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**21 ESOS BYE-LAWS**


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**1. BYE-LAWS OF THE ESOS****DEFINITIONS**

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

“Act”	:	The Companies Act 1965 and any re-enactment, amendment from time to time thereof
“Articles”	:	The Articles of Association of AMRB
“Board”	:	The board of directors of AMRB
“Bye-Laws”	:	The Bye-Laws governing the Scheme
“CDS”	:	Central Depository System
“CDS Account”	:	An account established by Bursa Malaysia Depository Sdn Bhd for a depositor for the recording of deposits of securities and dealings in such securities by the depositor
“Company” or “AMRB”	:	Alam Maritim Resources Berhad (Company No. 700849-K)
“Date of Acceptance”	:	The date of receipt by the Option Committee of the written notice accepting an offer for Eligible Persons pursuant to Bye-Law 7 hereof
“Date of Offer”	:	The date on which an Offer is made by the Option Committee to an Eligible Person in the manner provided in Bye-Law 6 hereof
“Director”	:	A Director, whether executive or non-executive, on the board of any member of the AMRB Group, who satisfies the criteria set out in Bye-Law 4 hereof
“Effective Date”	:	The effective date of the implementation of the Scheme, as stated in the confirmation letter submitted by the Company’s adviser or any person prescribed by the Listing Requirements to the Exchange pursuant to the Listing Requirements
“Eligible Persons”	:	Any Employee and any Director who fulfils the conditions of eligibility stipulated in Bye-Law 4
“Employee”	:	A natural person who is employed by and on the payroll of any company in the Group
“Exchange”	:	Bursa Malaysia Securities Berhad (Company No. 635998-W)
“Grantee”	:	An Eligible Person who has accepted an Offer in the manner indicated in Bye-Law 7 hereof
“Group” or “AMRB Group”	:	The Company and its subsidiaries as defined in Section 5 of the Act. Subsidiaries include subsidiaries which are existing as at the Effective Date and subsidiaries which are incorporated or acquired at any time during the duration of the Scheme but exclude subsidiaries which are dormant and/or which have been divested by AMRB in the manner provided in Bye-Law 26

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“Initial Grant”	:	The initial Options proposed to be granted to the Eligible Persons prior to or as part of the listing of the Shares on the Main Board of the Exchange, on terms that exercise thereof is conditional upon listing of the Shares on the Main Board of the Exchange
“Listing Requirements”	:	Listing Requirements of the Exchange
“Market Day”	:	A day on which the Exchange is open for trading in securities
“Maximum Allowable Allotment”	:	The maximum number of new Shares in respect of which Offers may be made to Eligible Persons in accordance with the provisions of Bye-Law 5 hereof
“Offer”	:	An offer made in writing by the Option Committee to an Eligible Person in the manner indicated in Bye-Law 6 hereof
“Option”	:	The right of a Grantee to subscribe for new Shares pursuant to the contract constituted by acceptance by an Eligible Person, in the manner as set out in Bye-Law 7 hereof, of an Offer made to such Eligible Person pursuant to Bye-Law 6 hereof. Each Option shall entitle an Eligible Person to subscribe for one (1) Share upon its exercise
“Option Committee”	:	The committee to be appointed by the Board to implement and administer the Scheme, comprising such persons appointed from time to time by the Board
“Option Period”	:	A period commencing from the Offer Date and expiring five (5) calendar years from such Date of Offer or upon the date of expiry or termination of the Scheme as provided in Bye-Laws 19 and 20, whichever is the earlier. In the event that the duration of the Scheme shall be extended or the Scheme terminated, the date of expiry of the Scheme shall be the date of expiry as so extended or terminated
“RM” and “sen”	:	Ringgit Malaysia and sen respectively
“Scheme”	:	The scheme for the grant of Options to an Eligible Person to subscribe for new Shares upon the terms set out herein known as “ <b>AMRB Employees Share Option Scheme</b> ”
“Senior Management”	:	Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Chief Marketing Officer and/or other persons having senior positions in the Company as may be determined by the Option Committee from time to time
“Share(s)”	:	Ordinary shares of RM0.50 each in the Company
“Subscription Price”	:	The price per Share at which a Grantee shall be entitled to subscribe for new Shares as set out in Bye-Law 10 hereof

- 1.2 Unless the context otherwise requires, in these Bye-Laws, words importing gender include all genders and words importing the singular number shall include the plural number and vice versa.
- 1.3 The headings in these Bye-Laws are for convenience only and shall not be taken into account in the interpretation of those Bye-Laws.
- 1.4 If an event is to occur on a stipulated day which is not a Market Day, then the stipulated day will be taken to be the next Market Day.

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**2. NAME OF SCHEME**

This Scheme will be known as the “AMRB Employees’ Share Option Scheme”.

**3. TOTAL NUMBER OF SHARES AVAILABLE UNDER THE SCHEME**

3.1 Subject to Bye-Law 3.2, the maximum number of new Shares, which may be available under the Scheme, shall not exceed in aggregate fifteen per centum (15%) of the issued and paid-up share capital of the Company at any one time during the duration of the Scheme as provided in Bye-Law 19, or such additional number that may be permitted by the Exchange from time to time during the duration of the Scheme.

3.2 Notwithstanding the provision of Bye-Law 3.1 nor any other provisions herein contained, in the event the aggregate number of new Shares comprised in the Options granted under the Scheme exceeds the aggregate fifteen per centum (15%) of the issued and paid-up share capital of the Company as a result of the Company purchasing its own shares pursuant to Section 67A of the Act or undertaking any other corporate proposal which diminishes its issued and paid-up capital, then such Options granted prior to the adjustment of the issued and paid-up capital of the Company shall remain valid and exercisable in accordance with the provisions of this Scheme.

However, no further Offer shall be made to any Eligible Persons as long as the aggregate number of Shares comprised in the Options granted exceeds fifteen per centum (15%) of the issued and paid-up share capital of the Company as a result of the Company purchasing its own shares or undertaking any other corporate proposal which diminishes its issued and paid-up capital.

3.3 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 throughout the duration of the Scheme.

**4. ELIGIBILITY**

4.1 Persons who are eligible to participate in the Scheme (“**Eligible Person**”) are as follows:-

- (a) they must be at least eighteen (18) of age on the Date of Offer;
- (b) Employees who fulfil the criteria as may be determined by the Option Committee from time to time;
- (c) they must have been confirmed and must have served the Group on a continuous basis for a period of not less than six (6) months prior to the Date of Offer or such other period as shall be determined by the Option Committee at its discretion or, in the case of a Director, the name appears in the Register of Directors on the Date of Offer;
- (d) unless otherwise determined by the Option Committee, if the person is serving under an employment contract for a fixed duration, the person must have served the Group for a combined period(s) of not less than twelve (12) months (which periods need not be continuous); and
- (e) such other eligibility criteria as may be determined by the Option Committee and the Board from time to time.

Where the Eligible Person is a Director, Bye-Laws 4.1 (b) and (d) shall not apply.

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Eligibility, however, does not confer the Eligible Person a claim or right to participate in the Scheme unless an Offer has been extended to the Eligible Person and the Eligible Person has accepted the Offer in accordance with the terms of the Offer and the Scheme.

- 4.2 No Eligible Person shall participate at any time in more than one (1) employee share option scheme implemented by any company within the Group.
- 4.3 Employees of dormant companies are not eligible to participate in the Scheme.
- 4.4 An employee who during the duration of the Scheme becomes an Eligible Person may be eligible for Options (to be decided by the Option Committee) subject to the Maximum Allowable Allotment for the category to which he has been admitted.
- 4.5 The allotment of Options under Bye-Law 4.4 shall be from the balance of the Options available under the Scheme subject to the provisions of Bye-Law 3.1.

**5. MAXIMUM ALLOWABLE ALLOTMENT AND THE BASIS OF ALLOTMENT**

- 5.1 Subject to any adjustments which may be made under Bye-Law 15 hereof, the maximum number of new Shares that may be offered and allotted to an Eligible Person shall be determined at the discretion of the Option Committee and the Board taking into consideration the performance, seniority and years of service of the Eligible Person and such other factors that the Option Committee and the Board may deem relevant, subject always to the following:
- (i) that subject to Bye-Law 3.2, the number of new Shares comprised in the Options granted under the Scheme shall not exceed the amount stipulated in Bye-Law 3.1;
  - (ii) that fifty per cent (50%) of the Shares available under the Scheme would be allocated in aggregate to the eligible Directors and Senior Management and the remaining fifty per cent (50%) of the Shares would be allocated to the Employees; and
  - (iii) that not more than ten per cent (10%) of the new Shares available under the Scheme should be allocated to any Eligible Person who, either singly or collectively through persons connected with him (as defined in paragraph 1.01 of the Listing Requirements), holds twenty per cent (20%) or more of the issued and paid-up capital of the Company.
- 5.2 The number of Options so offered pursuant to the Scheme and the new Shares arising from the exercise of the Options shall be verified by the audit committee and a statement to that effect that the audit committee has conducted such verification shall be disclosed in the Company's annual report.
- 5.3 A set of criteria on employee eligibility and allocation shall be clearly specified and all employees shall be made aware of it through notification in writing to the employees or any other appropriate mediums.
- 5.4 In the circumstances where the maximum share allocation as provided in paragraph 6.30A(3) of the Listing Requirements is amended by the Exchange from time to time, the Option Committee and the Board shall have the discretion to make the necessary adjustments so that the number of new Shares comprised in the Options that may be offered to any one of the Eligible Persons shall be in accordance with the provisions of the Listing Requirements prevailing during the Option Period.
- 5.5 The Option Committee may make an offer to a Director in respect of his holding a position as a Director in only one (1) company within the Group, notwithstanding that he is a Director of more than one (1) company within the Group.

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**6. OFFER**

- 6.1 The Option Committee may at its discretion at any time and from time to time within the duration of the Scheme, as it shall deem fit select and make an Offer in writing to any Eligible Person to subscribe for new Shares in accordance with the terms of this Scheme PROVIDED ALWAYS that any such Offer by the Option Committee to the Eligible Person shall not be less than 100 Shares nor more than the Maximum Allowable Allotment as set out in Bye-Law 5 above and shall be in multiples of 100.
- 6.2 Offers in respect of Options to be comprised in the Initial Grant shall be made prior to the listing of the Shares on the Main Board of the Exchange and on terms that exercise of such Options are conditional upon the listing of the Shares on the Main Board of the Exchange.
- 6.3 Offer in relation to Options (other than those comprised in the Initial Grant) shall thereafter be made from time to time as the Board may determine from the balance of the Option available under the Scheme (after deducting all Options which have been offered and accepted under the Initial Grant) subject to the limit set out in Bye-Law 3.1.
- 6.4 The Option Committee shall state the following particulars in the letter of offer:-
- (a) the number of Options that are being offered to the Eligible Person;
  - (b) the number of Shares which the Eligible Person 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.
- 6.5 An Offer shall be valid for a period fourteen (14) days from the Date of Offer or such longer period as may be determined by the Option Committee on a case-by-case basis at its discretion (“Offer Period”).
- 6.6 No Offer shall be made to any Director of the Company unless such Offer and the relevant allotment of Shares have previously been approved by the shareholders of the Company in a general meeting.
- 6.7 The Offer shall automatically lapse and be null and void in the event of the Eligible Persons ceasing to be a Director (in the case where an entitlement is made to an Eligible Director) or ceasing to be employed by the Group for any reason whatsoever prior to the acceptance of the Offer by the Eligible Persons in the manner set out in Bye-Law 7 hereof.
- 6.8 The Offer shall automatically lapse and be null and void in the event of death of the Eligible Persons prior to the acceptance of the Offer.

**7. ACCEPTANCE OF THE OFFER**

- 7.1 The acceptance of an Offer shall be made by way of a written notice from the Eligible Person to the Option Committee in the form prescribed by the Option Committee within the Offer Period accompanied by a payment to the Company of a nominal non-refundable consideration of Ringgit Malaysia One (RM1.00) only for the grant of the Options. The date of receipt of such written notice by the Company shall constitute the Date of Acceptance.

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- 7.2 In the event that the Eligible Person fails to accept the Offer in the manner aforesaid within the Offer Period, the Offer shall automatically lapse and be null and void and of no further effect. The number of Shares offered in the lapsed Offer shall be deducted from the Maximum Allowable Allotment or the balance of the Maximum Allowable Allotment and the Eligible Person shall not be entitled to the number of Shares offered in the lapsed Offer in any Offers made in the future.
- 7.3 The Company shall within thirty (30) days of the Date of Acceptance issue to the Eligible Person an option certificate stating, inter alia, the number of Options granted, the Subscription Price and Option Period.

**8. NON-TRANSFERABILITY**

- 8.1 An Option is personal to the Grantee and subject to the provisions of Bye-Law 11.2, is exercisable only by the Grantee personally during his lifetime whilst he is in the employment of any company in the Group.
- 8.2 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 11.3.

**9. EXERCISE OF OPTIONS**

- 9.1 An Option granted to a Grantee under the Scheme is, subject to the provisions of Bye-Laws 11.1, 12, 13 and 26, exercisable only by that Grantee during his lifetime and whilst he is in the employment of the Group and within the Option Period.
- 9.2 Upon acceptance of the Offer, the Grantee may during the period commencing from the Date of Offer, exercise the option in the manner set out in the Bye-Law 9.5 subject to the following limits:-

<b>Maximum Percentage of Options Exercisable in Each Year commencing from Date of Acceptance</b>				
<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
<b>5%</b>	<b>10%</b>	<b>20%</b>	<b>30%</b>	<b>35%</b>

In the event the Grantee is a non-executive director, he shall not be able to sell, transfer or assign Shares obtained through the exercise of Options within one (1) year from the Date of Offer, as set out in Bye-Law 14 below.

- 9.3 A Grantee shall exercise the Options granted to him in multiples of 100 Shares.
- 9.4 Where the maximum percentage of Options exercisable within a particular year of the Scheme is not fully exercised by a Grantee, the percentage unexercised shall be carried forward to the next year and shall not be subject to the maximum percentage for that year Provided That no Options shall be carried forward beyond the Option Period. Any Option which remains unexercised at the expiry of the Option Period shall be automatically terminated. For the avoidance of doubt, it is hereby stated that the provisions of Bye-Law 9.2 are subject to the provisions of this Bye-Law 9.4.
- 9.5 A Grantee shall exercise his Options between 9 a.m. and 4 p.m. on any Market Day or as may be amended from time to time by the Option Committee, by notice in writing to the Grantees in such form as the Option Committee may prescribe or approve ("**Notice of Exercise**") as attached to the letter of offer. The procedure for the exercise of Options to be complied with by a Grantee shall be determined by the Option Committee from time to time.

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- 9.6 The Notice of Exercise shall state the number of new Shares an Eligible Person intends to subscribe and be accompanied with the remittance for the full amount of the subscription monies payable in respect thereof Provided That the number of new Shares stated therein shall not exceed the amount granted to such Eligible Person.
- 9.7 The Grantee shall state his CDS Account number in the Notice of Exercise. Within ten (10) Market Days of receipt of such notice and payment or such other period as may be prescribed by the Exchange, the Company shall allot the relevant number of Shares and despatch notices of allotment to the Grantee subject to the Articles and the Listing Requirements. The said Shares will be credited directly into the CDS Account of the Grantee or his financier, as the case may be. No physical share certificates will be issued.
- 9.8 Any failure to comply with the foregoing provisions and/or to state the CDS Account number in the Notice of Exercise or inaccuracy in the CDS Account number shall result in the Notice of Exercise being rejected at the discretion of the Option Committee. In the case of rejection of the Notice of Exercise for any reason whatsoever, the Grantee shall be informed of such rejection. The Option Committee shall inform the Grantee of the rejection of the Notice of Exercise within ten (10) Market Days from the date of receipt thereof and the Grantee shall then be deemed not to have exercised his Option and the Grantee concerned shall be entitled to exercise his Option in accordance with Bye-Law 9.2.
- 9.9 Notwithstanding anything to the contrary herein contained in these Bye-Laws, the Option Committee shall have the right at its discretion by notice in writing to that effect, to suspend the right of any Grantee who is being subjected to disciplinary proceedings (whether or not such disciplinary proceedings may give rise to a dismissal or termination of service of such Grantee) to exercise his Option pending the outcome of such disciplinary proceedings. In addition to this right of suspension, the Option Committee may impose such terms and conditions as the Option Committee shall deem appropriate in its discretion, on the right to exercise his Option having regard to the nature of the charges made or brought against such Grantee, PROVIDED ALWAYS that:
- (i) in the event such Grantee is found not guilty of the charges which gave rise to such disciplinary proceedings, the Option Committee shall reinstate the right of such Grantee to exercise his Option;
  - (ii) in the event such Grantee is found guilty resulting in the dismissal or termination of service of such Grantee, the Option shall immediately cease without notice, upon pronouncement of the dismissal or termination of service of such Grantee; or
  - (iii) in the event such Grantee is found guilty but no dismissal or termination of service is recommended, the Option Committee shall have the right to determine at its absolute discretion whether or not the Grantee may continue to exercise his Option or any part thereof and if so, to impose such terms and conditions as it deems appropriate, on such exercise.

**10. SUBSCRIPTION PRICE**

- 10.1 The Subscription Price payable in respect of the Shares subscribed for upon the exercise of an Option which is an Initial Grant shall be as follows:-

<b>Exercise Period</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
<b>Maximum Percentage of Options Exercisable</b>	5%	10%	20%	30%	35%
<b>Subscription Price</b>	RM1.65	RM1.65	RM1.82	RM1.82	RM2.00

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For the avoidance of doubt, any Options which are carried forward from previous years will be subject to the Subscription Price prevailing in the previous year and not the Subscription Price prevailing at the year in which the carried forward Option is exercised.

- 10.2 The Subscription Price payable in respect of the Shares subscribed for upon the exercise of an Option which is not an Initial Grant (including any Options that have been revoked and returned due to death, retirement, resignation, not being taken up and that is subsequently granted) shall be the weighted average market price of the Shares for the five (5) Market Days immediately preceding the Date of Offer with a discount of not more than ten percent (10%) or the par value of the Shares, whichever is the higher amount.
- 10.3 The Subscription Price shall be subject to adjustments in accordance with Bye-Law 15 hereof.

**11. TERMINATION OF THE OPTIONS**

- 11.1 All remaining unexercised Options shall forthwith lapse and/or be deemed to be cancelled and cease to be exercisable in respect of such Options that have not been exercised upon the occurrence of one or more of the following events:
- (i) subject to Bye-Law 11.2 and 11.3, cessation of directorship or termination of employment of the Grantee with the Group for any reason whatsoever, in which event the Option shall be automatically terminated on the day of such cessation or the Grantee notifies his employer of his resignation or on the Grantee's last day of employment, whichever is the earlier; or
  - (ii) the bankruptcy of the Grantee, in which event the Options shall be automatically terminated on the date a receiving order is made against the Grantee by a court of competent jurisdiction; or
  - (iii) the 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:-
      - (aa) the date on which a provisional liquidator is appointed by the company; or
      - (bb) 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 presented to the company;

whichever shall be applicable.

Upon the termination of Options pursuant to Bye-Laws 11.1(i), (ii) or (iii) above, the Grantee shall have no right to compensation or damages or any claim against the Company from any loss of any right or benefit or prospective right or benefit under the Scheme which he might otherwise have enjoyed, whether for wrongful dismissal or breach of contract or loss of office or otherwise howsoever arising from his ceasing to hold office or employment or from the suspension of his right to exercise his Options or his Option ceasing to be valid.

- 11.2 Notwithstanding the provisions of Bye-Law 11.1(i), the Option Committee may at its discretion allow a Grantee to exercise his unexercised Options or Options within the relevant Option Periods or such other shorter period as the Option Committee may at its discretion determine when the Grantee ceases his employment or appointment with the Group by reason of:

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- (i) retirement on attaining the retirement age under the Group's retirement policy;
- (ii) retirement before attaining the normal retirement age but with the consent of the Company;
- (iii) ill-health, injury, physical or mental disability; or
- (iv) any other circumstances which are acceptable to the Option Committee.

11.3 In the event of the demise of a Grantee before the expiration of the Option Period and on the date of his demise, the Grantee held Options which are unexercised, the whole or any part of the unexercised Options shall lapse forthwith and be null and void and have no further force and effect.

**12. TAKEOVER**

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

- (i) a takeover offer being made for the Company through a general offer under the Malaysian Code on Take-Overs and Mergers, 1998 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 such period to be determined by the Option Committee, to exercise all or any part of his Options as yet unexercised; and
- (ii) the Offeror becoming entitled or bound to exercise the right of compulsory acquisition of the Shares under the provisions of any applicable statutes, rules and/or regulations and gives notice to the 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 as yet unexercised 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 automatically lapse and shall become null and void and have no further effect.

**13. SCHEME OF ARRANGEMENT, AMALGAMATION, RECONSTRUCTION, ETC.**

Notwithstanding Bye-Law 9 hereof 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 Act or its amalgamation with any other company or companies under Section 178 of the Act 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, in the opinion of the Option Committee, it has been fully implemented or on any other date specified by the Option Committee within the Option Period PROVIDED ALWAYS THAT any part of an Option which remains unexercised after the expiry of the period stipulated above shall lapse and become null and void and have no further effect.

**14. RETENTION PERIOD**

The new Shares to be issued and allotted to a Grantee pursuant to the exercise of any Options will not be subject to any retention period or restriction on transfer, save and except where the Grantee is a non-executive director, in which case, he must not sell, transfer or assign the new Shares obtained through

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the exercise of the Options offered to him pursuant to the Scheme within one (1) year from the Date of Offer.

**15. ALTERATION OF SHARE CAPITAL DURING THE OPTION PERIOD**

15.1 In the event of any alteration in the capital structure of the Company during the Option Period, whether by way of issue of new Shares credited as fully paid up from capitalisation of profit or reserves (including any share premium account and capital redemption reserve fund), capitalisation issues, rights issues, reduction, subdivision or consolidation of capital or any other variation of capital:

- (i) the Subscription Price; and/ or
- (ii) the number of new Shares comprised in the Option so far as unexercised;

shall be adjusted in such manner as the external auditors of the Company for the time being (acting as experts and not as arbitrators), upon reference to them by the Option Committee, confirm in writing to be, in their opinion, fair and reasonable and in accordance with the provisions in the Bye-Laws PROVIDED ALWAYS THAT:

- (i) no adjustment to the Subscription Price shall be made which would result in the new 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 Shares provided further that no adjustment shall be made to the Options Price in respect of any fraction of a sen;
- (ii) in the event that a fraction of a new Share arising from the adjustments referred to in this Bye-Laws would otherwise be required to be issued upon the exercise of an Option by the Grantee, the Grantee's entitlement shall be rounded down to the nearest whole number;
- (iii) upon any adjustment being made pursuant to this Bye-Law hereof, 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 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 Shares thereafter to be issued on the exercise of the Option; and
- (iv) all and any adjustment being made must be consistent with this Clause 15 and the provisions of this Bye-Laws governing such adjustment.

Nevertheless, any adjustments to the Subscription Price and/or the number of new Shares comprised in the Option so far as unexercised arising from bonus issues, need not be confirmed in writing by the external auditors of the Company.

In the event of any alteration in the capital structure of the Company during the Option Period, where the Board has decided that no adjustments will be made to the Subscription Price and/or the number of new Shares comprised in the Option so far as unexercised, such decision shall be made known to all the Grantees and/ or Eligible Persons via a timely notice, subject to compliance with the Listing Requirements.

15.2 The provisions of this Bye-Law shall not apply where the alteration in the capital structure of the Company arises from:-

- (i) an issue of new securities as consideration for an acquisition or part consideration for an acquisition of any other securities, assets or businesses;

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- (ii) as a special issue to Bumiputera parties approved by the relevant authorities;
- (iii) a private placement or restricted issue of new Shares by the Company;
- (iv) a share buy-back arrangement by the Company;
- (v) an issue of warrants, convertible loan stocks or other instruments by the Company that grants a right of conversion into new Shares;
- (vi) an issue of new Shares arising from the exercise of any conversion rights attached to such convertible securities; and
- (vii) an issue of new Shares pursuant to the Scheme.

15.3 Subject to Bye-Law 15.2, the Subscription Price and/or the number of Shares to be comprised in an Option in respect of the right to subscribe for new Shares as yet unexercised to which a Grantee may be entitled shall from time to time be adjusted, calculated or determined by the Options Committee in accordance with the following relevant provisions:

- (i) If and whenever the Shares by reason of any consolidation or subdivision or conversion shall have a different par value, the Subscription Price and the additional Shares comprised in the Options as yet unexercised ("Additional Shares Under Options") shall be adjusted, calculated or determined in the following manner:

$$\text{New Subscription Price} = S \times \frac{\text{Revised par value for each Share}}{\text{Original par value for each Share}}$$

$$\text{Additional Shares Under Options} = T \times \frac{\text{Original par value for each Share}}{\text{Revised par value for each Share}} - T$$

Where:

S = existing Subscription Price; and

T = existing number of Shares comprised in the Options in respect of the right to subscribe for new Shares as yet unexercised.

The par value shall be adjusted to the revised par value.

Each such adjustment will be effective from the close of business of the Market Day next following the date on which the consolidation or subdivision or conversion becomes effective (being the date on which the Shares are traded on the Exchange at the new par value) or such other date as may be prescribed by the Exchange.

- (ii) If and whenever the Company shall make any issue of Shares to shareholders credited as fully paid, by way of capitalisation of profits or reserves (whether of a capital or income nature and including any share premium account and capital redemption reserve fund), the Subscription Price and the number of Additional Shares Under Options shall be adjusted, calculated or determined in the following manner:

$$\text{New Subscription Price} = S \times \frac{A}{A + B}$$

$$\text{Additional Shares Under Option} = T \times \frac{A + B}{A} - T$$

Where:

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A = the aggregate number of issued and fully paid-up Shares on 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 or other distributions) immediately before such capitalisation issue;

B = the aggregate number of Shares to be issued pursuant to any allotment to shareholders credited as fully paid by way of capitalisation of profits or reserves (whether of a capital or income nature and including any share premium account and capital redemption reserve fund);

S = as S above; and

T = as T above

Each such adjustment will be effective (if appropriate, retroactively) from the commencement of the day next following the entitlement date for such issue.

(iii) If and whenever the Company shall make:

(a) a Capital Distribution (as defined below) to shareholders whether on a reduction of capital or otherwise (save and except any capital reduction involving the cancellation of capital which is lost or unrepresented by available assets); or

(b) any offer or invitation to shareholders whereunder they may acquire or subscribe for Shares by way of rights; or

(c) any offer or invitation to shareholders by way of rights whereunder they may acquire or subscribe for securities convertible into Shares or securities with rights to acquire or subscribe for Shares,

then and in any such case, the Subscription Price, and in the case of sub-paragraph (iii)(b) hereof, the Additional Shares Under Options, shall be adjusted, calculated or determined in the following manner:

$$\text{New Subscription Price} = S \times \frac{C - D}{C}$$

$$\text{Additional Shares Under Options} = T \times \frac{C}{C - D} - T$$

Where:

S = as S above;

T = as T above;

C = the Current Market Price (as defined in sub-paragraph (viii) below) of one (1) 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 the Exchange or (failing such announcement), immediately preceding the date of announcement of the entitlement date of the Capital Distribution or, as the case may be, of the offer or invitation (where appropriate), or any relevant date as may be determined by the Company in consultation with the external auditors of the Company; and

D = (1) in the case of an offer or invitation to acquire or subscribe for Shares or securities convertible into Shares or with rights to acquire or subscribe for Shares under sub-paragraphs (iii)(b) and (iii)(c) above,

the value of rights attributable to one (1) Share (as defined below); or

- (2) in the case of any other transaction falling within this paragraph (iii), the fair market value, as determined by the Company in consultation with the external auditors of the Company, of that portion of the Capital Distribution attributable to one (1) Share.

For the purpose of sub-paragraph (1) of D above, the “value of rights attributable to one (1) Share” shall be calculated in accordance with the formula:

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

Where:

C = as C above;

E = the subscription consideration for one (1) additional Share under the terms of such offer or invitation to acquire or subscribe for Shares, the conversion value paid for conversion into one (1) additional Share, or the exercise price paid in connection with the rights to acquire or subscribe for one (1) additional Share, as the case may be;

F = the number of Shares which is necessary to hold in order to be offered or invited to acquire or subscribe for one (1) additional Share or to acquire or subscribe for securities convertible into one (1) additional Share or rights to acquire or subscribe for one (1) additional Share under the offer or invitation, as the case may be.

For the purpose of this sub-paragraph (iii), “**Capital Distribution**” shall (without prejudice to the generality of that expression) include distributions in cash or specie (other than dividends) or by way of issue (not falling under sub-paragraph (ii) above) of Shares or other securities credited as fully or partly paid up by way of capitalisation of profits or reserves (whether of a capital or income nature and including any share premium account or capital redemption reserve fund). Any dividend charged or provided for in the accounts of 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 consolidated profit and loss accounts of the Company.

Each such adjustment will be effective (if appropriate, retroactively) from the commencement of the date next following the entitlement date for such issues.

- (iv) If and whenever the Company makes any allotment to its shareholders as provided in sub-paragraph (ii) above and also makes any offer or invitation to its shareholders as provided in sub-paragraph (iii)(b) or sub-paragraph (iii)(c) above and the entitlement date for the purposes of the allotment is also the entitlement date for the purpose of the offer or invitation, the Subscription Price shall be adjusted in the following manner:

$$\text{New Subscription Price} = S \times \frac{(G \times C) + (H \times I)}{(G + H + B) \times C}$$

## 21 ESOS BYE-LAWS (Cont'd)

and in respect of each case referred to in sub-paragraph (ii) and sub-paragraph (iii)(b) above, the Additional Shares Under Options shall be calculated in the following manner:

$$\text{Additional Shares Under Options} = T \times \frac{(G + H^* + B) \times C}{(G \times C) + (H^* \times I^*)} - T$$

Where:

B = as B above;

C = as C above;

G = the aggregate number of issued and fully paid-up Shares on the entitlement date;

H = the aggregate number of new Shares under an offer or invitation to acquire or subscribe for Shares by way of rights or under an offer or invitation by way of rights to acquire or subscribe for securities convertible into Shares or securities with rights to acquire or subscribe for Shares, as the case may be;

H\* = the aggregate number of new Shares under an offer or invitation to acquire or subscribe for Shares by way of rights;

I = the subscription consideration of one (1) additional Share under the offer or invitation to acquire or subscribe for Shares or the exercise price on conversion of such securities or exercise of such rights to acquire or subscribe for one (1) additional Share, as the case may be;

I\* = the subscription consideration of one (1) additional Share under the offer or invitation to acquire or subscribe for Shares;

S = as S above; and

T = as T above.

Each such adjustment will be effective (if appropriate, retroactively) from the commencement of the date next following the entitlement date for such issues.

- (v) If and whenever the Company makes any offer or invitation to the shareholders as provided in sub-paragraph (iii)(b) above together with an offer or invitation to the shareholders as provided in paragraph (iii)(c) above, the Subscription Price shall be adjusted in the following manner:

$$\text{New Subscription Price} = S \times \frac{(G \times C) + (H^* \times I^*)}{(G + H^* + J) \times C}$$

and the Additional Shares Under Options shall be calculated in the following manner:

$$\text{Additional Shares Under Options} = T \times \frac{(G + H^*) \times C}{(G \times C) + (H^* \times I^*)} - T$$

Where:

C = as C above;

G = as G above;

## 21 ESOS BYE-LAWS (Cont'd)

H\* = as H\* above;

I\* = as I\* above;

J = the aggregate number of Shares to be issued to its shareholders upon conversion of such securities or exercise of such rights to acquire or subscribe for Shares by the shareholders;

K = the exercise price on conversion of such securities or exercise of such rights to acquire or subscribe for one (1) additional Share;

S = as S above; and

T = as T above.

Each such adjustment will be effective (if appropriate, retroactively) from the commencement of the date next following the entitlement date for the above transactions.

- (vi) If and whenever the Company makes an allotment to its shareholders as provided in sub-paragraph (ii) above and also makes an offer or invitation to its shareholders as provided in sub-paragraph (iii)(b) above together with an offer or invitation to its shareholders as provided in sub-paragraph (iii)(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 in the following manner:

$$\text{New Subscription Price} = S \times \frac{(G \times C) + (H^* \times I^*) + (J \times K)}{(G + H^* + J + B) \times C}$$

and the Additional Shares Under Options shall be calculated in the following manner:

$$\text{Additional Shares Under Options} = T \times \frac{T \times (G + H^* + B) \times C}{(G \times C) + (H^* \times I^*)} - T$$

Where:

B = as B above;

C = as C above;

G = as G above;

H\* = as H\* above;

I\* = as I\* above;

J = as J above;

K = as K above;

S = as S above; and

T = as T above.

Each such adjustment will be effective (if appropriate, retroactively) from the commencement of the date next following the entitlement date for the above transactions.

## 21 ESOS BYE-LAWS (Cont'd)

- (vii) If and whenever (otherwise than pursuant to a rights issue available to all the shareholders alike and requiring an adjustment under sub-paragraphs (iii)(b), (iii)(c), (iv), (v) or (vi) above), the Company shall issue any Shares, any securities convertible into Shares or securities with rights to acquire or subscribe for Shares, and in any such case, the Total Effective Consideration per Share (as defined below) is less than ninety per centum (90%) of the Average Price (as defined in sub-paragraph (viii) 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, then the Subscription Price shall be adjusted in the following manner:

$$\text{New Subscription Price} = S \times \frac{L + M}{L + N}$$

Where:

L = the aggregate number of 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 aggregate number of Shares which the Total Effective Consideration (as defined below) would have purchased at such Current Market Price (exclusive of expenses);

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

S = as S above.

For the purposes of this sub-paragraph (vii), the "Total Effective Consideration" shall be as determined by the Directors of the Company in consultation with the external auditors and shall be:

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

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

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**21 ESOS BYE-LAWS (Cont'd)**

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Each such adjustment will be effective (if appropriate, retroactively) from the close of the Market Day immediately preceding the date on which the aforesaid Shares, or securities convertible into Shares or securities with rights to acquire or subscribe for Shares are issued, as the case may be.

- (viii) For the purpose of sub-paragraphs (iii), (iv), (v) and (vi), the “**Current Market Price**” in relation to each Share shall be the weighted average market price of Shares as quoted on the Exchange for the five (5) consecutive Market Days immediately preceding such relevant date.

For the purpose of sub-paragraph (vii), the “**Average Price**” means the average price of one (1) Share as derived from the last dealt price for one (1) or more board lots of Shares as quoted on the Exchange on the Market Days comprised in the period used as a basis upon which the issue price of such Shares is determined.

**16. RIGHTS ATTACHING TO SHARES**

The new Shares to be allotted upon any exercise of any Option granted shall upon allotment and issue, rank pari passu in all respects with the existing Shares PROVIDED ALWAYS that the new Shares so allotted will not be entitled to any dividends, rights, allotments and/or other distributions declared, made or paid to shareholders which record date thereof precedes the date of allotment of the new Shares and shall be subject to all provisions of the Articles of the Company.

**17. ADMINISTRATION**

The Scheme shall be administered by the Option Committee on behalf of the Board. The Option Committee shall consist 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. The Board shall have power from time to time to rescind the appointment of any person to the Option Committee as it deems fit.

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 Bye-Law.

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**21 ESOS BYE-LAWS (Cont'd)**

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**18. AMENDMENT AND/OR MODIFICATION TO THE SCHEME**

18.1 The Option Committee may at any time and from time to time recommend to the Board any additions or amendments to or deletions of these Bye-Laws as it shall in its discretion think fit and the Board shall have the power by resolution to add to, amend or delete all or any of these Bye-Laws upon such recommendation subject to the approval of the following, where necessary:-

- (a) the Exchange; and
- (b) any other relevant regulatory authority.

18.2 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 3.1; or
- (c) provide an advantage to any Grantee or group of Grantees or all Grantees.

Any amendment and/or modification to the Bye-Laws shall not contravene any provision of the Listing Requirements and the Company shall submit to the Exchange each time an amendment and/or modification is made, a confirmation letter to that effect.

18.3 Notwithstanding anything herein and for the purpose of complying with the provisions of Appendix 6F of the Listing Requirements, the provisions of Bye-Laws 1.1 (on definition of "Eligible Person", 3, 4, 5, 7, 9, 10, 11.1(iii), 14, 15.3, 16, 19, 27 and this Bye-Law 18 shall not be amended or altered in any way whatsoever for the advantage of participants without the prior approval of shareholders in general meeting.

**19. DURATION OF THE SCHEME**

19.1 The Scheme shall be in force for a period of five (5) years commencing from the Effective Date for the implementation of the Scheme, which shall be the date of full compliance with all relevant requirements of the Listing Requirements including the following:

- (i) submission of the final copy of the Bye-Laws of the Scheme to the Exchange pursuant to paragraph 6.30F of the Listing Requirements;
- (ii) receipt of approval-in-principle for the issuance and listing of the Shares to be issued under the Scheme from the Exchange;
- (iii) the procurement of the approval by the shareholders of the Company in general meeting;
- (iv) the receipt of approval of any other relevant authorities whose approval is necessary in respect of the Scheme (where applicable); and
- (v) the fulfilment of all conditions attached to the above approvals, if any

provided, however, that the Initial Grants shall be conditional on the listing of the Shares on the Main Board of the Exchange and shall be void and of no further effect if the Company is not listed on Main Board of the Exchange.

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**21 ESOS BYE-LAWS (Cont'd)**

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- 19.2 Upon the expiry of the Scheme, the Board shall have the discretion to extend the Duration of the Scheme PROVIDED THAT any extension of the Scheme shall be for a maximum duration of up to five (5) years.
- 19.3 The Scheme shall come into force on the Effective Date. The Scheme shall subject to Bye-Law 20 be in force for a duration of five (5) years from the Effective Date. The date of expiry of the Scheme shall be at the end of the five (5) years from the Effective Date or, if the Scheme shall be extended, shall be the date of expiry as so extended (“**Date of Expiry**”).
- 19.4 Offers can only be made during the duration of the Scheme before the Date of Expiry.
- 19.5 Notwithstanding anything to the contrary, all unexercised Options shall lapse on the Date of Expiry.

**20. TERMINATION OF THE SCHEME**

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

- (i) consent of the shareholders of the Company at a general meeting wherein at least a majority of the shareholders present voted in favour of the termination; and
- (ii) written consent of all Grantees who have yet to exercise their Options, either in part or in whole.

**21. QUOTATION OF SHARES**

The new Shares referred to in Bye-Law 3 above and the new Shares (if any) to be allotted and issued to the Grantee will not be listed or quoted on the Exchange until the Option is exercised in accordance with Bye-Law 9 above whereupon the Company shall within ten (10) Market Days or such other period as may be prescribed by the Exchange, from the date of receipt of Notice of Exercise referred to in Bye-Law 9.5 and the remittance for the full amount of the subscription monies for the new Shares referred to in Bye-Law 9.6, make the necessary application to the Exchange for the listing of and quotation for such new Shares and use its best endeavours to obtain such approval unless a blanket approval for the listing of and quotation for the new Shares arising from the Scheme has been obtained.

The Option Committee, the Company and the officers and agents of the Company, shall not under any circumstances be held liable for any costs, expenses, charges and damages whatsoever and howsoever arising in any event relating to the delay on the part of the Company in allotting and issuing the new Shares or in procuring the Exchange to list the new Shares.

**22. 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 the Exchange, shareholders of the Company at a general meeting and any other relevant authorities/parties, and the provisions of Bye-Law 20.

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**21 ESOS BYE-LAWS (Cont'd)**

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**23. DISPUTES**

In the event of any dispute between the Option Committee and an Eligible Persons 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 Persons or Grantee, as the case may be. The said decision shall be final and binding on the parties unless the Eligible Persons 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 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. Under no circumstances shall a dispute or difference be brought to a court of law.

**24. NO COMPENSATION FOR TERMINATION**

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

**25. SUBSIDIARIES OF AMRB**

In the event there is any new member to the AMRB Group as a result of any acquisition or incorporation of any Subsidiary during the tenure of this Scheme, the Scheme shall apply to such Eligible Persons of the new Subsidiaries falling within the expression of "Eligible Person" under Bye-Law 1 hereof and the provisions of these Bye-Laws shall apply.

**26. DIVESTMENT FROM THE GROUP**

26.1 If a Grantee who was in the employment of a member of the Group which has ceased to be a Subsidiary as a result of a restructuring or divestment exercise or otherwise (other than a takeover under Bye-Law 12 hereof) then such Grantee:

- (i) 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 provision of Bye-Law 9.5. In this instance, the limits on the exercise of Options stipulated in Bye-Law 9.2 shall not apply. In the event 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
- (ii) shall not be eligible to participate for further Options under the Scheme as from the date of completion of such divestment.

26.2 For the purposes of Bye-Law 26.1, 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 Act.

**27. WINDING UP**

All unexercised or partially exercise 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.

**21 ESOS BYE-LAWS (Cont'd)**

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**28. 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 Shares upon the exercise of any Option shall be borne by the Company.

**29. SCHEME NOT A TERM OF EMPLOYMENT**

This Scheme does not confer or be construed to confer on an Eligible Person any special rights or privileges over the Eligible Person's terms and conditions of employment in the Group under which the Eligible Person is employed nor any rights additional to any compensation or damages that the Eligible Person may be normally entitled to arising from the cessation of such 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.

**30. 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 the Company, the provisions of the Articles of the Company shall at all times prevail.

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