

11 BY-LAWS OF THE ESOS**VISDYNAMICS HOLDINGS BERHAD
(COMPANY NO.: 677095-M)****EMPLOYEES' SHARE OPTION SCHEME**

THE BY-LAWS OF THE SCHEME

(Amending the By-Laws of the Scheme which was implemented on 14 January 2005)

1. DEFINITIONS

1.1 Except where the context otherwise requires, the following expressions in these By-Laws have the following meanings:

"Auditors"	: The external auditors for the time being of the Company
"Board"	: The Board of Directors of VisDynamics.
"Bursa Depository"	: Bursa Malaysia Depository Sdn Bhd.
"Bursa Securities"	: Bursa Malaysia Securities Berhad.
"By-Laws"	: The By-Laws governing the Scheme, as may be amended at any time and from time to time.
"CDS"	: Central Depository System.
"Central Depositories Act"	: The <i>Malaysian Securities Industry (Central Depositories) Act 1991</i> .
"Deposited Security(ies)"	: A security standing to the credit of a Securities Account and includes a security in a Securities Account that is in suspense.
"Depositor"	: A holder of a Securities Account.
"Director"	: Either an Executive Director or Non-Executive Director of the Group.
"Duration of the Scheme"	: The duration of the Scheme shall be ten (10) from the implementation of the Scheme as defined in Clause 19.1.
"Effective Date"	: The effective date of these By-Laws as set out in Clause 19.2.
"Eligible Employee"	: A natural person who is a Director or who is employed by any company in the Group or engaged under any service contract by any company in the Group who meets the criteria of eligibility for participation in the Scheme as set out in Clause 4.
"Entitlement Date"	: The date as at the close of business on which shareholders' names must appear on the Company's record of depositors in order to participate in any dividends, rights, allotments or other distributions.
"ESOS"	: Employees' share option scheme.

"Executive Director"	:	A Director on the board of VisDynamics and/or its subsidiaries who is on the payroll and who is involved in the day-to-day management of VisDynamics and/or its subsidiaries and who satisfies the criteria set out in Clause 4.
"Grantee"	:	An Eligible Employee who has accepted an Offer in the manner indicated in Clause 8.
"Implementation Date"	:	The date of implementation of the VisDynamics ESOS which was on 14 January 2005.
"Listing Requirements"	:	Listing Requirements of Bursa Securities for the MESDAQ Market.
"Market Day"	:	Any day between Mondays and Fridays, both days inclusive, which is not a market holiday or public holiday and on which Bursa Securities is open for trading of securities.
"Maximum Allowable Allotment"	:	The maximum number of new VisDynamics Shares in respect of which Offers may be made to Eligible Employees, as provided in Clause 6.
"Non-Executive Director"	:	A Director other than an Executive Director.
"Offer Date"	:	The date on which an Offer is made by the Option Committee to an Eligible Employee to participate in the Scheme.
"Offer"	:	An offer made in writing by the Option Committee to an Eligible Employee in the manner indicated in Clause 5.
"Option Committee"	:	The committee appointed by the Board to implement and administer the Scheme.
"Option Period"	:	A period commencing from the Offer Date and expiring on a date which the Option Committee may in its discretion decide. Provided Always that no Option Period shall extend beyond the Duration of the Scheme.
"Option"	:	The rights of a Grantee to subscribe for new VisDynamics Shares pursuant to the contract constituted by acceptance by an Eligible Employee, in the manner as set out in Clause 8, of an Offer made to such Eligible Employee pursuant to Clause 5.
"Record of Depositors"	:	A record of Depositors established by the Bursa Depository under the Rules of the Bursa Depository.
"RM" and "Sen"	:	Ringgit Malaysia and Sen, respectively.
"Scheme"	:	The ESOS scheme for the grant of Option(s) to Eligible Employees to subscribe for new VisDynamics Shares on the terms as set out below.
"Securities Account"	:	An account established by the Bursa Depository for a Depositor for the recording of Deposited Securities and for dealings in such securities by the Depositor.
"Subscription Price"	:	The price per share at which a Grantee shall be entitled to subscribe for new VisDynamics Shares as set out in Clause 7.

"VisDynamics Group" or "Group"	or	:	VisDynamics and its subsidiary companies as defined in Section 5 of the <i>Companies Act 1965</i> .
"VisDynamics Share(s)"	:	:	Ordinary share(s) of RM0.10 each in the capital of the Company.
"VisDynamics" or "Company"	or	:	VisDynamics Holdings Berhad (Company No. 677095-M).

1.2 In these By-Laws:-

- 1.2.1 Any reference to a statutory provision shall include any subordinate legislation made from time to time under the provision and any listing requirements, policies and/or guidelines of Bursa Securities (in each case, whether or not having the force of law but, if not having the force of law, the compliance with which is in accordance with the reasonable commercial practice of persons to whom such requirements, policies and/or guidelines are addressed to by Bursa Securities);
- 1.2.2 Any reference to a statutory provision shall include that provision as from time to time modified or re-enacted after the date of these By-Laws so far as such modification or re-enactment applies or is capable of applying to any Option offered and accepted prior to the expiry of the Scheme;
- 1.2.3 Words denoting the singular shall include the plural and references to gender shall include both genders and the neuter;
- 1.2.4 Any liberty or power which may be exercised or any determination which may be made under by this Scheme by the Option Committee may be exercised at the Option Committee's discretion;
- 1.2.5 The heading in these By-Laws are for convenience only and shall not be taken into account in the interpretation of these By-Laws; and
- 1.2.6 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.

2. NAME OF SCHEME

This Scheme is named the "**VisDynamics Employees' Share Option Scheme**".

3. MAXIMUM NUMBER OF SHARES AVAILABLE UNDER THE SCHEME

- 3.1 The maximum number of new VisDynamics Shares which may be available under the Scheme shall not exceed in aggregate ten percent (10%) of the total issued and paid up share capital of the Company at any one time at the point of granting of the Option(s) during the existence of the Scheme.
- 3.2 The Company will during the Option Period keep available sufficient authorised and unissued shares to satisfy all Options, which may be exercised, in whole or in part during the Option Period.

4. ELIGIBILITY

- 4.1 Subject to the discretion of the Option Committee, any employee or Director of the VisDynamics Group (i.e. by the Company or its subsidiaries as defined under the *Companies Act 1965*, provided that they are not dormant) is eligible to participate in the Scheme, if, as at the Offer Date, such employee or Director:
- 4.1.1 has attained the age of eighteen (18) years on the Offer Date;
- 4.1.2 either:
- (a) is classified as an "employee" based on the terms of the letter of employment issued by the Group and is not a member of any trade union; or
 - (b) in the case of persons engaged under a service contract, is classified as an employee by the Option Committee for purposes of the Scheme; or
 - (c) in the case of Directors, the name appears in the register of directors on the Offer Date; and
- 4.1.3 must have been confirmed for regular employment in the case of an employee.
- 4.2 Eligibility, however, does not confer on an Eligible Employee a claim or right to participate in the Scheme unless an Offer in writing has been made by the Option Committee to the Eligible Employee and the Eligible Employee has accepted the Offer in accordance with the terms of the Offer and the Scheme.

5. OFFER

- 5.1 The Option Committee may, within the Duration of the Scheme referred to in Clause 19, make Offers to any Eligible Employee whom the Option Committee may in its discretion select to participate in the Scheme.
- 5.2 The Option Committee may in its discretion at any time and from time to time as it may deem fit make an Offer to any Eligible Employee whom the Option Committee may in its discretion select, to subscribe during the Option Period for new VisDynamics Shares in accordance with the terms of the Scheme.
- 5.3 Nothing in this Scheme shall prevent the Option Committee from making more than one (1) Offer to any Eligible Employee Provided That:
- 5.3.1 the new VisDynamics Shares to be allotted shall always be in multiples of One Hundred (100) VisDynamics Shares; and
 - 5.3.2 the total aggregate number of new VisDynamics Shares to be so allotted to any Eligible Employee shall not exceed the Maximum Allowable Allotment of each Eligible Employee as set out in Clause 6.
- 5.4 The Option Committee shall state the following particulars in the letter of Offer:-
- 5.4.1 the number of new VisDynamics Shares that are being offered to the Eligible Employee pursuant to an Option;

- 5.4.2 the number of new VisDynamics Shares which the Eligible Employee shall be entitled to subscribe for upon the exercise of the Option being offered (including the breakdown, if any, of the new VisDynamics Shares the Eligible Employee shall be entitled to at various stages during the Option Period, as may be determined by the Option Committee);
- 5.4.3 the Option Period;
- 5.4.4 the Subscription Price;
- 5.4.5 the closing date for acceptance of the Offer; and
- 5.4.6 any other necessary information or conditions which may be imposed by the Option Committee at its absolute discretion, subject to the relevant laws.
- 5.5 No Option shall be granted to any Director of the Company unless the specific grant of Option to that Director shall have previously been approved by the shareholders of the Company in a general meeting.
- 5.6 Offers shall automatically lapse and be null and void in the event of the Eligible Employee ceasing to be employed by VisDynamics Group for any reason whatsoever prior to the exercise of the Offer by the Eligible Employee in the manner set out in Clause 9.
- 5.7 Offers shall automatically lapse and be null and void in the event of death, bankruptcy or insanity of the Eligible Employee.

6. MAXIMUM ALLOWABLE ALLOTMENT AND THE BASIS OF ALLOTMENT

- 6.1 The maximum number of new VisDynamics Shares which may be offered and allotted to Grantees under the Scheme shall not exceed in aggregate ten percent (10%) of the total issued and paid up share capital of the Company at any one time and SUBJECT ALWAYS to the following:-
 - 6.1.1 the number of new VisDynamics Shares allocated, in aggregate, to the Directors and senior management of the VisDynamics Group must not exceed fifty percent (50%) of the new VisDynamics Shares available under the Scheme; and
 - 6.1.2 the number of new VisDynamics Shares allotted to any individual Eligible Employee must not exceed ten percent (10%) of the aggregate VisDynamics Shares available under the Scheme where the Eligible Employee, either singly or collectively through persons connected with the Eligible Employee, holds twenty percent (20%) or more of the issued and paid-up capital of the Company.
- 6.2 Subject to Clauses 3 and 14, the maximum number of new VisDynamics Shares that may be offered and allotted to an Eligible Employee pursuant to the Scheme shall be determined at the discretion of the Option Committee taking into consideration the performance, seniority and years of service of the Eligible Employee. The decision of the Option Committee shall be final and binding.

- 6.3 Subject to Clause 18, in the circumstances where the maximum allowable allotment as provided in the Listing Requirements is amended by Bursa Securities from time to time, the Option Committee shall have the absolute discretion to make the necessary adjustments so that the number of new VisDynamics Shares that may be offered to any one of the Eligible Employees shall be in accordance with the provisions of the Listing Requirements prevailing during the Option Period.

7. SUBSCRIPTION PRICE

- 7.1 The Subscription Price shall be:-
- 7.1.1 In respect of any Offer which is made in conjunction with the Company's listing on the MESDAQ Market of Bursa Malaysia, the initial public offer price; and
- 7.1.2 In respect of any Offer which is made subsequent to the Company's listing on the MESDAQ Market of Bursa Malaysia, the higher of the following:-
- (a) the weighted average market price of the VisDynamics Shares for the five (5) Market Days immediately preceding the Offer Date, with a discount of not more than ten percent (10%) at the Option Committee's discretion; or
 - (b) the par value of the VisDynamics Shares.
- 7.2 For purposes of determining whether and how much discount is applicable in Clause 7.1.2(a), the Option Committee shall take into consideration, amongst others, the length of service, performance, position and seniority of the Eligible Employee, Provided Always that the discount shall not exceed ten percent (10%).
- 7.3 The Subscription Price shall be stipulated on each Option certificate.
- 7.4 The Subscription Price shall be adjusted to any adjustments in accordance with Clause 14.
- 7.5 Notwithstanding anything to the contrary, Clauses 7.1 and 7.2 shall not affect the Subscription Price contained in any Offer granted and accepted prior to the Effective Date.

8. ACCEPTANCE OF THE OFFER

- 8.1 The Offer to participate in the Scheme shall be valid for acceptance for a period of thirty (30) days from the Offer Date or such longer period as may be determined by the Option Committee on a case by case basis at its discretion. The acceptance of an Offer shall be made by way of a written notice from the Eligible Employee to the Option Committee in the form prescribed by the Option Committee from time to time. In the event that the Eligible Employee fails to accept the Offer within the prescribed period, the Offer shall automatically lapse PROVIDED THAT the Option Committee shall not be precluded from making a new Offer to the Eligible Employee subsequently.
- 8.2 Acceptance of the Offer by an Eligible Employee shall be accompanied by the payment of Ringgit Malaysia One (RM 1.00) as non-refundable consideration for the grant of the Option.

- 8.3 Within fourteen (14) days after the due acceptance of the Offer in accordance with the provisions of this Clause, the Option Committee shall issue to the Grantee a certificate of Option in such form as may be determined by the Option Committee from time to time stating, inter alia, the number of VisDynamics Shares granted, the Subscription Price, the Option Period and the conditions attached to the Option (if any).
- 8.4 An Option shall be personal to the Grantee and cannot be assigned, charged, pledged, transferred or otherwise disposed of in any manner whatsoever.
- 8.5 The Option may be cancelled at the discretion of the Grantee by notice in writing to the Option Committee.

9. EXERCISE OF OPTION

- 9.1 Subject to Sub-Clause 9.2 below, an Option may be exercised by the Grantee by notice in writing to the Company in the prescribed form from time to time during the Option Period in respect of all or any part of the new VisDynamics Shares comprised in the Option, provided that where an Option is exercised in respect of a part of the new VisDynamics Shares comprised therein, the number of new VisDynamics Shares of which such Option may be exercised shall not be less than One Hundred (100) and shall be in multiples of One Hundred (100). Notwithstanding anything herein to the contrary in the event of any alteration in the share capital of the Company during the Option Period in accordance with Clause 14 which results in the number of VisDynamics Shares comprised in an Option not being in multiples of One Hundred (100), then the requirement that an Option shall be exercised in multiples of not less than One Hundred (100) new VisDynamics Shares shall not be applicable for the Grantee's final exercise of the Option.
- 9.2 Subject to Clause 14, the Option Committee may, at the time the Option is granted, limit the exercise of the Option to a maximum number of new VisDynamics Shares and/or such percentage of the total new VisDynamics Shares comprised in the Option during such periods within the Option Period, and/or stagger the exercise of the Option, and impose any other terms and/or conditions deemed appropriate by the Option Committee in its discretion including amending or varying any terms and conditions imposed earlier.
- 9.3 Subject to such conditions attaching to the Offer or Option certificate, the partial exercise of an Option shall not preclude the Grantee from exercising the Option for the remaining duration of the Option Period in respect of the balance of the new VisDynamics Shares comprised in the Option.
- 9.4 Any new VisDynamics Shares comprised in an Option not subscribed for in any year following the date on which the Option was granted, may be subscribed for in any subsequent year until and including the last year of the Option Period.
- 9.5 Every such written notice referred to in Sub-Clause 9.1 must be in the form prescribed by the Option Committee from time to time and accompanied by a remittance (calculated in accordance with the provisions of Clause 7) for the full amount of the subscription monies for the new VisDynamics Shares in respect of which notice is given. Within ten (10) Market Days from the receipt by the Company of the notice and remittance from the Grantee, the Company shall allot such new VisDynamics Shares to the Grantee accordingly, subject to and in accordance with the provisions of the Articles of Association of the Company, the Central Depositories Act and the Rules of the Bursa Depository.

- 9.6 A Grantee who exercises his Option shall provide the Option Committee with details of his Securities Account or the details of his authorised nominee's Securities Account, as the case may be, in the notice referred to in Sub-Clause 9.1. The new VisDynamics Shares to be issued pursuant to the exercise of an Option will be credited into the Securities Account of the Grantee or his authorised nominee, as the case may be and a notice of allotment stating the number of shares credited into such Securities Account will be issued and despatched to the Grantee or the Grantee's Authorised Nominee with a copy to the Grantee, as the case may be, within ten (10) Market Days from the date of receipt by the Company of the written notice of the exercise of the Option together with the requisite remittance. No physical share certificate(s) will be issued.
- 9.7 No Option shall be exercisable after the expiry of the Option Period.
- 9.8 In the event that a Grantee is subject to disciplinary proceedings (whether or not such disciplinary proceedings will give rise to a dismissal or termination of service) the Option Committee may, in its discretion, suspend and/or cancel the right of the Grantee to exercise his Option pending the outcome of such disciplinary proceedings. The Option Committee may impose such terms and conditions as the Option Committee shall deem appropriate having regard to the nature of the charges made or brought against the Grantee and the outcome of such disciplinary proceedings PROVIDED ALWAYS THAT in the event that such Grantee shall subsequently be found to be not guilty of the charges which gave rise to such disciplinary proceedings, the Option Committee shall reinstate the rights of such Grantee to exercise his Option PROVIDED THAT such reinstatement is within the Duration of the Scheme in accordance with Clause 19.
- 9.9 The Board (including directors that had resigned but were on the Board during the Option Period), the Option Committee, the Company and/or any officer of the Company shall not under any circumstances be held liable for any cost, loss, expense and/or damages whatsoever or howsoever arising in any event relating to the delay on the part of the Company in allotting the new VisDynamics Shares within the stipulated deadline or in procuring Bursa Securities to list the new VisDynamics Shares subscribed for by a Grantee.
- 9.10 Subject to the discretion of the Option Committee, failure by the Grantee to comply with the procedure for an exercise of an Option as stipulated in Sub-Clauses 9.1 to 9.6 will invalidate the purported exercise of such Option by an Eligible Employee.
- 9.11 Every Option shall be subject to the condition that no new VisDynamics Shares shall be issued to a Grantee pursuant to the exercise of an Option if such issue would be contrary to any law, enactment, rules and/or regulations of any legislative or non-legislative body which may be in force during the Option Period or such period as may be extended.
- 9.12 The Company undertakes to keep available sufficient unissued VisDynamics Shares to satisfy all outstanding Options.

10. TERMINATION OF THE OPTION

- 10.1 All remaining unexercised Options shall forthwith lapse and/or be deemed to be cancelled and cease to be exercisable in relation to any new VisDynamics Shares in respect of which such Options have not been exercised upon the occurrence of one or more of the following events:-

- 10.1.1 the Grantee ceasing to be in employment with VisDynamics Group; or
- 10.1.2 in the event of death, insanity or bankruptcy of the Grantee; or
- 10.1.3 in the event of any misconduct on the part of the Grantee as determined by the Option Committee in its discretion; or
- 10.1.4 in the event of any breach on the part of the Grantee of the By-Laws or of any of the terms of the Option; or
- 10.1.5 winding up or liquidation of the Company, in which event the Option shall be automatically terminated on the following date:-
 - (a) in the case of a voluntary winding up:-
 - (i) the date on which a provisional liquidator is appointed by the Company; or
 - (ii) the date on which the shareholders of the Company passed a resolution to voluntarily wind up the Company; or
 - (b) in the case of an involuntary winding up, the date on which a petition for winding up is served on the Company ; or
- 10.1.6 termination of the Scheme pursuant to Clause 20.

For the purpose of Clause 10.1.1 above, the Grantee shall be deemed to have ceased to be so employed by VisDynamics as of the date of the notice of termination tendered by or given by the Grantee to the Company, unless such notice shall be withdrawn prior to its effective date.

- 10.2 In the event of the liquidation of the Company, all voting, dividend, transfer and other rights attached to the VisDynamics Shares held by Grantees pursuant to the exercise of Options shall be governed by the Articles of Association of the Company.
- 10.3 Where the Grantee ceases his employment or appointment with the Company by reason of: -
 - 10.3.1 retirement on attaining the retirement age under VisDynamics's retirement policy;
 - 10.3.2 retirement before attaining the normal retirement age but with the consent of the Board;
 - 10.3.3 ill-health, injury, physical or mental disability as may be acceptable to the Option Committee; or
 - 10.3.4 any other circumstances which are acceptable to the Option Committee, he may, subject to the approval of the Board or the Option Committee, exercise his unexercised Option or Options within the relevant Option Period or Periods.

11. TAKEOVER

Notwithstanding Clause 9 above and subject to the provisions of any applicable statutes, rules, regulations and/or conditions issued by the relevant authorities, in the event of:

- 11.1 a takeover offer being made for the Company through a general offer to acquire the whole of the issued share capital of the Company (or such part thereof not at the time owned by the person making the general offer ("**Offeror**") or any persons acting in concert with the Offeror) a Grantee will be entitled, within three (3) months of such a general offer being made, to exercise all or any part of his Option(s) which may be exercised at that point in time, or to exercise all of his Option(s) at the discretion of the Offeror. The Board shall use their best endeavours to procure that such a general offer be extended to any new VisDynamics Shares that may be issued pursuant to the exercise of Option under this Clause; and
- 11.2 the Offeror becoming entitled or bound to exercise the right of compulsory acquisition of VisDynamics Shares under the provisions of any applicable statutes, rules and/or regulations and gives notice to the Company that it intends to exercise such right on a specific date, a Grantee will be entitled to exercise all or any part of his Option from the date of service of the said notice to the Company until and inclusive of the date on which the right of compulsory acquisition is exercised;

PROVIDED ALWAYS THAT any Option to the extent unexercised after the expiry of the periods stipulated in the aforesaid circumstances shall remain in force and continue to be exercisable until the expiry of the applicable Option Period.

12. SCHEME OF ARRANGEMENT, AMALGAMATION, RECONSTRUCTION

- 12.1 Notwithstanding Clause 9 above and subject to the discretion of the Option Committee, in the event of the court sanctioning a compromise or arrangement between the Company and its members proposed for the purposes of, or in connection with, a scheme of arrangement and reconstruction of the Company under Section 176 of the *Companies Act* 1965 or its amalgamation with any other company or companies under Section 176 of the *Companies Act* 1965, a Grantee may be entitled to exercise all or any part of his Option or Options at any time commencing from the date upon which the compromise or arrangement is sanctioned by the court and ending with the date upon which it becomes effective.
- 12.2 Upon the compromise or arrangement becoming effective, all Options, to the extent unexercised shall automatically lapse and become null and void.

13. RETENTION PERIOD

- 13.1 A Grantee may deal with the VisDynamics Shares allotted and issued to him pursuant to his exercise of an Option in any way he pleases other than where a Grantee is a Non-Executive Director.
- 13.2 In the event the Grantee is a Non-Executive Director, he must not sell, transfer or assign the VisDynamics Shares allotted and issued to him pursuant to his exercise of an Option within one (1) year from the relevant Offer Date.

14. ALTERATION OF SHARE CAPITAL DURING THE OPTION PERIOD

- 14.1 Subject to Clause 14.6, in the event of any alteration in the capital structure of the Company during the Option Period, whether by way of capitalisation issue, rights issues, bonus issues, subdivision or consolidation of shares or capital reduction or any other variation of capital howsoever taking place:-
- 14.1.1 the Subscription Price; and/ or

14.1.2 the number of new VisDynamics Shares comprised in the Option so far as unexercised,

shall be adjusted for purposes of ensuring that the capital outlay to be incurred by a Grantee in subscribing for the same proportion of the issued capital of the Company as that to which he was entitled prior to the event giving rise to such adjustment (not taking into account Options already exercised) shall remain unaffected.

14.2 The following provision shall apply in relation to an adjustment which is made pursuant to Clause 14.1:-

14.2.1 any adjustment to the Subscription Price shall be rounded up to the nearest one (1) Sen and in no event shall the Subscription Price be reduced to an amount which is below the par value of the VisDynamics Shares; and

14.2.2 in determining a Grantee's entitlement to subscribe for VisDynamics Shares, any fractional entitlements will be disregarded.

14.3 Subject to Clause 14.2 the Subscription Price and the number of new VisDynamics Shares relating to the Options so far unexercised shall from time to time be adjusted in accordance with the following relevant provisions in consultation with the Auditor:-

14.3.1 If and whenever a VisDynamics Share by reason of any consolidation or subdivision or conversion shall have a different par value, the Subscription Price shall be adjusted by multiplying it by the revised par value and dividing the result by the former par value and the additional number of new VisDynamics Shares relating to the Options to be issued shall be calculated in accordance with the following formula:-

$$\text{Number of additional Shares} = T \times \left(\frac{\text{Former Par Value}}{\text{Revised Par Value}} \right) - T$$

Where T = existing number of Shares relating to an Option.

Such adjustment will be effective from the close of business on the Market Day immediately following the date on which the consolidation or subdivision or conversion becomes effective (being the date when the Shares are traded on Bursa Securities at the new par value), or such other period as may be prescribed by Bursa Securities.

14.3.2 If an whenever the Company shall make any issue of new VisDynamics Shares to shareholders credited as fully paid-up, by way of bonus issue or capitalisation issue of profits or reserves of the Company (whether of a capital or income nature and including any share premium account and capital redemption reserve fund), the Subscription Price shall be adjusted by multiplying it by the following fraction:-

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

and the additional number of new Shares relating to the Options to be issued shall be calculated as follows:-

$$\text{Number of additional Shares} = \left\{ T \times \left(\frac{A + B}{A} \right) \right\} - T$$

Where:-

- A = the aggregate number of issued and fully paid-up VisDynamics Shares immediately before such bonus issue or capitalisation issue; and
- B = the aggregate number of VisDynamics Shares to be issued pursuant to any allotment to shareholders credited as fully paid-up by way of bonus issue or capitalisation issue of profits or reserves of the Company (whether of a capital or income nature and including any share premium account and capital redemption reserve fund); and
- T = T as in Clause 14.3.1 above.

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

14.3.3 If and whenever the Company shall make:-

- (a) a Capital Distribution (as defined below) to ordinary shareholders whether on a reduction of capital or otherwise (but excluding any cancellation of capital which is lost or unrepresented by available assets); or
- (b) any offer or invitation to ordinary shareholders whereunder they may acquire or subscribe new Shares by way of rights; or
- (c) any offer or invitation to ordinary shareholders by way of rights whereunder they may acquire or subscribe for securities convertible into new Shares or securities with rights to acquire or subscribe for new Shares attached thereto,

then and in respect of each such case, the Subscription 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 14.3.1(b), the number of additional new VisDynamics Shares comprised in the Option to be issued shall be calculated as follows:-

$$\text{Number of additional Shares} = \left\{ T \times \left(\frac{C}{C - D^*} \right) \right\} - T$$

Where:-

- T = T as in Clause 14.3.1 above;
- C = the prevailing market price of each VisDynamics Share on the Market Day immediately preceding the date on which the Capital Distribution or, as the case may be, the offer or invitation is publicly announced to Bursa Securities or (failing any such announcement) immediately preceding the date of the Capital Distribution or, as the case may be, of the offer or invitation; and
- D = (aa) in the case of an offer or invitation to acquire or subscribe for new VisDynamics Shares under Clause 14.3.3(b) above or for securities convertible into or with rights to acquire or subscribe for new VisDynamics Shares under Clause 14.3.3(c) above, the value of rights attributable to one (1) existing VisDynamics Share (as defined below); or
 (bb) in the case of any other transaction falling within Clause 14.3.3, the fair market value as determined (with the concurrence of the Auditor) by the adviser of the Company (a merchant bank or universal broker) of that portion of the Capital Distribution attributable to one (1) existing VisDynamics Share.

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

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

Where:-

- C = C as in Clause 14.3.3 above;
- E = the subscription price for one (1) additional VisDynamics Share under the terms of offer or invitation or one (1) additional security convertible into VisDynamics Shares or one (1) additional security with rights to acquire or subscribe for VisDynamics Shares;
- F = The number of existing VisDynamics Shares which is necessary to hold in order to be offered or invited to acquire or subscribe for one (1) additional VisDynamics Share or security convertible into VisDynamics Shares or right to acquire or subscribe for VisDynamics Shares; and
- D* = The value of rights attributable to one (1) existing VisDynamics Share (as defined below)

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

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

Where:-

- C = C as in Clause 14.3.3 above;
- E* = the subscription price for one (1) additional VisDynamics Share under the terms of offer or invitation; and
- F* = the number of existing VisDynamics Shares which is necessary to hold in order to be offered or invited to acquire or subscribe for one (1) additional VisDynamics Share.

For the purpose of Clause 14.3.4, “**Capital Distribution**” shall (without prejudice to the generality of that expression) include distributions in cash or specie or by way of issue of new VisDynamics Shares (not falling under Clause 14.3.2) or other securities credited as fully or partly paid-up by way of capitalisation of profits or reserves of the Company (whether of a capital or income nature and including any share premium account and capital redemption reserve fund).

Any dividend charged or provided for in the audited accounts of the Company for any period shall (whenever paid and howsoever described) be deemed to be a Capital Distribution unless it is paid out of the aggregate of the net profits attributable to the shareholders as shown in the audited profit and loss accounts of the Company.

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

- 14.3.4 If whenever the Company makes any allotment to its shareholders as provided in Clause 14.3.2 above and also makes any offer or invitation to its shareholders as provided in Clause 14.3.3(b) or (c) 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 Subscription Price shall be adjusted by multiplying it by the following fraction:-

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

and where the Company makes any allotment to its shareholders as provided in Clause 14.3.2 above and also makes any offer or invitation to its shareholders as provided in Clause 14.3.3(b) above and the Entitlement Date for the purpose of the allotment is also the Entitlement Date for the purpose of the offer or invitation, the number of additional new VisDynamics Shares relating to the Option to be issued shall be calculated as follows:-

$$\text{Number of additional Shares} = \left(T \times \frac{(G + H^* + B) \times C}{(G \times C) + (H^* \times I^*)} \right) - T$$

Where:-

- G = the aggregate number of issued and fully paid-up VisDynamics Shares on the entitlement date;
- C = C as in Clause 14.3.3 above;

- H = the aggregate number of new VisDynamics Shares to be issued to its shareholders under an offer or invitation to acquire or subscribe for VisDynamics Shares by way of rights or under an offer or invitation by way of rights to acquire or subscribe for securities convertible into VisDynamics Shares or rights to acquire or subscribe for VisDynamics Shares as the case may be;
- H* = the aggregate number of VisDynamics Shares to be issued to its shareholders under an offer or invitation to acquire or subscribe for VisDynamics Shares by way of rights;
- I = the subscription price of one (1) additional VisDynamics Share under the offer or invitation to acquire or subscribe for VisDynamics Shares or the exercise price on conversion of such securities or exercise of such rights to acquire or subscribe for one (1) additional VisDynamics Share, as the case may be;
- I* = the subscription price of one (1) additional VisDynamics Share under the offer or invitation to acquire or subscribe for VisDynamics Shares or in the case of warrants, the price of one (1) warrant and the warrant exercise price;
- B = B as in Clause 14.3.2 above; and
- T = T as in Clause 14.3.1 above.

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

- 14.3.5 If and whenever the Company makes any offer or invitation to its shareholders to acquire or subscribe for VisDynamics Shares as provided in Clause 14.3.3(b) above together with an offer or invitation to acquire or subscribe for securities convertible into or rights to acquire or subscribe for shareholders as provided in Clause 14.3.3(c) above, the Subscription Price shall be adjusted by multiplying it by the following fraction:-

$$\frac{(G \times C) + (H \times K) + (H^* \times K)}{(G + H + H^*) \times C}$$

and the number of additional new VisDynamics Shares relating to the Option to be issued shall be calculated as follows:-

$$\text{Number of additional Shares} = \left(T \times \frac{(G+H + H^*) \times C}{(G \times C)+(H \times K) + (H^* \times K)} \right) - T$$

Where:-

- G = G as in Clause 14.3.4 above;
- C = C as in Clause 14.3.3 above;
- H = H as in Clause 14.3.4 above;

- H* = H as in Clause 14.3.4 above;
- K = the exercise price on conversion of such securities or exercise of such rights to acquire or subscribe for one (1) additional VisDynamics Share or in the case of warrants, the price of one (1) warrant and the warrant exercise price; and
- T = T as in Clause 14.3.1 above.

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

- 14.3.6 If and whenever the Company makes an allotment to its shareholders as provided in Clause 14.3.2 above and also makes an offer or invitation to acquire or subscribe for VisDynamics Shares to its shareholders as provided in Clause 14.3.3(b) above, together with rights to acquire or subscribe for securities convertible into or with rights to acquire or subscribe for VisDynamics Shares as provided in Clause 14.3.3(c) above, and the Entitlement Date for the purpose of allotment is also the Entitlement Date for the purpose of the offer or invitation, the Subscription Price shall be adjusted by multiplying it by the following fraction:-

$$\frac{(G \times C) + (H \times K) + (H^* \times K)}{(G + H + H^* + B) \times C}$$

and the number of additional new VisDynamics Shares relating to the Option to be issued shall be calculated as follows:-

$$\text{Number of additional Shares} = \left(T \times \frac{(G + H + H^* + B) \times C}{(G \times C) + (H + K) + (H^* \times K)} \right) - T$$

Where:-

- G = G as in Clause 14.3(d) above;
- C = C as in Clause 14.3(c) above;
- H = H as in Clause 14.3.4 above;
- H* = H as in Clause 14.3.4 above;
- T = T as in Clause 14.3.1 above;
- K = K as in Clause 14.3.5 above;
- B = B as in Clause 14.3.2 above;

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

14.3.7 If and whenever (otherwise than pursuant to a rights issue available to all shareholders and requiring an adjustment under Clauses 14.3.3(b), 14.3.3(c), 14.3.4, 14.3.5 or 14.3.6 above), the Company shall issue either any VisDynamics Share or any security convertible into VisDynamics Shares or any rights to acquire or subscribe for VisDynamics Shares, and in any such case, the Total Effective Consideration per VisDynamics Share (as defined below) is less than ninety percent (90%) of the Average Price for one (1) VisDynamics Share (as defined below) or, as the case may be, the price at which the Shares will be issued upon conversion of such securities or exercise of such rights is determined, the Subscription Price shall be adjusted by multiplying it by the following fraction:-

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

Where:-

- L = the number of VisDynamics Shares in issue at the close of business on the Market Day immediately preceding the date on which the relevant adjustment becomes effective;
- M = the number of VisDynamics Shares which the Total Effective Consideration (as defined below) would have purchased at the Average Price (as defined below) (exclusive of expenses); and
- N = the aggregate number of VisDynamics Shares so issued or, in the case of securities convertible into VisDynamics Shares or rights to acquire or subscribe for VisDynamics Shares, the maximum number (assuming no adjustment of such rights) of VisDynamics Shares issuable upon full conversion of such securities or the exercise in full of such rights.

For the purpose of this Clause 14.3.7, “**Total Effective Consideration**” shall be determined by the Board with the concurrence of the Auditor and shall be:-

- (a) in case of the issue of VisDynamics Shares, the aggregate consideration receivable by the Company on payment in full for such VisDynamics Shares; or
- (b) in the case of the issue by the Company of securities wholly or partly convertible into VisDynamics 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
- (c) in the case of the issue by the Company of securities with rights to acquire or subscribe for VisDynamics Shares, the aggregate consideration attributable to the issue of such rights together with the total amount receivable by the Company upon full exercise of such rights;

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

For the purpose of this Clause 14.3.7, "**Average Price**" of a VisDynamics Share shall be the average market price of one (1) VisDynamics Share as derived from the last traded prices for one (1) or more board lots of VisDynamics 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 VisDynamics 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 VisDynamics Shares. Such adjustment will be effective (if appropriate retroactively) from the commencement of the Market Day immediately following the completion of the above transaction.

- 14.3.8 For the purpose of Clause 14.3.3, 14.3.4, 14.3.5 and 14.3.6, the "**Current Market Price**" in relation to one (1) VisDynamics Share for any relevant day shall be the average of the last traded prices for the five (5) consecutive Market Days before such date or during such other period as may be determined in accordance with any guidelines issued, from time to time, by the relevant authorities.

Such adjustments must be confirmed in writing by the Auditor of the Company for the time being (acting as experts and not as arbitrators), upon reference to them by the Option Committee, to be in their opinion, fair and reasonable, PROVIDED ALWAYS THAT:

- (a) no adjustment to the Subscription Price shall be made which would result in the new VisDynamics Shares to be issued on the exercise of the Option being issued at a discount to par value, and if such an adjustment would but for this provision have so resulted, the Subscription Price payable shall be the par value of the new VisDynamics Shares;
- (b) upon any adjustment being made pursuant to this Clause, the Option Committee shall within thirty (30) days of the effective date of the alteration in the capital structure of the Company notify the Grantee (or his/her legal or personal representatives where applicable) in writing informing him of the adjusted Subscription Price thereafter in effect and/or the revised number of new VisDynamics Shares thereafter to be issued on the exercise of the Option; and
- (c) any adjustments made must be in compliance with the provisions for adjustment as provided in these By-Laws.

Notwithstanding the foregoing, any adjustments to the Subscription Price and/ or the number of new VisDynamics Shares comprised in each Option so far as unexercised arising from bonus issues, need not be confirmed in writing by the Auditor.

- 14.4 The adjustment pursuant to this By-Law shall be made on the day immediately following the books closure date for the event giving rise to the adjustment.
- 14.5 Save as expressly provided for herein, the Auditor must confirm in writing that the adjustments are in their opinion fair and reasonable. The opinion of the Auditor shall be final, binding and conclusive.
- 14.6 The provisions of this Clause shall not apply where the alteration in the capital structure of the Company arises from:-
- 14.6.1 the issue of securities as consideration for an acquisition or as a special issue to Bumiputera parties approved by the relevant authorities;
 - 14.6.2 a private placement or restricted issue of new VisDynamics Shares by the Company;
 - 14.6.3 a share buy-back arrangement by the Company;
 - 14.6.4 an issue of further Options to Eligible Employees pursuant to the Scheme; and
 - 14.6.5 an issue of new VisDynamics Shares pursuant to the Scheme.
- 14.7 An adjustment pursuant to Clause 14.1 shall be made according to the following terms:-
- 14.7.1 in the case of a rights issue, bonus issue or other capitalisation issue, on the Market Day immediately following the Entitlement Date in respect of such issue; or
 - 14.7.2 in the case of consolidation or subdivision of Scisom Shares or reduction of capital on the Market Day immediately following the date of allotment of new shares of the Company in respect of such consolidation, subdivision or reduction.

15. QUOTATION OF SHARES

The new VisDynamics Shares referred to in Clause 3 above and the new VisDynamics Shares (if any) to be allotted and issued to the Grantee will not be listed or quoted on Bursa Securities until the Option is exercised in accordance with Clause 9 above whereupon the Company shall make the necessary application to Bursa Securities for the listing of and quotation for such new VisDynamics Shares and use its best endeavours to obtain permission for the dealing therein.

16. RANKING OF NEW VISDYNAMICS SHARES

The VisDynamics Shares to be issued and allotted upon the exercise of any Option will upon issue and allotment rank pari passu in all respects with the then existing issued ordinary shares of the Company except that the VisDynamics Shares will not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date (namely the date as at the close of business on which shareholders must be registered in order to be entitled to any dividends, rights, allotments and/or other distributions) of which is prior to the date of allotment of the said VisDynamics Shares and will be subject to all the provisions of the Articles of Association of the Company relating to transfer, transmission and otherwise.

17. ADMINISTRATION

- 17.1 The Scheme shall be administered by the Option Committee consisting of such persons appointed by the Board. The Option Committee shall administer the Scheme in such manner as it shall in its discretion deem fit. For the purpose of administering the Scheme, the Option Committee may do all such acts and things and enter into any transactions, agreements, deeds, documents or arrangements, and make rules, regulations or impose terms and conditions or delegate part of its power relating to the administration of the Scheme, as the Option Committee may in its discretion deem fit necessary and/or expedient for the implementation of the Scheme, provided that, subject to applicable laws, no member of the Option Committee shall participate in any deliberation or decision in respect of Options granted or to be granted to him. The Board shall have power from time to time to rescind the appointment of any person to the Option Committee as it deems fit.
- 17.2 The Board shall have power at any time and from time to time to assume and/or exercise or execute any of the powers and authorities conferred upon the Option Committee pursuant to this By-Laws.
- 17.3 Subject to Clause 22, any decision of the Option Committee made pursuant to any provision of the Scheme or any rule, regulation, procedure or as to any rights under the Scheme shall be final and binding.

18. AMENDMENT AND/OR MODIFICATION TO THE SCHEME

Subject to the approvals of Bursa Securities and any other relevant authorities, the Board shall have the power at any time and from time to time by resolution to amend and/or modify all or any of the provisions of the Scheme PROVIDED THAT no such amendment may be made to the advantage of the Eligible Employees without the prior approval of shareholders of the Company in a general meeting in relation to the following:-

- 18.1 the basis of determining the eligibility of employees under the Scheme and the definition of an Eligible Employee;
- 18.2 the maximum number of VisDynamics Shares that may be offered under the Scheme in respect of each employee category under Clause 6.2;
- 18.3 the amount payable on application or acceptance and the basis for determining the granting of Options;
- 18.4 the Duration of the Scheme;
- 18.5 the period where a Grantee is debarred from disposing of the VisDynamics Shares allotted to him;

- 18.6 the voting, dividend, transfer and other rights attaching to the VisDynamics Shares, including those arising on liquidation of the Company; and
- 18.7 the formulae for adjustments to the Subscription Price of the number of VisDynamics Shares (excluding Options already exercised) under the Scheme as provided in Clause 14, in the event of a capitalisation issue, rights issue, bonus issue, consolidation or subdivision of shares, capital reduction and/or any other variation of capital.

19. DURATION OF THE SCHEME

- 19.1 The Scheme shall be in force for a period of ten (10) years from the Implementation Date.
- 19.2 These amended By-Laws shall become effective ("**Effective Date**") from the date of full compliance with all relevant requirements under Chapter 3 of the Listing Requirements, including:-
 - 19.2.1 submission of the final Scheme By-Laws to Bursa Securities;
 - 19.2.2 receipt by the Company of the approval-in-principle from Bursa Securities for the listing of and quotation for the VisDynamics Shares to be issued under the Scheme;
 - 19.2.3 the approval of the shareholders of the Company in a general meeting in relation to the adoption of these amended By-Laws;
 - 19.2.4 receipt by the Company of approvals from all other relevant regulatory authorities, where applicable; and
 - 19.2.5 fulfilment by the Company of all conditions attached to the above approvals, if any.
- 19.3 For the avoidance of doubt, the adoption of these amended By-Laws will not affect the rights of any Option granted to a Grantee unless expressly stated in these By-Laws.
- 19.4 Upon the expiry of the Scheme, the Scheme shall terminate and any unexercised Option shall terminate and thereafter be null and void.

20. MID-STREAM TERMINATION OF THE SCHEME

Notwithstanding the provisions of Clause 19, the Company has the right to terminate the Scheme at any time during the Duration of the Scheme provided the following approval(s) or consent(s) are obtained:-

- 20.1 the approval of Bursa Securities for the termination of the Scheme;
- 20.2 the consent of VisDynamics's shareholders at a general meeting wherein at least a majority of the shareholders present voted in favour of the termination; and
- 20.3 the written consent of all Grantees who have yet to exercise their Options, either in part or in whole.

21. SUBSEQUENT EMPLOYEES' SHARE OPTION SCHEME

The Company may establish a new employees' share option scheme after the expiry of the Scheme or upon termination of the Scheme subject to the approval of Bursa Securities.

22. DISPUTES

In the event of any dispute between the Option Committee and an Eligible Employee or Grantee, as to any matter or thing of any nature arising hereunder, the Option Committee shall determine such dispute or difference by a written decision given to the Eligible Employee or Grantee, as the case may be. The said decision shall be final and binding on the parties unless the Eligible Employee or Grantee, as the case may be, shall dispute the same by written notice to the Option Committee within fourteen (14) days of the receipt of the written decision, in which case such dispute shall be referred to the decision of the external auditors of the Company for the time being, acting as experts and not as arbitrators, whose decision shall be final and binding in all respects. In the event that the external auditors are unable to reach a decision in respect of the dispute, such dispute shall be referred to a court of law of competent jurisdiction in Malaysia, whose decision shall be final and binding in all respects.

23. COMPENSATION

23.1 An Eligible Employee or Grantee who ceases to hold office or employment shall not be entitled to any compensation for the loss of any right or benefit or prospective right or benefit under the Scheme which he might otherwise have enjoyed whether such compensation is claimed by way of damages for wrongful dismissal or other breach of contract or by way of compensation for loss of office.

23.2 No Eligible Employee or Grantee or legal or personal representatives shall bring any claim, action or proceeding against the Company or the Option Committee or any other party for compensation, loss or damages whatsoever and howsoever arising from the suspension of his rights to exercise his Option or his Option ceasing to be valid pursuant to the provisions of these By-Laws, or as the same may be amended from time to time in accordance with Clause 18 hereof.

24. TRANSFERS FROM/TO OTHER COMPANIES RELATED TO THE GROUP

24.1 In the event that: -

24.1.1 an employee or Director of a company which is not within the VisDynamics Group and is subsequently transferred from such company into the VisDynamics Group;

24.1.2 an employee or Director of a company which subsequently becomes a member of the VisDynamics Group as a result of a restructuring exercise or otherwise involving VisDynamics and/or any company within the VisDynamics Group with any of the first mentioned company,

(the first mentioned company in 24.1.1 and 24.1.2 above are referred to as the "**Previous Company**"), such an employee of the Previous Company (the "**Affected Employee**"), will, if the Affected Employee satisfies all conditions under clause 4 :-

- (i) be entitled to continue to exercise all such unexercised Option(s) which were granted to him under the Previous Company's ESOS in accordance with the by-laws of such Previous Company's ESOS but he shall not, upon such transfer or restructuring or divestment as the case may be, be eligible to participate for further options of such Previous Company's ESOS;
- (ii) be eligible to participate in the Scheme only for the remaining duration of the Scheme, subject to the Option Committee's approval;
- (iii) if the Affected Employee had participated in the Previous Company's ESOS, the number of new VisDynamics Shares to be offered to such Affected Employee under the Scheme shall be subject to the discretion of the Option Committee after taking into consideration, among others, the number of shares comprised in the option that were offered or exercised under the Previous Company's ESOS, and the Maximum Allowable Allotment under the Scheme.

25. DIVESTMENT FROM GROUP

25.1 In the event that a company within the VisDynamics Group shall be divested from the VisDynamics Group, a Grantee who is employed by such company:-

25.1.1 shall be entitled to continue to hold and to exercise all the Options held by him on the date of completion of such divestment within a period of one (1) year from the date of completion of such divestment or the Option Period, whichever expires first. In the event that the Grantee does not so exercise some or all of such Options, the unexercised Options shall be automatically terminated upon the expiry of the relevant period; and

25.1.2 shall no longer be eligible to participate for further Options under the Scheme as from the date of completion of such divestment.

25.2 For the purposes of Clause 25.1, 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 5 of the *Companies Act 1965*.

26. COSTS AND EXPENSES

All costs and expenses incurred in relation to the Scheme including but not limited to the costs and expenses relating to the issue and allotment of the new VisDynamics Shares upon the exercise of any Option shall be borne by the Company.

27. NOT A TERM OF EMPLOYMENT

This Scheme does not form part nor shall it in any way be construed as part of the terms and conditions of employment of any employee.

28. ARTICLES OF ASSOCIATION

Notwithstanding the terms and conditions contained in this Scheme, if a situation of conflict should arise between this Scheme and the Articles of Association of the Company, the provisions of the Articles of Association of the Company shall at all times prevail.

29. TAXES

All taxes (including income tax) arising from the exercise of any Option under the Scheme shall be borne by the Grantee.

30. DISCLAIMER OF LIABILITY

Notwithstanding any provisions herein contained, the Option Committee and the Company shall not under any circumstances be held liable for any costs, losses, expenses and damages whatsoever and howsoever arising in any event including but not limited to the Company's delay in issuing and allotting the VisDynamics Shares.

31. GOVERNING LAW

This Scheme shall be governed by and construed in accordance with the laws of Malaysia. The Grantees, by accepting the Options in accordance with this Scheme and the Company submit to the non-exclusive jurisdiction of the courts of Malaysia.

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