

11. BYE-LAWS OF THE ESOS

1. NAME OF SCHEME

This Scheme shall be called the "Luster Industries Bhd Employee Share Option Scheme".

2. OBJECTIVES OF SCHEME

The objectives of the Scheme are:-

- (a) to provide an opportunity for Executive Directors and selected employees to participate as shareholders of the Company;
- (b) to reward and retain Executive Directors and selected employees whose services are vital to the continued growth of the Group; and
- (c) to motivate Executive Directors and selected employees towards better performance through greater loyalty to the Group.

3. DEFINITIONS AND INTERPRETATION

3.1 In these Bye-Laws, the following terms and expressions shall have the following meanings:-

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|-------------------------|------|---|
| "Board" | - | The Board of Directors of the Company |
| "CDS" | - | Central Depository System |
| "Company" | - | Luster Industries Bhd. |
| "Date of Acceptance" | of - | The date whereupon the ESOS Committee shall receive the written notice from the Employee accepting the Offer |
| "Date of Offer" | - | The date on which an Offer is made by the ESOS Committee to an Employee in the manner provided in Bye-Law 7 |
| "Effective Date" | - | The date of the confirmation letter submitted by the Adviser to the SC which signifies the effective date for the launch/implementation of the Scheme. The confirmation letter confirms that the Company (i) has fulfilled the SC's conditions of approval for the Scheme and that the Bye-Laws do not contravene the Guidelines on ESOS as stipulated under the Policies and Guidelines on Issue/Offer of Securities issued by the SC and (ii) has obtained relevant approvals for the Scheme and has fulfilled all conditions imposed therein |
| "Employee(s)" | - | A natural person who is employed by and on the payroll of any company in the Group. Employees include Executive Directors |
| "Executive Director(s)" | - | A natural person who holds a directorship in a full time executive capacity and is involved in the day-to-day management of any company in the Luster Group and is on the payroll of such company |
| "ESOS" | - | Employee Share Option Schemes |

11. BYE-LAWS OF THE ESOS (Cont'd)

- “ESOS Committee” - A committee comprising of director(s) and management personnel appointed by the board of directors to administer the ESOS Scheme
- “Grantee” - An Employee who has accepted an Offer in the manner provided in Bye-Law 8
- “Group” or “Luster Group” - The Company and its subsidiary companies as defined in Section 5 of the Companies Act, 1965 which are not dormant. Subsidiary companies include subsidiary companies which are existing as at the Effective Date and subsidiary companies which are incorporated or acquired at any time during the duration of the Scheme but exclude subsidiary companies which have been divested in the manner provided in Bye-Law 17.2
- “KLSE” - Kuala Lumpur Stock Exchange
- “Market Day” - Any day between Monday and Friday (both days inclusive) which is not a public holiday and on which the KLSE is open for the trading of securities
- “Maximum Entitlement” - The maximum number of Options that can be offered to an Employee
- “MCD” - Malaysian Central Depository Sdn Bhd (165570-W)
- “Offer” - An offer made by the ESOS Committee to any Employee in the manner provided in Bye-Law 7
- “Option” - The contract constituted by acceptance by an Employee in the manner provided in Bye-Law 8 of an Offer made to such Employee by the ESOS Committee pursuant to Bye-Law 7. Each Option shall entitle an Employee to subscribe for one (1) Share upon its exercise
- “Option Period” - The period commencing from the Date of Offer and expiring five(5) years therefrom or upon the date of expiry of the Scheme as provided in Bye-Law 19.1, whichever is the earlier. In the event that the duration of the Scheme shall be extended or the Scheme shall be renewed, the date of expiry of the Scheme shall be the date of expiry as so extended or renewed
- “SC” - Securities Commission
- “Scheme” - The scheme for the grant of Options to Employees to subscribe for Shares upon the terms set out herein known as the “Luster Industries Bhd Employee Share Option Scheme”
- “Selected Employees” - An Employee who has been offered Options
- “Share(s)” - Ordinary shares of RM1.00 each
- “Subscription Price” - The price at which a Grantee shall be entitled to subscribe for each Share as calculated in accordance with the provisions of Bye-Law 11

11. BYE-LAWS OF THE ESOS (Cont'd)

- 3.2 Headings are for ease of reference only and do not affect the meaning of a Bye-Law.
- 3.3 References to the provisions of statutes include such provisions as amended or re-enacted from time to time, and references to statutes include any consolidations, replacements or revisions of the same.
- 3.4 Words importing the masculine gender shall include the feminine and neuter genders.
- 3.5 Words importing the singular number shall include the plural number and vice versa.

4. TOTAL NUMBER OF OPTIONS AVAILABLE UNDER SCHEME

- 4.1 The total number of Options offered under the Scheme shall not exceed 10% of the issued and paid-up share capital of the Company at any point in time during the duration of the Scheme as provided in Bye-Law 19.1, or such additional number that may be permitted by the SC during the duration of the Scheme unless the issued and paid-up share capital of the Company is diminished as a result of the Company purchasing its own Shares pursuant to Section 67A of the Companies Act, 1965 ("**Share Buyback**"), in which event, the Options granted prior to the diminution of the issued and paid-up share capital shall remain valid and exercisable in accordance with the terms and conditions of the Scheme.
- 4.2 In the event of a Share Buyback, the following provisions shall apply:-
 - (a) if the number of Options granted by the Company as at the date of cancellation of Shares so purchased is greater than 10% of the issued capital of the Company after such cancellation, the ESOS Committee shall not make any further Offers; and
 - (b) if the number of Options granted by the Company as at the date of cancellation of Shares so purchased is less than 10% of the issued capital of the Company after such cancellation, the ESOS Committee may make further Offers only until the total number of Options granted by the Company is equivalent to 10% of the issued capital of the Company after such cancellation.
- 4.3 The Company will keep available sufficient unissued Shares in its authorized share capital to satisfy all outstanding Options throughout the duration of the Scheme.

5. ELIGIBILITY

- 5.1 Only Employees who fulfil the following conditions shall be eligible to participate in the Scheme:-
 - (a) An Employee must be a Malaysian citizen of at least eighteen(18) years of age on the Date of Offer. An Executive Director must be at least eighteen(18) years of age on the Date of Offer and need not be a Malaysian;
 - (b) An Employee or an Executive Director must have been employed for a continuous period of at least six(6) months in the Group and his employment must have been confirmed on the Date of Offer;
 - (c) If an Employee or an Executive Director is employed by a company which is acquired by the Group during the duration of the Scheme and becomes a subsidiary company of the Group upon such acquisition, the Employee or Executive Director must have completed a continuous period of at least six(6) months in the Group following the date that such company becomes or is deemed to be a subsidiary company; and

11. BYE-LAWS OF THE ESOS (Cont'd)

- (d) If an Employee is not a Malaysian citizen, he must, in addition to the conditions stipulated in paragraphs (a) to (c) above, also fulfil the following conditions:-
- (i) the Employee must be serving the Group on a full time basis; and
 - (ii) in the event that the Employee is serving under an employment contract, the contract should be for a duration of at least two(2) years.
- (e) If an Employee is serving under an employment contract, provided always that if such an Employee has previously been employed permanently for a continuous period of at least two(2) years, then there shall be no minimum contractual duration imposed.

5.2 Executive Directors who represent the Government or Government Institution/ agencies and Government employees who are serving in the public service scheme as defined under Article 132 of the Federal Constitution are not eligible for the share allocation.

6. MAXIMUM ENTITLEMENT AND BASIS OF ALLOTMENT

- 6.1 The number of Options to be offered to each Employee shall be at the discretion of the ESOS Committee. In exercising its unfettered discretion, the ESOS Committee shall take into consideration the seniority, performance and length of service of each Employee and any other considerations deemed fit by the ESOS Committee. The decision of the ESOS Committee shall be final and binding.
- 6.2 Notwithstanding Bye-Law 6.1 above, there should be equitable allocation to the various grades of Selected Employees, such that not more than 50% of the Shares available under the Scheme should be allocated, in aggregate, to Executive Directors and senior management.
- 6.3 Notwithstanding Bye-Law 6.1 and Bye-Law 6.2 above, not more than 10% of the Shares available under the Scheme should be allocated to any individual Executive Director or Employee who, either singly or collectively through his/her associates, holds 20% or more in the issued and paid-up capital of the Company.

7. OFFER

- 7.1 During the duration of the Scheme, the ESOS Committee may at its discretion at any time and from time to time make an Offer in writing to an Employee, subject to the Employee's Maximum Entitlement. Each Offer shall be in a multiple of 100 Options, or such other tradable units of Shares as may be determined by the ESOS Committee, the minimum being 100 Options, or such other tradable units of Shares as may be determined by the ESOS Committee. The Options shall only be accepted in multiples of 100 Shares or such other tradable units of Shares as may be determined by the ESOS Committee.
- 7.2 The ESOS Committee shall state the following particulars in the letter of Offer:-
- (a) the number of Options that are being offered to the Employee;
 - (b) the number of Shares which the Employee shall be entitled to subscribe for upon the exercise of the Options being offered;
 - (c) the Option Period;
 - (d) the Subscription Price; and
 - (e) the closing date for acceptance of the Offer.

11. BYE-LAWS OF THE ESOS (Cont'd)

- 7.3 An Offer shall be valid for a period of one(1) month from the Date of Offer ("Offer Period").
- 7.4 No Offer shall be made to any Executive Director of the Company unless such Offer and the related allotment of Shares have previously been approved by the shareholders of the Company in general meeting.

8. ACCEPTANCE

- 8.1 An Offer shall be accepted by an Employee within the Offer Period by written notice to the ESOS Committee accompanied by a payment to the Company of a nominal non-refundable consideration of Ringgit One (RM1.00) only for the grant of the Options.
- 8.2 The Company shall within thirty(30) days of the Date of Acceptance issue to the Employee an Option certificate stating, inter alia, the number of Option granted, the Subscription Price and the Option Period.
- 8.3 If an Offer is not accepted in the manner aforesaid, the Offer shall automatically lapse upon the expiry of the Offer Period.

9. NON-TRANSFERABILITY

- 9.1 An Option is personal to the Grantee and subject to the provisions of Bye-Laws 14.2 to 14.6, is exercisable only by the Grantee personally during his lifetime whilst he is in the employment of any company in the Group.
- 9.2 An Option shall not be transferred, assigned or otherwise disposed of by the Grantee save and except in the event of the death of the Grantee as provided under Bye-Law 14.6.

10. EXERCISE OF OPTIONS

- 10.1 The maximum number of Options exercisable by a Grantee at any time and from time to time during the Option Period shall be set out in the Option certificate issued to the Grantee.
- 10.2 Options which are exercisable in a particular year but are not exercised may be carried forward to subsequent years subject to the Option Period. All unexercised Options shall be exercisable in the last year of the Option Period. Any Options which remain unexercised at the expiry of the Option Period shall be automatically terminated.
- 10.3 A Grantee shall exercise his Option by notice in writing to the Company stating the number of option exercised. The procedure for the exercise of Options to be complied with by a Grantee shall be determined by the ESOS Committee from time to time.
- 10.4 Within ten(10) Market Days of receipt of such notice and payment or such period as may be prescribed by the KLSE, the Company shall allot and/issue the relevant number of Shares, despatch a notice of allotment to the Grantee and cause the said Shares to be credited into the CDS account of the Grantee or his financier, as the case may be. No physical share certificate will be issued to the Grantee.
- 10.5 The Company, the Board and the ESOS Committee shall not under any circumstances be held liable to any person for any costs, losses, expenses, damages or liabilities howsoever arising in the event of any delay on the part of the Company in procuring the KLSE to list the Shares subscribed for by a Grantee.

11. BYE-LAWS OF THE ESOS (Cont'd)

11. SUBSCRIPTION PRICE

The Subscription Price shall be calculated in the following manner:-

- (a) Where the Option is granted before the Company is listed on the KLSE then the price at which the Option holder is entitled to subscribe for the Shares shall not be less than the price of the Shares set for the public issue of the Shares for the purpose of listing of the Company on the KLSE ("Issue Price").
- (b) Where the Option is granted on or after the Company is listed on the KLSE, the price at which the Option holder is entitled to subscribe for the Shares shall be the higher of:-
 - (i) a price to be determined by the Board upon the recommendation of the ESOS Committee which is at a discount of not more than 10% or as allowed by relevant authorities from the weighted average market price of the Shares as shown in the daily official list issued by the KLSE for the five(5) Market Days immediately preceding the Date of Offer; and
 - (ii) the par value of the Shares.

subject to such adjustments as stipulated under Bye-Law 15 herein.

12. RIGHTS ATTACHING TO SHARES

The Shares to be issued and allotted upon any exercise of the Option will upon allotment and issuance rank pari passu in all respect with the then existing issued Shares except that the Shares so issued will not be entitled for any dividend, rights, allotment or other distribution declared, made or paid to shareholders unless the Shares so allotted have been credited into the relevant securities accounts of the shareholders maintained by MCD before the entitlement date and will be subject to all provisions of the Articles of Association of the Company relating to transfer, transmission and otherwise.

13. HOLDING OF SHARES

The Company encourages Grantees to hold the Shares subscribed for by them for as long as possible although a Grantee or his financier, as the case may be, may sell the Shares subscribed for by the Grantee at any time after such Shares have been credited to the Grantee's or his financier's CDS account.

14. TERMINATION OF EMPLOYMENT

14.1 Subject to Bye-Laws 14.2 to 14.5, an Option which has not been exercised by the Grantee shall be automatically terminated in the following circumstances:-

- (a) termination of employment of the Grantee with the Group for any reason whatsoever, in which event the Option shall be automatically terminated on the Grantee's last day of employment; and
- (b) bankruptcy of the Grantee, in which event the Option shall be automatically terminated on the date a receiving order is made against the Grantee by a court of competent jurisdiction.

11. BYE-LAWS OF THE ESOS (Cont'd)

- 14.2 A Grantee may apply in writing to the ESOS Committee to be allowed to continue to hold and to exercise any Options held by him upon termination of employment with the Group in the following circumstances:-
- (a) retirement upon or after attaining the age in accordance with the Company's retirement policy; or
 - (b) retirement before the age specified under the above said retirement policy, with the consent of his employer; or
 - (c) ill health, injury or disability; or
 - (d) retrenchment; or
 - (e) transfer to any company outside the Group at the direction of the Company; or
 - (f) any other circumstances as may be determined by the ESOS Committee from time to time.
- 14.3 Applications under Bye-Law 14.2 shall be made:-
- (a) in a case where paragraph 14.2(a), (b) or (f) is applicable, before the Grantee's last day of employment. The Grantee may exercise Options at any time before his last day of employment subject to the provisions of Bye-Law 10, whichever applicable. In the event that no application is received by the ESOS Committee before the Grantee's last day of employment, any Option held by the Grantee on his last day of employment shall be automatically terminated;
 - (b) in a case where paragraph 14.2(c) is applicable, within one(1) month after the Grantee notifies his employer of his resignation due to ill health, injury or disability. The Grantee may exercise Options within the said period of one(1) month subject to the provisions of Bye-Law 10, whichever applicable. In the event that no application is received by the ESOS Committee within the said period, any Option held by the Grantee at the expiry of the said period shall be automatically terminated;
 - (c) in a case where paragraph 14.2(d) is applicable, within one(1) month after the Grantee is notified that he will be retrenched or, where he is given an offer by his employer as to whether he wishes to accept retrenchment upon certain terms, within one(1) month after he accepts such offer. The Grantee may exercise Options within the said period of one(1) month subject to the provisions of Bye-Law 10, whichever applicable. In the event that no application is received by the ESOS Committee within the said period, any Option held by the Grantee at the expiry of the said period shall be automatically terminated; and
 - (d) in a case where paragraph 14.2(e) is applicable, within one(1) month after the Grantee is notified that he will be transferred to a company outside the Group. The Grantee may exercise Options within the said period of one(1) month subject to the provisions of Bye-Law 10, whichever applicable. In the event that no application is received by the ESOS Committee within the said period, any Option held by the Grantee at the expiry of the said period shall be automatically terminated.

11. BYE-LAWS OF THE ESOS (Cont'd)

- 14.4 The ESOS Committee shall consider applications under Bye-Law 14.2 on a case to case basis and may in its discretion approve or reject any application in whole or in part without giving any reason therefore and may impose any term and condition in granting an approval. The decision of the ESOS Committee shall be final and binding. In the event that the ESOS Committee approves an application in whole or in part, the Grantee may exercise the Options which are the subject of the approval within the relevant Option Period and subject to the provisions of Bye-Law 10, whichever applicable. Any Option in respect of which an application is rejected shall be automatically terminated on the date of termination stipulated in the relevant paragraph of Bye-Law 14.3 or on the date of the ESOS Committee's decision, whichever is the later.
- 14.5 In the event that the ESOS Committee receives an application under Bye-Law 14.2 after the expiry of the relevant period under Bye-Law 14.3, the ESOS Committee shall take into account the reasons given by the Grantee for the delay in making the application, in exercising the ESOS Committee's discretion and powers under Bye-Law 14.4. In the event that the ESOS Committee approves the application in whole or in part, the Company shall make an Offer in respect of the Options which are the subject of the approval to the Grantee and such Options shall be exercisable:-
- (a) only within the Option Period of those Options which were terminated due to the Grantee's delay in making the application;
 - (b) in accordance with the provisions of Bye-Law 10 as applicable in respect of such terminated Options; and
 - (c) at the Subscription Price applicable in respect of such terminated Options.
- 14.6 The Grantee must nominate his beneficiary upon accepting the Option. In the event of death, the Company will allow the nominated beneficiary to exercise the Option within 18 months or within Option Period whichever expires first. In the event there is no nominated beneficiary, the Option shall be terminated.
- 14.7 The provisions of Bye-Law 14.5 and Bye-Law 14.6 constitute exceptions to the provision of Bye-Law 5.1 and Bye-Law 11.

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11. BYE-LAWS OF THE ESOS (Cont'd)**15. ALTERATION OF CAPITAL**

15.1 In the event of any alteration in the capital structure of the Company during the Option Period, whether by way of a rights issue, bonus issue or other capitalisation issue, consolidation or subdivision of Shares or reduction of capital or otherwise howsoever, the Company may at the discretion of the Board cause such adjustment to be made to:-

- (a) the number of Shares which a Grantee shall be entitled to subscribe for upon the exercise of each Option; and/or
- (b) the Subscription Price

as shall be necessary to give a Grantee 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. Where it is decided that no adjustments will be made, such decision must be made known to all the Grantees. Where it is decided that an adjustment will be made but it is not practicable to ensure that all Grantees are given the same proportion of the issued capital, the Company must, in such circumstances, seek a waiver from the SC, together with justifications.

15.2 The following provisions shall apply in relation to an adjustment which is made pursuant to Bye-Law 15.1:-

- (a) 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 Shares; and
- (b) in determining a Grantee's entitlement to subscribe for Shares, any fractional entitlements will be disregarded.

15.3 Bye-Law 15.1 shall not be applicable where an alteration in the capital structure of the Company arises from any of the following:-

- (a) an issue of Shares pursuant to the exercise of Options under the Scheme; or
- (b) an issue of securities as consideration for an acquisition; or
- (c) an issue of securities as a private placement; or
- (d) an issue of securities as a special issue approved by the relevant governmental authorities; or
- (e) a purchase by the Company of its own Shares pursuant to Section 67A of the Companies Act, 1965 ("Share Buyback"). In this event, the provisions of Bye-Law 4.2 shall apply.

15.4 In the event that the Company enters into any scheme of arrangement or reconstruction pursuant to Part VII of the Companies Act, 1965, Bye-Law 15.1 shall be applicable in respect of such part(s) of the scheme which involve(s) any alteration(s) in the capital structure of the Company to which Bye-Law 15.1 is applicable, but Bye-Law 15.1 shall not be applicable in respect of such part(s) of the scheme which involve(s) any alteration(s) in the capital structure of the Company to which Bye-Law 15.1 is not applicable as described in Bye-Law 15.3.

11. BYE-LAWS OF THE ESOS (Cont'd)

15.5 An adjustment pursuant to Bye-Law 15.1 shall be made at the following times:-

- (a) in the case of a rights issue, bonus issue or other capitalisation issue, on the Market Day immediately following the date of entitlement in respect of such issue; or
- (b) in the case of a consolidation or subdivision of 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.

Upon any adjustment being made, the ESOS Committee shall give notice in writing to the Grantee, or his legal or personal representative where the Grantee is deceased, to inform him of the adjustment and the event giving rise thereto.

15.6 All adjustments must be confirmed in writing by an approved company auditor, acting as an expert and not as an arbitrator, to be in his opinion fair and reasonable. In addition, the Company shall, at the request of any Grantee, furnish such Grantee with a certificate from an approved company auditor to the effect that in the opinion of such auditor, acting as an expert and not as an arbitrator, the adjustment is fair and reasonable either generally or as regards to such Grantee, and such certification shall be final and binding on all parties. For the purposes of this Bye-Law, an approved company auditor shall have the meaning given in Section 8 of the Companies Act, 1965.

16. TAKE-OVERS AND MERGERS

In the event of an offer being made for Shares under the Malaysian Code on Take-Overs and Mergers, 1998 and such offer being declared unconditional, the following provisions shall apply:-

- (a) a Grantee shall be entitled to exercise all or any of the Options held by him as at the date of such offer being declared unconditional, within a period of six(6) months after such date and in accordance with the provisions of Bye-Law 10.2. In the event that the Grantee elects not to so exercise some or all of the Options held by him, the unexercised Options shall be automatically terminated on the expiry of the said period of six(6) months; and
- (b) if during the said period of six(6) months, the offeror becomes entitled or bound to exercise rights of compulsory acquisition in respect of the Shares under the provisions of the Companies Act, 1965 and gives notice to the Grantee that he intends to exercise such rights on a specific date ("Specified Date"), the Grantee shall be entitled to exercise all or any of the Options held by him until the expiry of the said period of six(6) months or the Market Day immediately preceding the Specified Date, whichever is the earlier, and in accordance with the provisions of Bye-Law 10.2. In the event that the Grantee elects not to so exercise some or all of the Options held by him, the unexercised Options shall be automatically terminated on the expiry of the said period of six(6) months or on the Specified Date, whichever is the earlier.

11. BYE-LAWS OF THE ESOS (Cont'd)

17. DIVESTMENT FROM GROUP

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

- (a) 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 six(6) months from the date of completion of such divestment or the Option Period, whichever expires first, and in accordance with the provisions of Bye-Law 10.2. 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
- (b) shall no longer be eligible to participate for further Options under the Scheme as from the date of completion of such divestment.

17.2 For the purposes of Bye-Law 17.1, a company shall be deemed to be divested from the Group in the event that the effective interest of the Company in such company is reduced from above 50% to 50% or below so that such company would no longer be a subsidiary company of the Group pursuant to Section 5 of the Companies Act, 1965.

18. WINDING UP

All outstanding Options 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.

19. DURATION AND TERMINATION OF SCHEME

19.1 The Scheme shall come into force upon obtaining the following approvals:-

- (a) the SC;
- (b) the KLSE for the listing of and quotation for the new Shares to be issued pursuant to the exercise of the Options;
- (c) the shareholders of the Company in general meeting;
- (d) the fulfilment of any conditions attached thereto and upon the adviser submitting to the SC the following additional requirements:-
 - (i) Final copy of the Bye-Laws of the Scheme; and
 - (ii) Confirmation letter from the adviser confirming that the Company:
 - (aa) has fulfilled the SC's conditions of approval for the Scheme and that the Bye-Laws do not contravene the Guidelines on Employee Share Option Schemes as stipulated under the Policies and Guidelines on Issue/Offer of Securities issued by the SC; and
 - (bb) has obtained other relevant approvals for the Scheme and has fulfilled all conditions imposed therein.

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The date of the confirmation letter submitted by the adviser would signify the effective date for the launch/implementation of the Scheme ("Effective Date"). The scheme shall be in force for a duration of five(5) years from the Effective Date. The Company may, if the Board and the ESOS Committee deem fit, extend the Scheme for another five(5) years. Such extended Scheme shall be implemented in accordance with the terms of the Bye-Laws set out herein, save for any amendment and/or change to the relevant statutes and/or regulations currently in force and shall be valid and binding without further obtaining the approvals of the abovementioned parties PROVIDED THAT the Company shall serve appropriate notices on each Grantee and/or make necessary announcements to any and/or all of the abovementioned parties within thirty(30) days prior to the expiry of the Scheme.

- 19.2 Offers can only be made during and not after the duration of the Scheme.
- 19.3 The Company in general meeting may at any time by ordinary resolution terminate the Scheme. Prior to the termination, the Company must satisfy all of the following conditions:-
- (a) To obtain the approval of the SC for the termination of the Scheme;
 - (b) To obtain the consent of its shareholders at a general meeting, wherein at least a majority of the shareholders present should vote in favour of the termination; and
 - (c) To obtain the written consent of all Option holders who have yet to exercise their Options, either in part or in whole.
- 19.4 In the event of termination of the Scheme, the following provisions shall apply:-
- (a) no further Offers shall be made by the ESOS Committee from the date the last of the approvals specified in Bye-Law 19.3 shall have been obtained;
 - (b) all Offers which have yet to be accepted shall automatically lapse from the date the last of the approvals specified in Bye-Law 19.3 shall have been obtained; and
 - (c) all outstanding Options shall be automatically terminated from the date the last of the approvals specified in Bye-Law 19.3 shall have been obtained.
- 19.5 In seeking to obtain the approval of the SC and the consent of shareholders and Option holders for the termination of the Scheme, the Company must provide sufficient information on the following matters:-
- (a) Reasons for the termination;
 - (b) Whether or not the termination of the Scheme would be in the best interest of the Company; and
 - (c) Any other information that would justify termination of the Scheme.
- 19.6 The Company may establish a new employee share option scheme after the expiry or upon the termination of the Scheme. However, the new scheme shall be subject to the approval of the SC.

11. BYE-LAWS OF THE ESOS (Cont'd)

20. ADMINISTRATION

- 20.1 The Scheme shall be administered by the ESOS Committee. The ESOS Committee shall, subject to these Bye-Laws, administer the Scheme and regulate the ESOS Committee's own proceedings in such manner as it shall think fit.
- 20.2 Without limiting the generality of Bye-Law 20.1, the ESOS Committee may, for the purpose of administering the Scheme, do all acts and things, execute all documents and delegate any of its powers and duties relating to the Scheme as it may in its discretion consider to be necessary or desirable for giving effect to the Scheme.
- 20.3 The Board shall have power at any time and from time to time to rescind the appointment of any person appointed to the ESOS Committee as it shall deem fit.
- 20.4 The ESOS Committee shall comprise Director(s) and management personnel appointed by the Board.

21. AMENDMENT

- 21.1 Any subsequent modifications or amendments to the Bye-Laws do not need the prior approval of the SC. However, the Company is required to submit to the SC each time a modification or amendment is made, a confirmation letter that the modification or amendment does not contravene any of the provision of the Guidelines on Employee Share Option Schemes as stipulated under the Policies and Guidelines on Issue/Offer of Securities issued by the SC.
- 21.2 The approval of the shareholders of the Company in general meeting shall not be required in respect of additions or amendments to or deletions of these Bye-Laws provided that no addition, amendment or deletion shall be made to these Bye-Laws which would:-
- (a) prejudice any rights which have accrued to any Grantee without his prior consent; or
 - (b) increase the number of Shares available under the Scheme beyond the maximum imposed by Bye-Law 4.1; or
 - (c) provide an advantage to any Grantee or group of Grantees or all Grantees.

22. INSPECTION OF ACCOUNTS

All Grantees are entitled to inspect the latest audited financial statements of the Company at the registered office of the Company during the usual business hours.

23. SCHEME NOT A TERM OF EMPLOYMENT

The Scheme shall not form part of or constitute or be in any way construed as a term or condition of employment of any Employee.

24. NO COMPENSATION FOR TERMINATION

No Employee shall be entitled to any compensation for damages arising from the termination of any Option pursuant to the provisions of these Bye-Laws.

11. BYE-LAWS OF THE ESOS (Cont'd)

25. DISPUTES

Any dispute arising hereunder shall be referred to the decision of the external auditors for the time being of the Company acting as experts and not as arbitrators, whose decision shall be final and binding in all respects, provided that no person shall be entitled to dispute any decision or certification which is stated to be final and binding under these Bye-Laws.

26. COSTS AND EXPENSES

All fees, costs and expenses incurred in relation to the Scheme including but not limited to the fees, costs and expenses relating to the allotment and issue of Shares pursuant to the exercise of Options, shall be borne by the Company.

27. ARTICLES OF ASSOCIATION

In the event of a conflict between any of the provisions of these Bye-Laws and the Articles of Association of the Company, the Articles of Association shall prevail.

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