and/or crediting would be contrary to any law, enactment, rule and/or regulation of any legislative or non-legislative body which may be in force during the ESS Period or Extended ESS Period (as the case may be).

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THE SCHEDULE

In addition to ByLaw 12.1 and not in derogation thereof, the ESS Option Exercise Price and the number of the Shares relating to the ESS Option so far unvested and/or unexercised and/or relating to a Share Grant Award in so far as unvested shall from time to time be adjusted by the ESS Working Committee in accordance with the following relevant provisions in consultation with an Adviser and/or Auditor:

- (a) If and whenever a Share by reason of any consolidation or subdivision (including if so permitted by the relevant authorities, a subdivision by way of a bonus issue by the Company of the Shares without capitalisation of profits or reserves) or conversion occurs, the ESS Option Exercise Price shall be adjusted and the adjusted number of Shares relating to the ESS Award (where applicable) to be issued or transferred shall be calculated in accordance with the following formula:

- (i) New ESS Option Exercise Price =

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

- (ii) Additional Number of Shares =

$$\frac{T \times M}{L} - T$$

where:

- L = the aggregate number of Shares in issue immediately prior to the consolidation or subdivision or conversion;
- M = the aggregate number of Shares in issue immediately after such consolidation or subdivision or conversion;
- S = existing ESS Option Exercise Price; and
- T = Existing number of Shares relating to the ESS Award.

Each such adjustment will be effective from the day on which the consolidation or subdivision or conversion becomes effective.

- (b) If whenever the Company shall make any issue of Shares to ordinary shareholders for which no consideration is payable or which are credited as fully paid, by way of capitalisation of profits or reserves (other than an issue of Shares to its members who had an option to take cash or other dividend in lieu of the relevant Shares), the ESS Option Exercise Price shall be adjusted by multiplying it by the following fraction:

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

and the adjusted number of Shares relating to the ESS Option to be issued/ the additional number of Shares to be vested and transferred under the Share Grant Award shall be calculated as follows:

$$\text{Additional Number of Shares (ESS Option)} = \frac{T \times (A + B)}{A} - T$$

where

APPENDIX I – DRAFT BYLAWS (CONT'D)

- A = the aggregate number of issued Shares on the Entitlement Date immediately before such capitalisation;
- B = the aggregate number of Shares to be issued pursuant to any allotment to ordinary shareholders credited as fully paid by way of capitalisation of profits or reserves (other than an issue of Shares to its members who had an option to take cash or other dividend in lieu of the relevant Shares);
- T = as above.

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

- (c) If and whenever the Company shall make:
- (i) a Capital Distribution (as defined below) to ordinary shareholders whether on a reduction of capital or otherwise (save and except any capital reduction involving the cancellation of capital which is lost or unrepresented by available assets or involving any purchase by the Company of its own Shares in accordance with the Act and any other applicable laws and regulations); or
 - (ii) any offer or invitation to its ordinary shareholders whereunder they may acquire or subscribe for the Shares by way of rights; or
 - (iii) any offer or invitation to its ordinary shareholders by way of rights whereunder they may acquire or subscribe for securities convertible into Shares or securities with rights to acquire or subscribe for Shares,

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

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

and in respect of the case referred to in Clause (c)(ii) above, the adjusted number of Shares comprised in the ESS Option to be issued/the adjusted number of Shares to be vested and transferred under a Share Grant Award shall be calculated as follows:

$$\text{Adjusted Number of Shares} = \left[\frac{T \times C}{C - D} \right]$$

where

- T = as above.
- C = the Current Market Price of each Share on the Market Day immediately preceding the date on which the Capital Distribution or the offer or invitation (as the case may be) is publicly announced to Bursa Securities or (failing any such announcement) immediately preceding the date of the announcement of the Entitlement Date of the Capital Distribution or of the offer or invitation (as the case may be); and
- D = (i) in the case of an offer or invitation to acquire or subscribe for the Shares by way of rights under Clause (c)(ii) above or for securities convertible into the Shares or securities with rights to acquire or subscribe for the Shares under Clause (c)(iii) above, the value of rights attributable to one (1) Share (as defined below); or

APPENDIX I – DRAFT BYLAWS (CONT'D)

- (ii) in the case of any other transaction falling within Clause (c), the fair market value, as may be determined by the Adviser and/or Auditor, of that portion of the Capital Distribution attributable to one (1) Share.

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

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

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

where:

C = As C above

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

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

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

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

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

where:

C = As C above

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

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

For the purpose of Clause (c), "Capital Distribution" shall (without prejudice to the generality of that expression) include distributions in cash or specie (other than dividend) or by way of issue of Shares (not falling under Clause (b)) or other securities credited account by way of capitalisation of profits or reserves (but excluding any Shares to its members who had an option to take cash or other dividend in lieu of the relevant Shares).

Any distribution out of profits or reserves made (whenever paid) shall be deemed to be a Capital Distribution unless it is paid out of the aggregate of the net profits attributable to the ordinary shareholders as shown in the audited consolidated profit and loss accounts of the Company.

APPENDIX I – DRAFT BYLAWS (CONT'D)

Such adjustments will be effective (if appropriate retroactively) from the commencement of the next Market Day immediately following the Effective Date for the above transactions.

- (d) If and whenever the Company makes an allotment to its ordinary shareholders as provided in Clause (b) above and also makes an offer or invitation to its ordinary shareholders as provided in Clause (c)(ii) or (iii) above and the Entitlement Date for the purpose of the allotment is also the Entitlement Date for the purpose of the offer or invitation, the ESS Option Exercise Price shall be adjusted by multiplying it by the following fraction:

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

and where the Company makes an allotment to its ordinary shareholders as provided in Clause (b) above and also makes an offer or invitation to its ordinary shareholders as provided in Clause (c)(ii) above and the entitlement date for the purpose of the allotment is also the book closure date for the purpose of the offer or invitation, the adjusted number of the Shares relating to the ESS Options to be issued/the Shares to be vested and transferred under the Share Grants shall be calculated as follows:

$$\text{Adjusted Number of Shares (ESS Option)} = \frac{T \times (G + H + B) \times C}{(G \times C) + (H \times I)}$$

$$\text{Adjusted Number of Shares (Share Grant)} = \frac{T \times (G + H^* + B) \times C}{(G \times C) + (H^* \times I^*)}$$

where:

- B = as B above;
- C = as C above;
- G = the aggregate number of Shares on the Entitlement Date;
- H = the aggregate number of new Shares under an offer or invitation to acquire or subscribe for Shares by way of rights or under an offer or invitation by way of rights to acquire or subscribe for securities convertible into Shares or rights to acquire or subscribe for Shares (as the case may be);
- H* = the aggregate number of new Shares under an offer or invitation to acquire or subscribe for Shares by way of rights;
- I = the subscription price of one (1) additional Share under the offer or invitation to acquire or subscribe for Shares or the exercise price on conversion of such securities or exercise of such rights to acquire or subscribe for one (1) additional Share (as the case may be);
- I* = the subscription price of one (1) additional Share under the offer or invitation to acquire or subscribe for Shares; and
- T = as T above.

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

- (e) If and whenever the Company makes any offer or invitation to its ordinary shareholders to acquire or subscribe for Shares as provided in Clause (c)(ii) above together with an offer or

APPENDIX I – DRAFT BYLAWS (CONT'D)

invitation to acquire or subscribe for securities convertible into or rights to acquire or subscribe for ordinary shareholders as provided in Clause (c)(iii) above, the ESS Option Exercise Price shall be adjusted by multiplying it by the following fraction:

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

and the adjusted number of the Shares relating to the ESS Options to be issued/the Shares to be vested and transferred under the Share Grants shall be calculated as follows:

$$\text{Adjusted Number of Shares (ESS Option)} = \frac{T \times (G + H^*) \times C}{(G \times C) + (H^* \times I^*)}$$

$$\text{Adjusted Number of Shares (Share Grant)} = \frac{T \times (G + H + J) \times C}{(G \times C) + (H \times I) + (J \times K)}$$

where:

- C = as C above;
- G = as G above;
- H = as H above;
- H* = as H* above;
- I = as I above;
- I* = as I* above;
- J = the aggregate number of Shares to be issued to its ordinary shareholders upon conversion of such securities or exercise of such rights to subscribe for Shares by the ordinary shareholders;
- K = the exercise price on conversion of such securities or exercise of such rights to acquire or subscribe for one (1) additional Share; and
- T = as T above.

Such adjustment will be effective (if appropriate retroactively) from the commencement of the next Market Day immediately following the Entitlement Date for the above transactions.

- (f) If and whenever the Company makes an allotment to its ordinary shareholders as provided in Clause (b) above and also makes an offer or invitation to acquire or subscribe for Shares to its ordinary shareholders as provided in Clause (c)(ii) above, together with rights to acquire or subscribe for Shares as provided in Clause (c)(iii) above, and the book closure date for the purpose of allotment is also the book closure for the purpose of the offer or invitation, the ESS Option Exercise Price shall be adjusted by multiplying it by the following fraction:

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

and the adjusted number of Shares relating to the ESS Options to be issued/Shares to be vested and transferred under the Share Grants shall be calculated as follows:

$$\text{Adjusted Number of Shares (ESS Option)} = \frac{T \times (G + H^* + B) \times C}{(G \times C) + (H^* \times I^*)}$$

$$\text{Adjusted Number of Shares (Share Grant)} = \frac{T \times (G + H + J + B) \times C}{(G \times C) + (H \times I) + (J \times K)}$$

where:

- B = as B above;
- C = as C above;
- G = as G above;
- H = as H above;
- H* = as H* above;
- I = as I above;
- I* = as I* above;
- J = as J above;
- K = as K above; and
- T = as T above.

Such adjustment will be effective (if appropriate retroactively) from the commencement of the next Market Day immediately following the Entitlement Date for the above transaction.

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

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

where:

- L = the number of Shares in issue at the close of business on Bursa Securities on the Market Day immediately preceding the date on which the relevant adjustment becomes effective;
- M = the number of Shares which the Total Effective Consideration (as defined below) would have purchased at the Average Price (as defined below) (exclusive of expenses); and

APPENDIX I – DRAFT BYLAWS (CONT'D)

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

For the purpose of this paragraph (g), the "Total Effective Consideration" shall be determined by the ESS Working Committee with the concurrence of the Auditors shall be:

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

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

For the purpose of this paragraph (g), "Average Price" of a Share shall be the average market price of one (1) Share as derived from the last traded prices for one (1) or more board lots of Shares as quoted on Bursa Securities on the Market Days comprised in the period used as a basis upon which the issue price of such Shares is determined. Such adjustment will be calculated (if appropriate retroactively) from the close of business on Bursa Securities on the Market Day immediately following the date on which the issue is announced, or (failing any such announcement) on the Market Day immediately following the date on which the Company determines the subscription price of such Shares. Each such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day immediately following the completion of the above transaction.

(h) For the purpose of this Schedule:

- (i) "Current Market Price" means in relation to each Share for any relevant day the 5 day volume weighted average market price for each Share on Bursa Securities for the 5 consecutive Market Days before such date for one or more board lots of Shares on Bursa Securities or in such other manner as may from time to time be stipulated in any guidelines proscribed by any competent authorities, if any.

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1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Board who collectively and individually accept full responsibility for the completeness and accuracy of the information contained in this Circular and confirm that after making all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other material facts contained in this Circular, the omission of which would make any statement in this Circular false or misleading.

2. CONSENT AND CONFLICT OF INTEREST**AmInvestment Bank**

AmInvestment Bank, being the Principal Adviser for the Proposals, has given and has not subsequently withdrawn its written consent for the inclusion in this Circular of their names, reports and/or letters (where applicable) and all references thereto in the form and context in which they appear in this Circular.

AmInvestment Bank, its related and associated companies, as well as its holding company, AMMB Holdings Berhad and the subsidiaries and associated companies of its holding company ("**AmBank Group**") form a diversified financial group and are engaged in a wide range of investment and commercial banking, brokerage, securities trading, asset and funds management and credit transaction service businesses.

In the ordinary course of their businesses, any member of AmBank Group may at any time extend services to any company as well as hold long or short positions, and trade or otherwise effect transactions, for its own account or the account of its other clients, in debt or equity securities or senior loans of any company. Accordingly, there may be situations where parts of the AmBank Group and/or its clients now have or in the future, may have interests or take actions that may conflict with the interests of BERMAZ Group.

The AmBank Group has extended credit facilities to BERMAZ Group, the amount outstanding as at LPD amounted to approximately RM59.7 million.

AmInvestment Bank is of the view that its role as the Principal Adviser for the Proposals is not likely to result in a conflict of interest or potential conflict of interest situation for the following reasons:-

- (i) AmInvestment Bank's role in the Proposals is undertaken in the ordinary course of business; and
- (ii) AmInvestment Bank undertakes each of its roles on an arm's length basis and its conduct is regulated by Bank Negara Malaysia and the Securities Commission Malaysia and governed under, inter alia, the Financial Services Act 2013, the Capital Markets and Services Act 2007, and AmBank Group's Chinese Wall policy and internal controls and checks.

Premised on the above, AmInvestment Bank confirms that there is no conflict of interest which exists or is likely to exist in its capacity as the Principal Adviser in respect of the Proposals.

APPENDIX II - FURTHER INFORMATION (CONT'D)

3. HISTORICAL SHARE PRICE

The monthly high and low prices of BERMAZ Shares traded on Bursa Securities for the past twelve (12) months preceding the date of this Circular are as follows:-

	High RM	Low RM
<u>2022</u>		
August	1.84	1.75
September	1.96	1.78
October	1.98	1.84
November	2.01	1.89
December	2.25	1.92
<u>2023</u>		
January	2.18	1.98
February	2.22	2.10
March	2.34	2.10
April	2.39	2.27
May	2.34	2.14
June	2.32	2.15
July	2.33	1.96

Last transacted market price on 2 August 2023 (being the last market day prior to the announcement of the Proposals)	2.07
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Last transacted market price as at the LPD	2.05
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(Source: Bloomberg)

4. MATERIAL LITIGATION, CLAIMS AND ARBITRATION

As at the LPD, the BERMAZ Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, which may have a material effect on the financial position or business of the BERMAZ Group and the Board confirms that there are no proceedings pending or threatened against the BERMAZ Group, or of any facts likely to give rise to any proceedings which may materially and adversely affect the financial position or business of the BERMAZ Group.

5. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES**5.1 Material commitments**

As at the LPD, the Board is not aware of any material commitments incurred or known to be incurred which upon becoming enforceable may have a material impact on the financial position of the BERMAZ Group.

APPENDIX II - FURTHER INFORMATION (CONT'D)

5.2 Contingent liabilities

Save as disclosed below, as at the LPD, the Board is not aware of any contingent liabilities incurred or known to be incurred by the Group which, upon becoming due or enforceable, may have a material impact on the financial position of the BERMAZ Group:

	RM'000
Corporate guarantees for credit facilities granted for a subsidiary which allows for third party utilization by the subsidiary's supplier	119,163

6. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of BERMAZ at 12th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan during normal business hours from Monday to Friday (except public holidays) following the date of the Circular up to and including the date of the forthcoming EGM:-

- (i) The Constitution;
- (ii) The audited consolidated financial statements for the past two (2) financial years ended 30 April 2022 and 30 April 2023;
- (iii) the draft ByLaws as set out in Appendix I of the Circular; and
- (iv) the letter of consent and declaration of conflict of interests referred to in Section 2 of Appendix II of the Circular.



BERMAZ AUTO BERHAD
(Registration No. 201001016854 (900557-M))
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting (“**EGM**” or “**Meeting**”) of Bermaz Auto Berhad (“**BERMAZ**” or the “**Company**”) which will be conducted on a virtual basis through live streaming and online voting via Remote Participation and Electronic Voting (“**RPEV**”) facilities hosted at <https://meeting.boardroomlimited.my> (Domain Registration No. with MYNIC - D6A357657) (Meeting Platform) from 12th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia (“**Broadcast Venue**”) on Thursday, 5 October 2023 at 12.30 p.m. or immediately after the conclusion or adjournment (as the case may be) of the Company’s 13th Annual General Meeting to be convened, whichever is later, for the purpose of considering and, if thought fit, passing with or without modifications, the following ordinary resolutions:-

ORDINARY RESOLUTION 1

PROPOSED ESTABLISHMENT OF A NEW EMPLOYEES’ SHARE SCHEME (“PROPOSED ESS”)

“**THAT** subject to the approvals from all relevant regulatory authorities and parties being obtained for the Proposed ESS, and to the extent permitted by law and the Constitution of the Company, approval and authority be and is hereby given to the Board of Directors of the Company to undertake the following:-

- (i) to establish, implement and administer the Proposed ESS for the benefit of the Executive Directors of the Company and the Directors and employees of its subsidiaries (excluding subsidiaries which are dormant) (“**BERMAZ Group**”) who meet certain specified criteria of eligibility for participation in the Proposed ESS and to implement and administer the same through a working committee (“**ESS Working Committee**”) to be established in accordance with the provisions of the bylaws of the Proposed ESS (“**ByLaws**”) which is set out in **Appendix I** of the circular to shareholders of BERMAZ dated 28 August 2023 (“**Circular**”);
- (ii) to issue and allot and/or procure the transfer of such number of new and/or existing ordinary shares in BERMAZ (“**BERMAZ Shares**” or “**Shares**”) (as adjusted or modified from time to time pursuant to the ByLaws) from time to time as may be required for the purpose of or in connection with the Proposed ESS, provided that the total number of the BERMAZ Shares be allotted and issued pursuant to exercise of options to subscribe for and/or acquire the Shares (“**ESS Options**”) and/or the vesting of Shares arising from a share grant (“**Share Grant**”) (collectively, the “**ESS Awards**”) following the implementation of the Proposed ESS shall not exceed 3% in aggregate of the total number of issued BERMAZ Shares (excluding treasury shares) at any point in time throughout the duration of the Proposed ESS and such new BERMAZ Shares shall, upon allotment and issuance, carry the same rights as the existing BERMAZ Shares, save and except that the new BERMAZ Shares would not be entitled to dividend, rights, allotments and/or other forms of distribution which may be declared, made or paid to shareholders of the Company, the entitlement date of which is prior to the date of allotment of the new BERMAZ Shares to be issued pursuant to the exercise of the ESS Options or vesting of Share Grant;
- (iii) to add, amend, modify and/or delete all or any part of the terms and conditions as set out in the ByLaws from time to time provided that such addition, amendment, modification and/ or deletion are effected in accordance with the provisions of the ByLaws, and to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the Proposed ESS; and
- (iv) to approve and adopt the ByLaws which is in compliance with the Main Market Listing Requirements (“**Listing Requirements**”) of Bursa Malaysia Securities Berhad;

THAT pursuant to Section 85 of the Companies Act 2016 which shall be read together with Clause 60 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the existing shareholders of the Company to be offered any new BERMAZ Shares ranking pari passu in all respects with the existing issued BERMAZ Shares arising from any allotment and issuance of new BERMAZ Shares to the eligible persons pursuant to the Proposed ESS.

AND THAT the Board be and is hereby authorised to give effect to the Proposed ESS with full power to assent to any conditions, modifications, variations and/or amendments in any manner as may be deemed necessary or expedient by the Board or required by the relevant authorities and to deal with all matters relating thereto and to take all such steps and do all acts, deeds and things as they may consider necessary and/or expedient to implement, finalise and give full effect to the Proposed ESS.”

ORDINARY RESOLUTION 2

PROPOSED GRANTING OF ESS AWARD TO TAN SRI DATO' SRI YEOH CHOON SAN

“THAT subject to the passing of Ordinary Resolution 1 and the approvals of all relevant authorities being obtained, the ESS Working Committee be and is hereby authorised to offer and grant to Tan Sri Dato' Sri Yeoh Choon San, being the Executive Chairman of the Company, such number of BERMAZ Shares and options under the ESS Awards from time to time, throughout the duration of the Proposed ESS, an aggregate of up to 1,200,000 of the total number of BERMAZ Shares to be issued and/or transferred to him pursuant to the Proposed ESS, subject always to the provisions of the ByLaws and/or any adjustments thereof.”

ORDINARY RESOLUTION 3

PROPOSED GRANTING OF ESS AWARD TO DATO' LEE KOK CHUAN

“THAT subject to the passing of Ordinary Resolution 1 and the approvals of all relevant authorities being obtained, the ESS Working Committee be and is hereby authorised to offer and grant to Dato' Lee Kok Chuan, being the Group Chief Executive Officer/Executive Director, such number of BERMAZ Shares and options under the ESS Awards from time to time, throughout the duration of the Proposed ESS, an aggregate of up to 1,000,000 of the total number of BERMAZ Shares to be issued and/or transferred to him pursuant to the Proposed ESS, subject always to the provisions of the ByLaws and/or any adjustments thereof.”

BY ORDER OF THE BOARD

TAI YIT CHAN (SSM Practicing Certificate No. 202008001023) (MAICSA 7009143)
TAI YUEN LING (SSM Practicing Certificate No. 202008001075) (LS 0008513)
TEH PEI FEN (SSM Practicing Certificate No. 202208000409) (MAICSA 7078581)
Company Secretaries

Date: 28 August 2023
Petaling Jaya, Selangor Darul Ehsan

Notes:-

Proxy and Entitlement of Attendance

- (i) A member of the Company who is entitled to attend, participate, speak (including posing questions to the Board via real time submission of typed texts) and vote remotely at the EGM of the Company is entitled to appoint not more than two (2) proxies to exercise all or any of his/her rights to attend, participate, speak and vote in his/her stead. A proxy may but need not be a member of the Company.
- (ii) A member, other than an authorised nominee or an exempt authorised nominee, may appoint not more than two (2) proxies, the appointment shall be invalid unless he/she specifies the proportion of his/her shareholdings to be represented by each proxy.
- (iii) An authorised nominee, as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account.
- (iv) An exempt authorised nominee, as defined under the SICDA, and holding ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), may appoint multiple proxies in respect of each of its omnibus account.
- (v) An individual member who appoints a proxy must sign the Form of Proxy personally or by his attorney duly authorised in writing. A corporate member who appoints a proxy must execute the Form of Proxy under seal or under the hand of its officer or attorney duly authorised.
- (vi) The duly executed Form of Proxy shall be deposited with the Share Registrar of the Company at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia or via electronic means through the Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> (Please follow the procedure as stipulated in the Administrative Details) not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting and in default the instrument of proxy shall not be treated as valid. Any notice of termination of person's authority to act as a proxy must be forwarded to the Company prior to the commencement of the EGM or any adjournment thereof, as the case may be.
- (vii) Members would need to register as a user on the Boardroom Smart Investor Portal first before they can request for the Remote Participant User ID and password to virtually attend, participate, speak and vote at the EGM, in accordance with the Administrative Details for the EGM.
- (viii) Only members whose names appear in the Record of Depositors as at 26 September 2023 shall be entitled to participate and/or vote at the EGM or appoint a proxy(ies) to participate and/or vote in his/her stead at the EGM.
- (ix) Please ensure ALL the particulars as required in the Form of Proxy are duly completed, signed and dated accordingly.
- (x) Last date and time for lodging the Form of Proxy is **Tuesday, 3 October 2023 at 12.30 p.m.**

Poll voting

Pursuant to Clause 82 of the Constitution of the Company and Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in this Notice will be put to vote by way of poll. Poll Administrator and Independent Scrutineers are appointed to conduct the polling process and verify the results of the poll respectively.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to participate and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

FORM OF PROXY



NO. OF SHARES	CDS ACCOUNT NO.												
-													

I/We _____
(Name in full as per NRIC / Certificate of Incorporation in capital letters)

NRIC /Passport /Company No. _____ of _____
(Full address)

_____ *(Full address)*

H/P No. _____ Email _____

being a member(s) of **BERMAZ AUTO BERHAD** hereby appoint:

	Full name of proxy in block letters	Contact details	NRIC/Passport No.	No. of shares to be represented	Percentage (%)
Proxy 1		H/P No.:			
		Email:			
And/or (delete if inapplicable)					
Proxy 2		H/P No.:			
		Email:			
Total					100%

or failing him/her, the CHAIRMAN OF THE MEETING as my/our proxy to vote for me/us on my/our behalf, at the **Extraordinary General Meeting** (“EGM”) of the Company to be conducted on a virtual basis through live streaming and online voting via Remote Participation and Electronic Voting facilities from the Broadcast Venue at 12th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia on **Thursday, 5 October 2023 at 12.30 p.m.**, or immediately after the conclusion or adjournment (as the case may be) of the Company’s 13th Annual General Meeting to be convened, whichever is later.

Please indicate with “X” how you wish your vote to be cast. In the absence of specific instructions, your proxy(ies) will vote or abstain from voting at his/her/their discretion.

Resolutions	Relating to:	For	Against
Ordinary Resolution 1	To approve the Proposed ESS		
Ordinary Resolution 2	To approve the Proposed Granting of ESS Award to Tan Sri Dato’ Sri Yeoh Choon San		
Ordinary Resolution 3	To approve the Proposed Granting of ESS Award to Dato’ Lee Kok Chuan		

Dated this day _____ of _____, 2023.

 Signature(s)/Common Seal of Shareholder(s)

Fold this flap for sealing

Notes:

- a) A member of the Company who is entitled to attend, participate, speak (including posing questions to the Board via real time submission of typed text) and vote remotely at the EGM of the Company is entitled to appoint not more than two (2) proxies to exercise all or any of his/her rights to attend, participate, speak and vote in his/her stead. A proxy may but need not be a member of the Company.
- b) A member, other than an authorised nominee or an exempt authorized nominee, may appoint not more than two (2) proxies, the appointment shall be invalid unless he/she specifies the proportion of his/her shareholdings to be represented by each proxy.
- c) An authorised nominee, as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account.
- d) An exempt authorised nominee, as defined under the SICDA, and holding ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), may appoint multiple proxies in respect of each of its omnibus account.
- e) An individual member who appoints a proxy must sign the Form of Proxy personally or by his attorney duly authorised in writing. A corporate member who appoints a proxy must execute the Form of Proxy under seal or under the hand of its officer or attorney duly authorized.
- f) The duly executed Form of Proxy shall be deposited with the Share Registrar of the Company at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehan, Malaysia or via electronic means through the Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> (Please follow the procedure as stipulated in the Administrative Details for the EGM) not less than forty-eight (48) hours before the time appointed holding for the meeting or adjourned meeting and in default the instrument of proxy shall not be treated as valid. Any notice of termination of person's authority to act as a proxy must be forwarded to the Company prior to the commencement of the EGM or any adjournment thereof, as the case may be.

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AFFIX
STAMP

BOARDROOM SHARE REGISTRARS SDN BHD
11TH FLOOR, MENARA SYMPHONY
NO. 5, JALAN PROF. KHOO KAY KIM
SEKSYEN 13
46200 PETALING JAYA
SELANGOR DARUL EHSAN

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- g) Members would need to register as a user on the Boardroom Smart Investor Portal first before they can request for the Remote Participant User ID and password to virtually attend, participate, speak and vote at the EGM, in accordance with the Administrative Details for the EGM.
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Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 28 August 2023.

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